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As filed with the Securities and Exchange Commission on September 17, 2021.

No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AvidXchange Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	7372	86-3391192
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1210 AvidXchange Lane
Charlotte, NC 28206
(800) 560-9305
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Michael Praeger
Chief Executive Officer
AvidXchange Holdings, Inc.
1210 AvidXchange Lane
Charlotte, NC 28206
(800) 560-9305
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Teri E. O'Brien Brandon J. Bortner Paul Hastings LLP 2050 M Street NW Washington, D.C. 20036 (202) 551-1720	Ryan Stahl General Counsel, Senior Vice President AvidXchange Holdings, Inc. 1210 AvidXchange Lane Charlotte, NC 28206 (800) 560-9305	Eric Jensen Matthew Dubofsky David Ambler Cooley LLP 3175 Hanover Street Palo Alto, CA 94304 (650) 843-5000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 under the Securities Exchange Act of 1934:

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common stock, par value $0.001 per share	$100,000,000	$10,910.00

(1) The proposed maximum aggregate offering price includes the offering price of additional shares that the underwriters have the option to purchase.
(2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities nor a solicitation of an offer to buy these securities in any jurisdiction where the offer and sale are not permitted.

SUBJECT TO COMPLETION, DATED , 2021

Shares

Common Stock

This is an initial public offering of common stock of AvidXchange Holdings, Inc. We are offering shares of our common stock.

Prior to this offering, there has been no public market for our common stock. The initial public offering price of our common stock is expected to be between $ and $ per share. We have applied to list our common stock on the Nasdaq Global Select Market, or Nasdaq, under the symbol "AVDX."

We are an "emerging growth company" as defined under the federal securities laws and, as such, we intend to comply with reduced disclosure and regulatory requirements.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 27.

Neither the Securities and Exchange Commission, or SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to AvidXchange Holdings, Inc., before expenses	$	$

(1) See "Underwriting" for a description of compensation payable to the underwriters and estimated offering expenses.

We have granted the underwriters the right to purchase up to an additional shares of common stock at the initial public offering price less the underwriting discounts and commissions within 30 days from the date of this prospectus.

The underwriters expect to deliver the shares against payment in New York, New York on , 2021

Goldman Sachs & Co. LLC **J.P. Morgan**

BofA Securities **Barclays**

Credit Suisse **KeyBanc Capital Markets** **Deutsche Bank Securities** **Piper Sandler**

Nomura **Fifth Third Securities**

Prospectus dated , 2021.

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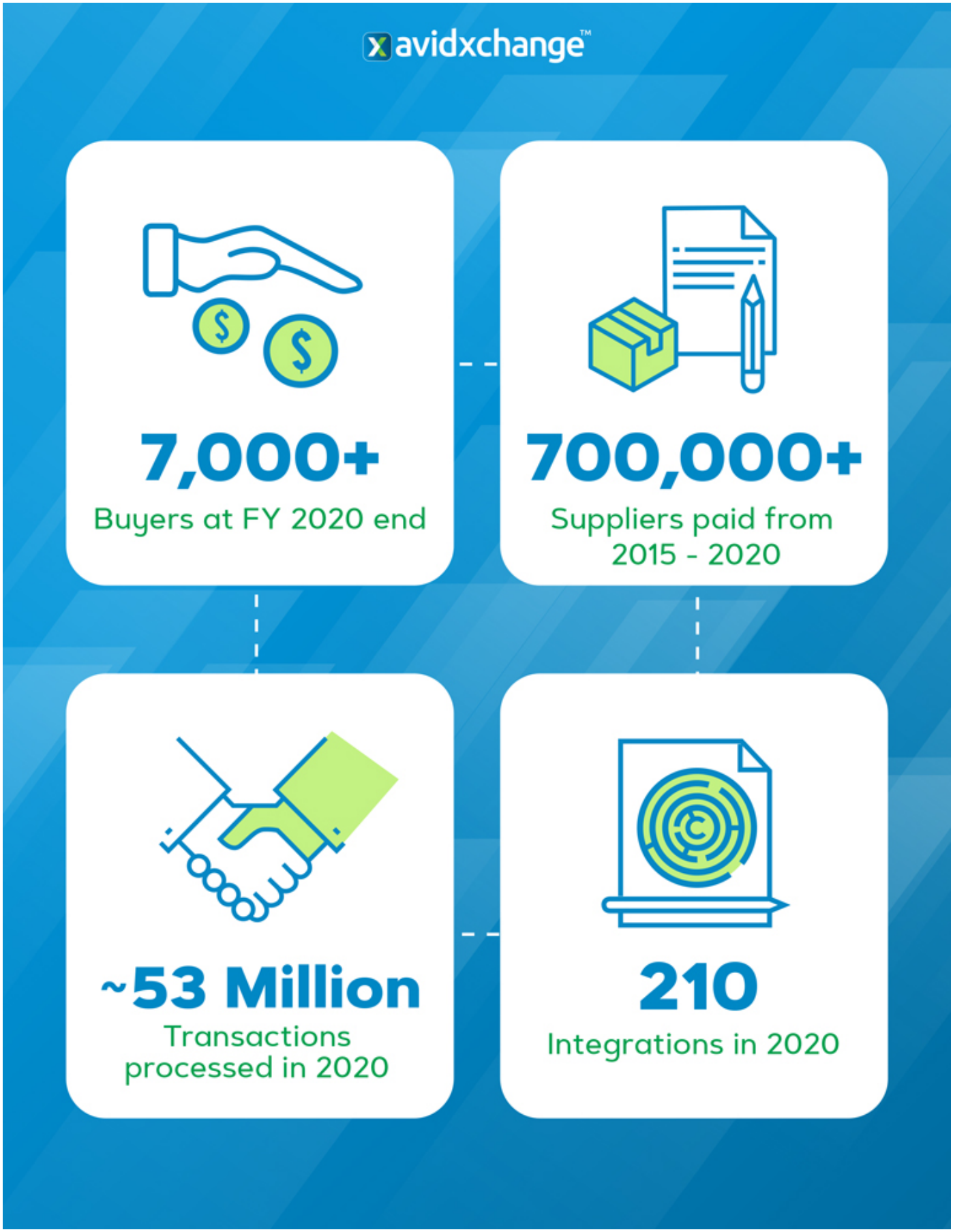

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avidxchange™

Transforming how middle-market businesses receive, manage and pay their bills.

"It's fantastic to be able to find anything that I'm looking for no matter where I am. If I am out on a job site, I can access it on my phone or at home I can sign in because it's web based. I don't have to be sitting at my desk. I don't have to wait for the emails to be printed, put in folders and coded. **AvidXchange** has just made things so much faster and smoother."

Maggie Josephson
Office Manager/Accountant at Ridgeline Construction Group, Inc

"I used to sign 800 to 1,000 checks, and now it's less than 20 or so a month. Had we not implemented AvidPay, I don't know what we would have done."

Todd Gorelick
Managing Partner at Gorelick Brothers Capital, LLC

"AvidXchange is perfect for both saving on labor and saving on time. They work directly with my vendors on setting up the payment that the vendor wishes to receive—they take that piece off my plate entirely. Getting vendors paid promptly makes everybody happy."

Andrea Glassberg
Accountant at Insite Properties, LLC

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Neither we nor the underwriters have authorized anyone to provide you with information different from, or in addition to, the information contained in this prospectus or in any free-writing prospectus prepared by or on behalf of us or to which we may have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, the shares of common stock offered hereby, but only under circumstances and in jurisdictions where offers and sales are permitted and lawful. The information contained in this prospectus is current only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the shares of common stock offered hereby.

Neither we nor any of the underwriters have taken any action that would permit a public offering of the shares of common stock outside of the United States or permit the possession or distribution of this prospectus or any related free-writing prospectus outside of the United States. Persons outside of the United States who come into possession of this prospectus or any related free-writing prospectus must inform themselves about and observe any restrictions relating to the offering of the shares of common stock and the distribution of the prospectus outside of the United States.

Until , 2021 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade shares of common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Basis of Presentation

Unless otherwise indicated or the context otherwise requires, financial data included, or incorporated by reference, in this prospectus reflects the business and operations of AvidXchange, Inc. and its consolidated subsidiaries. Until July 9, 2021, we operated through AvidXchange, Inc., which is now a wholly-owned subsidiary of AvidXchange Holdings, Inc. Following a reorganization, AvidXchange, Inc. merged into a wholly owned subsidiary of AvidXchange Holdings, Inc. and stockholders of AvidXchange, Inc. received identical shares in a 1:1 ratio of AvidXchange Holdings, Inc. in exchange for their shares of AvidXchange, Inc. AvidXchange Holdings, Inc. currently holds no assets other than the stock of AvidXchange, Inc., and conducts no separate operations. We currently use a calendar year fiscal year, with our fiscal year ending each year on December 31. Throughout this prospectus, all references to quarters and years are to our fiscal quarters and fiscal years, respectively, unless otherwise noted.

About This Prospectus

Unless otherwise indicated or the context otherwise requires, references in this prospectus to “we,” “our,” “us,” “AvidXchange,” and “our company” refer to AvidXchange, Inc. prior to our reorganization, and to AvidXchange Holdings, Inc. and its consolidated subsidiaries following the reorganization.

Trademarks

This prospectus contains references to our trademarks and service marks and to those belonging to other entities. Some of our trademarks and service marks include: AvidXchange, AvidPay Network, AvidPay Direct, AvidInvoice, BankTEL Ascend, Avid for NetSuite, Strongroom Payables Lockbox and Timberscan. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ™ or ® symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Market, Ranking and Other Industry Data

In this prospectus, we refer to information regarding market data obtained from internal sources, market research, publicly available information, and industry publications. Estimates are inherently uncertain, involve risks and uncertainties, and are subject to change based on various factors, including those discussed in the sections of this prospectus titled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.” We believe that these sources and estimates are reliable as of the date of this prospectus but have not independently verified them and cannot guarantee their accuracy or completeness. See “Market and Industry Data” for more information.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before deciding to purchase our common stock in this offering. You should read the entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. See "About This Prospectus."

Mission

Our mission is to transform how middle market businesses receive, manage and pay their bills.

Overview

We are a leading provider of accounts payable, or AP, automation software and payment solutions for middle market businesses and their suppliers. Our software-as-a-service, or SaaS, -based, end-to-end software and payment platform digitizes and automates the AP workflows for more than 7,000 businesses (our buyers) and we have made payments to more than 700,000 supplier customers of our buyers (suppliers) over the past five years. While acquiring new and retaining existing relationships with buyers and suppliers are important to our business, the growth of our business is ultimately dependent upon the number of transactions we process, as well as our total payment volume. We developed our technology platform through years of working to solve our buyers' unique middle market workflow challenges. Leveraging our deep domain expertise, we purpose-built a powerful two-sided network that connects buyers and suppliers, drives digital transformation, increases efficiency and accuracy in AP workflows, accelerates payments, enables insight into critical analytics, and lowers operating costs for our buyers.

The majority of businesses continue to operate paper-intensive back offices, particularly in their AP workflows. According to a study by the Association of Finance Professionals, 42% of business-to-business, or B2B, payment volumes in the United States are executed with paper checks. These manual payment methods are accompanied by complicated and labor-intensive steps to process invoices that are slow, expensive and vulnerable to error and fraud.

While solutions have been developed to address this friction, they are predominantly suited for larger enterprises and small to medium size businesses, or SMB. Larger enterprises can purchase expensive and highly sophisticated tools because they have the financial resources and talent base to support these systems. Meanwhile, SMBs more often utilize one-size-fits-all solutions that address simplistic or single-step workflows in less sophisticated business environments.

The middle market, however, remains underserved. We define middle market businesses primarily as companies with between $5 million and $1 billion in annual revenue. They have high invoice throughput, complex AP workflows and general ledger coding that are too sophisticated for the solutions typically utilized by SMBs. However, middle market businesses also operate at a smaller scale than the typical enterprise, which makes the more complicated enterprise solutions cost-prohibitive and difficult to implement. Additionally, the technology landscape for the middle market is highly fragmented and siloed, requiring a flexible technology stack that integrates with multiple software providers to automate workflows.

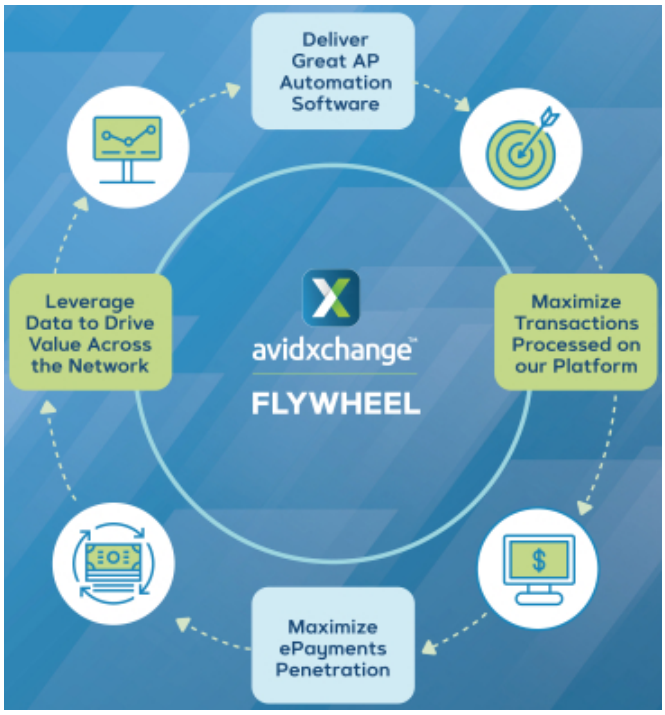
We built our business to solve this gap for the middle market and believe we have become a uniquely strategic platform for our customers' CFOs, treasurers and finance teams by digitally transforming how they receive, manage and pay their bills. Supported by deep integrations to our customers' middle market oriented accounting

and information systems, our platform automates the end-to-end AP workflows for our buyers and enhances the payment experience for our suppliers through the following products and features:

- **AP Automation Software:** We have developed a SaaS-based solution automating and digitizing the capture, review, approval and payment of invoices for our buyers. Our omni-channel ingestion engine provides unique, vertical-specific front-end software tools that streamline AP workflows for our buyers. We digitally capture invoices from suppliers and apply the buyer's specific business rules to enable them to begin processing the invoice, extract and utilize transaction data from the invoice to enhance and configure the approval workflows, and manage the entire AP process through the payment of the invoice.
- **The AvidPay Network:** Our two-sided payments network connects our buyers with their suppliers, enabling invoice payments on behalf of a buyer and according to the supplier's business rules, payment preferences and remittance data. We support a variety of payment methods depending on the supplier's preference, including virtual commercial card, or VCC, enhanced ACH (our AvidPay Direct) and physical check, while delivering rich remittance data to streamline the reconciliation process.
- **Cash Flow Manager:** We provide cash management solutions to our supplier network, including tools that provide a comprehensive view of invoices and an accelerator feature (our Invoice Accelerator). These additional features, and others in our product pipeline, allow us to both monetize and increase engagement on our two-sided payments network.

As indicated above, we serve over 7,000 buyers and have made payments to over 700,000 suppliers over the past five years. We do not have significant customer concentration in our business, with no single customer contributing more than 6% of 2020 revenue and with our top 10 customers contributing less than 15% of revenue in 2020 as well as the first six months of 2020 and 2021. Our customers operate across a variety of verticals in which we have deep domain expertise, including real estate, homeowners associations, or HOA, construction, financial services (including banks and credit unions), healthcare facilities, social services, education, and media. In 2020, we processed approximately 53 million transactions representing over $145 billion in spend under management across our platform and, of that, moved $38 billion in total payment volume from our buyers to their suppliers. Spend under management represents the sum of (i) the aggregate dollar amount of payments processed by us, plus (ii) the aggregate dollar amount represented by the total number of invoices processed by us, in each case, during the specified period. As described in more detail in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," we generate revenue from each transaction processed on a per transaction basis and earn interchange revenue from a portion of the total payment volume.

Our two-sided AvidPay Network of buyers and suppliers drives a powerful flywheel. We believe that by delivering a world-class AP automation experience, we attract more buyers and increase the number of transactions processed through our system. We also leverage our direct connections to our supplier network to increase penetration of electronic payments, which attracts more suppliers to our network. We capture more data from these additional transactions and e-payments that we use to continuously improve our AP automation experience, drawing more buyers, suppliers and, as a result, more transactions to our platform, which continues to fuel our organic growth. As we add more buyers to the AvidPay Network, both buyers and their suppliers benefit from our current network density which drives electronic payment adoption. In addition, new buyers bring new suppliers, thereby enabling us to continuously add more suppliers to the AvidPay Network and accelerating the flywheel of growth depicted below.



We sell our solutions through a hybrid go-to-market strategy that includes direct and indirect channels. Our direct sales force leverages their deep domain expertise in select verticals and over 120 referral relationships with integrated software providers, financial institutions and other partners to identify and attract buyers that would benefit from our AP software solutions and the AvidPay Network. Our indirect channel includes reseller partners and other strategic partnerships such as Mastercard, through MasterCard's B2B Hub, which includes Fifth Third Bank and Bank of America, and other financial institutions, such as KeyBank, and third-party software providers such as MRI Software, RealPage and SAP Concur. Our referral and indirect channel partnerships provide us greater reach across the market to access a variety of buyers.

We have achieved significant growth through our recurring revenue business model, which gives us visibility into future periods and which is leading to increasing gross margins as we grow our revenue base. We generated revenue of $149.6 million in 2019 and $185.9 million in 2020, representing year-over-year growth of 24.3%. Our gross profit was $62.6 million in 2019 and $85.4 million in 2020, resulting in gross margin of 41.9% in 2019 and 45.9% in 2020. Our Non-GAAP gross profit was $78.6 million in 2019 and $102.3 million in 2020, resulting in Non-GAAP gross margin of 52.5% in 2019 and 55.0% in 2020. Our net loss was $93.5 million in 2019 and $101.2 million in 2020, and we have generated a net loss of more than $484.0 million since inception. See the section titled "Summary Consolidated

Financial and Other Data — Key Performance Indicators and Non-GAAP Measures" for a discussion of the limitations of Adjusted EBITDA, Non-GAAP gross profit and Non-GAAP gross margin and reconciliations of these non-GAAP measures to the most comparable GAAP measures for the periods presented.

Our Industry

Our industry is a significant and growing market, which is defined by the following key factors and trends:

- *Legacy B2B Payments are complicated and inefficient:* Unlike the world of consumer payments, B2B payments require a set of complex workflows, accounting system integrations and processes centered on the purchase order or invoice. These involve rigorous payment approval processes and a payment generally initiated from and integrated to various accounting systems. Approximately 42% of U.S. B2B payment volume is still paid using paper checks which may require some form of manual intervention, taking time and resources to resolve. The labor and direct costs associated with these manual processes are expensive and time intensive, creating significant challenges and inefficiencies to those that are not able to digitize and automate these workflows.
- *Middle market businesses face unique challenges:* Middle market businesses face unique challenges with respect to their AP processes. The middle market features hundreds of accounting systems and integrations that support various vertical and sub-industries, resulting in a multitude of complex and highly specific business, accounting and compliance requirements. Furthermore, costs related to these complex AP workflows are a significant component of middle market companies' administrative expenses. These businesses are increasingly required to turn to automated cloud-based AP automation and B2B payment solutions to unlock substantial cost savings and create more operational efficiencies within their organizations.
- *Middle market businesses and their suppliers are largely ignored by existing solutions:* We believe middle market businesses and their suppliers are vastly underserved by existing financial software solutions. While a few key providers serve each of the larger enterprise buyers and the SMB buyers segment, middle market businesses are largely served by a highly fragmented market of vertical focused enterprise resource planning, or ERP, and software solutions. This fragmentation has led to hundreds of accounting systems available in the middle market today. Additionally, we believe that close to half of the market representing suppliers of our buyers is currently underserved by available offerings.
- *Generational shift in technology adoption:* As the next generation of accounting and finance leaders hail from an era of digital consumer finance transformation, there will be an increasing demand for digitization, data and technological efficiency added to standard business workflows. Today, the average newly hired CFO is over 49 years old, but we believe that the average CFO will be a digitally native millennial by the 2030s. Furthermore, the growing importance of data requires businesses to adopt platforms that provide real-time visibility, analytics and insights to inform better, more informed decision making. This next generation of leaders are driving the demand for technological advances in their companies and leading the outreach for solutions such as AvidXchange.

The COVID-19 pandemic highlighted and accelerated the need for dynamic, cloud-based solutions that are able to be utilized anytime and anywhere. The critical need for business continuity was even more pronounced during the shift to remote work environments and through the U.S. mail disruption. Businesses need to be able to receive invoices, pay bills and seamlessly run their businesses no matter what external factors may occur. Digital solutions offer a more secure, reliable, and flexible solution to legacy manual processes.

Our Market Opportunity

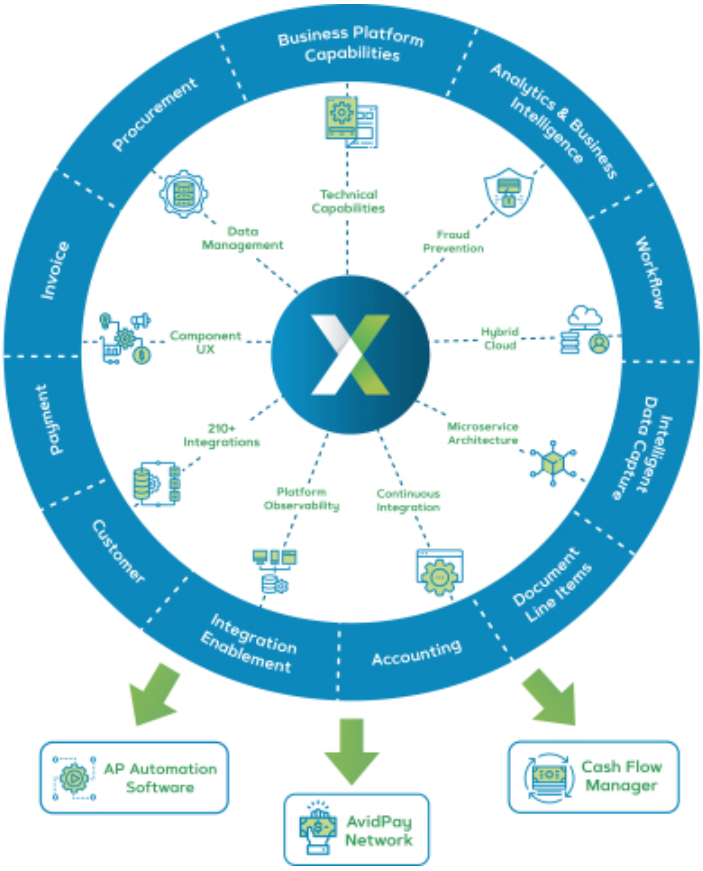
The B2B payments market is rapidly evolving and represents a significant opportunity for digital transformation. According to a 2018 Mastercard report, North American companies make approximately $25 trillion of B2B payments annually. Despite their intrinsic process inefficiencies and high costs, paper checks still comprise 42% of all B2B payments in the United States. In response to this large volume of inefficient processes, the market is undergoing a transformation. A recent study from PYMNTS.com found that 46% of AP professionals would like to implement digital AP automation solutions while a separate MarketsandMarkets study expects the AP automation market to grow 11% annually by 2024.

We believe these market inefficiencies and current trends present a large and growing opportunity for our business. We believe based on our analysis that our current addressable market includes approximately 435,000 U.S. middle market businesses, and represents a significant and underserved revenue opportunity for future growth. We define this opportunity set as businesses with primarily between $5 million and $1 billion in annual revenue or those that manage and aggregate large volumes of AP within our defined verticals. As companies continue to automate complex AP workflows and replace paper checks with alternative electronic payment methods such as VCCs and proprietary electronic payment methods, we estimate more than $20 billion in addressable annual revenue opportunities across both AP automation solutions and B2B payment transactions based on our average revenue per core customer (that is, those customers who subscribe to our services other than only to our Create-a-Check product) during the year ended December 31, 2020.

In addition to providing B2B payments, we believe we can become a strategic cornerstone of our suppliers' finance organizations to better manage expenses and cash flow. We believe that there is a large unmet need in supplier invoice finance, with close to half of the market underserved. Our solutions help suppliers accelerate invoices for early payment, manage supplier payment preferences, and forecast future cash flows. We believe that the total addressable market opportunity for these solutions represents more than $20 billion in additional whitespace opportunity, bringing our total addressable market to north of $40 billion.

Our Solution and Key Strengths

We transform the way AP works for the middle market. Our platform was purpose-built for the middle market since we wrote our first line of code, based on our desire to deal with the business process complexities of our initial customers. Our intuitive user interfaces are an entry point to a broader user experience emphasizing visibility and control. The SaaS-based technical underlayer drives digital transformation and provides the scalability to grow with our buyers. At the same time, we deliver innovative solutions to our buyers, giving them access to the advanced features needed to transform their AP processes. In addition to horizontal offerings, we have a range of sophisticated vertical specific software offerings, including AvidInvoice, AvidBuy, AvidPay, AvidUtility, BankTEL Ascend, Avid for NetSuite, Strongroom Payables Lockbox, Timberscan and Titanium among other offerings. In 2020, we processed approximately 53 million transactions with over $145 billion in spend under management across our platform.



Product Overview

- **AP Automation Software:** Our SaaS-based AP automation products simplify and streamline the end-to-end payables workflows beginning with the ingestion of the invoice by the buyer, continuing through the approval and review stages and ending with the payment of the invoice. Our AP automation software provides vertical-specific platforms that are designed to address the intricacies of the business challenges facing each of our core verticals. Throughout this process, our solutions

integrate into and synchronize with accounting systems to ensure reporting and reconciliation occur timely and accurately.

- **The AvidPay Network:** One of our core innovations is our two-sided payments network connecting our buyers with their suppliers. We support a variety of fast and efficient payment methods for our suppliers, including electronic payments by VCC and ACH, and check, and deliver robust remittance data to streamline the reconciliation process with the supplier's accounting systems.
- **Cash Flow Manager:** We provide cash management solutions to our supplier network that include tools providing a comprehensive view of invoices and an accelerator feature. For example, we offer Cash Flow Manager, which provides suppliers with visibility and access to their outstanding invoices, and Invoice Accelerator, which allows eligible invoices to be paid prior to their due date.

Our products are supported by the following technical and business platform capabilities.

Technical Platform Capabilities

- **Cloud Based**: Our technology infrastructure is built upon a hybrid cloud, which we are currently migrating from private to public hosting. This supports a scalable architecture that underpins our growth strategy.
- **Velocity of Innovation**: We are continuing to develop a microservices architecture as well as capabilities around continuous integration and delivery. This allows us to compress development cycles and release multiple feature updates per quarter versus quarterly or even annual cycles observed among legacy providers.
- **Flexibility**: We offer over 210 integrations with different accounting systems, ensuring our customers have the flexibility to integrate with the fragmented universe of software solutions that defines the middle market technology landscape.

Business Platform Capabilities

- **Procurement and Order Management**: Allows buyers to order and ensure appropriate delivery of purchased items, including requisition, purchase order, receipt management, and other related features.

- **Invoice**: Provides capabilities to ingest, standardize, centralize, and publish invoices.
- **Payment**: Provides straight through processing for payments to advance the customer experience by bridging the gap between front-end customer touchpoints and back-end payment execution while reducing customer cost.
- **Customer**: Provides capabilities to unify and make customer entities and their related entities visible, manageable, and searchable. This enables other platform domains to associate transactions, interactions, and other relevant metadata to the AvidXchange unified customer record for operations, analysis, and customer experiences.
- **Integration Enablement**: Centralized, configurable and extensible engine allowing the critical, bi-directional flow of data between customers' financial systems, partners, and the broader AvidXchange ecosystem of services.
- **Accounting**: Allows management of common accounting objects such as codes, dimensions, legal entities, budgets, and other accounting elements essential to procurement and payment.
- **Document Line Items**: Allows AvidXchange buyers to properly account for purchases by tracking individual items and their costs in requisitions, purchase orders, invoices, and receipts.
- **Intelligent Data Capture**: Combines character recognition technology, Artificial Intelligence, or AI, based data extraction and stored customer business rules to automatically insert ingested invoices into customer approval workflows. This expedites document delivery and processing and automates manual processes that burden our customers.
- **Workflow**: Provides business automation capabilities and allows AvidXchange buyers the ability to create configurable business rules and sequences of operations for processing of objects found in the AvidXchange ecosystem.
- **Analytics & Business Intelligence**: Enables AI/Machine Learning, or ML, capabilities throughout AvidXchange's platforms and products, reducing operational costs through the power of automation at scale.

Benefits to our Buyers

- **Accelerate Digital Transformation:** We enable middle market buyers to fully digitize their mission-critical AP workflows from invoice ingestion to payment. For example, by applying business rules configurable to each company to document ingestion, our intelligent data capture automates acceptance of invoices and seamlessly inserts them into the AP workflows and approval process. By automating these processes, our platform reduces human-error, speeds approvals and ensures businesses have more transparency on their cash flow.
- **Enhanced Visibility and Control:** We empower our buyers to control each step of their AP workflows through flexible software that can be self-tailored to fit their unique business and process logic. This ensures that each of our buyers can impose the appropriate level of reviews and approvals to support the required internal controls of their customers.
- **Reduced Cost Burden:** Eliminating manual reviews and intervention allows our buyers to realize significant savings. We estimate the total cost of processing a paper invoice is approximately $19.00 across the paper invoice and paper check payment. We believe that automating these processes reduces that cost by over 60%, while also improving the accuracy of reporting and reconciliation.
- **Advanced Risk Management**: Our software platform and data enables risk mitigation for our buyers and suppliers. According to the 2019 AFP Payments Fraud and Control Survey, 82% of organizations

reported fraud incidents in 2018, and 43% experienced direct financial loss as a result. Our SaaS automation software coupled with our depth of buyer business logic better empowers our buyers to detect and prevent fraudulent attacks through paper and digital means. In addition, in order to ensure we can move money on our buyers' behalf safely, securely and with transparency, we have become a licensed money transmitter in the United States.

- **Manage Supplier Relationships**: We enable buyers to manage and maintain strong supplier relationships. In addition to enabling payments to be made on time, we maintain supplier payment preferences that buyers need in order to make payments. By digitizing this information to facilitate payments made on our network, we streamline buyer and supplier engagement, helping buyers build long-term supplier relationships that drives business growth.

Benefits to our Suppliers

- **Send invoices electronically:** Enabling the digital transmittal of invoices saves our suppliers the time and cost associated with mailing paper invoices.
- **Receive payments faster:** Suppliers who elect to receive payment via our VCC or AvidPay Direct product can expect delivery of each payment and related remittance information in as little as 24 hours. These rapid payment schemes enable suppliers to effectively manage their cash flows.
- **Data rich remittances:** Along with the payment, we also deliver robust data files regarding the transaction, which enable suppliers to quickly and accurately update their back-end systems and facilitate their cash application and reconciliation process with limited manual data entry.

Go-To-Market

We have made significant investments in our sales and marketing organization, and we employ a hybrid go-to-market strategy utilizing both direct and indirect channels. Our go-to-market organization consists of over 600 employees supporting buyers and suppliers in our direct sales, marketing and relationship management teams and is a cornerstone of creating and maintaining trusted customer relationships.

Direct sales: Our buyer direct sales organization is aligned within key industry verticals where we have developed a specialized industry and product domain expertise, including: real estate, HOAs, construction, financial services (including banks and credit unions), healthcare facilities, social services, education, and media. The buyer-focused sales team takes a targeted approach to assess and attract clients that would benefit from our AP software solutions and the AvidPay Network. Our direct sales team manages our network of over 120 referral relationships with integrated software providers, financial institutions and other partners that refer AvidXchange's solutions and services to their customer networks. Our target businesses generally have greater than $5 million in annual revenue and/or process at least 200 invoices or more than 100 payments per month.

Indirect channels: Our buyer indirect sales channel includes reseller partners and other strategic partnerships. Bank of America and Fifth Third Bank, through Mastercard's branded "Mastercard B2B Hub," and KeyBank resell AvidXchange's software and services to their customers. Our strategic software and technology partners include brands such as MRI Software, RealPage, and SAP Concur, in addition to other non-strategic partners. These partnerships allow us to increase wallet share in existing markets and expand into adjacent markets.

We also have an extensive sales force of over 90 employees dedicated to executing our proprietary supplier engagement process and onboarding the vast number of suppliers that interact with our solutions and network. Our automated processes quickly detect anytime a payment is made to an out-of-network supplier, after which

our dedicated teams quickly work to engage and onboard interested parties. Our active focus on supplier retention and enhancement of supplier-focused automated solutions continues to expand the overall network.

We intend to continue to invest in our sales and marketing capabilities to capitalize on our market opportunity.

Why We Win

Our customers choose us for the tangible value proposition our solutions offer. We believe we have several competitive advantages that drive our ability to leverage our first mover market position:

- **Built to solve the unique business challenges of the middle market:** Since our inception, our solution has been purpose-built for the middle market. Our platform addresses enterprise level challenges, but at the scale, price and in the language of the middle market.
- **Digitize the entire AP workflow:** We apply data and SaaS-based software automation to the entirety of the AP workflow. While some tools require the buyer to first handle invoice ingestion, we focus on transforming the buyer experience by owning, and enhancing, each point of the value chain. Our platform will handle invoice ingestion, whether through paper or electronic means, and replicate that ownership and automation through to payment.
- **Comprehensive, end-to-end AP Automation and payments platform:** Our comprehensive solution provides a single-vendor approach to eliminate paper, streamline workflows and ensure timely and accurate reconciliation. We have spent years building a software and payments platform coupled with hundreds of integrations to vertical-specific middle market accounting and information systems. We believe this provides us with a unique competitive advantage to automate AP workflows, streamline invoice payment and continue to grow our two-sided network.
- **Scaled, two-sided network of buyers and suppliers powers a flywheel effect:** We provide the infrastructure layer connecting our buyers with their suppliers. As buyers approve and pay more invoices through our platform, we connect them to their suppliers and add more suppliers to our network, which drives an expansion of the flywheel effect that fuels our growth. As a result of this ongoing flywheel, we have built a high level of supplier density that allows us to monetize payments almost immediately after a buyer joins our platform.
- **Diverse and deep integration layer:** We offer more than 210 integrations with different accounting systems that allow our clients to curate a technology stack tailored to the nuances of their size, scale and vertical. Our “built inside” integrations, many of which are flexible API-based integrations, facilitate increasingly seamless exchanges of data, driving enhanced user experiences and utility and providing a feature set and level of customization historically reserved only for enterprises.
- **Unparalleled data capabilities:** Our buyers and suppliers benefit from the more than 190 million invoices we have ingested and processed since inception. From the beginning, we recognized the feedback value of data and as such our product development and operations benefit from two decades of transactions. We believe we ingest invoices more accurately, manage risk more insightfully and assess credit more thoughtfully in part due to a knowledge base that continues to grow every day.
- **“Win as a team” culture:** Our culture is our DNA. It’s what brings us together and makes us who we are. We believe our culture gives us a unique competitive advantage. Our strength lies in leveraging the unique differences our employees bring to the workplace. We value diverse talents, skills, ideas, ways of thinking, backgrounds and life stories – all of which drive our innovation and performance. As entrepreneurs seeking innovative solutions to serve our customers, we want every employee to feel a strong sense of purpose and belonging. Therefore, we strive to create a workplace where every employee feels comfortable and empowered to bring their full, authentic self to work every day. As we

continue to grow the business, we also intentionally focus on the key drivers of employee experience and engagement: wellbeing, growth and development, and rewards and recognition. Engaged employees are imperative to achieve strong company performance and excellent customer experience.

Our Commitment to Our Community

We are committed to sharing our resources and time in support of philanthropic efforts. In demonstration of this commitment, on June 24, 2021, our board of directors approved the reservation of 414,324 shares of our common stock (representing approximately 1% of our issued and outstanding common stock and common stock equivalents as of June 24, 2021) for future issuance to fund our philanthropic endeavors, including possible issuance to a philanthropic partner in connection with the establishment of a donor-advised fund, over a ten-year period. We intend to issue the first contribution of 10% of the pledged shares shortly after the execution of an agreement with a philanthropic partner. Thereafter, we intend to provide annual ongoing grants of 10% of the pledged shares for a period of nine subsequent years, subject in each case to the approval of our board of directors.

Growth Strategy

We are dedicated to continuing to differentiate ourselves as the leader in AP automation software and payment solutions for middle market businesses through our multi-pronged approach. Key elements of our growth strategy include the following:

- Continue to drive the number of transactions processed by acquiring new buyers and suppliers and increasing transactions processed between our existing buyers and their suppliers.
- Increase conversion of paper checks to electronic payments.
- Continue to innovate and enhance new products.
- Selectively pursue strategic M&A.
- Enter new verticals.
- International expansion.

Recent Operating Results (Preliminary and Unaudited)

We are in the process of finalizing our results as of and for the three months ended September 30, 2021. We have presented below certain preliminary results representing our estimates for the three months ended September 30, 2021, which are based only on currently available information and do not present all necessary information for an understanding of our financial condition as of September 30, 2021 or our results of operations for the three months ended September 30, 2021. We have provided ranges, rather than specific amounts, for the preliminary estimates for the unaudited financial and other data described below primarily because our financial closing procedures for the three months ended September 30, 2021 are not yet complete and, as a result, our final results upon completion of our closing procedures may vary from the preliminary estimates. The preliminary financial data included in this Registration Statement has been prepared by, and is the responsibility of, AvidXchange's management.

PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. We expect to complete our interim financial statements for the three months ended September 30, 2021 subsequent to the completion of this offering. While we are currently unaware of any items that would require us to make adjustments to the financial information set forth below, it is

possible that we may identify such items as we complete our interim financial statements and any resulting changes could be material. Accordingly, undue reliance should not be placed on these preliminary estimates.

These preliminary estimates are forward-looking statements, may differ from actual results and should be read together with “Risk Factors”, “Cautionary Note Regarding Forward-Looking Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included in this prospectus.

	Three Months Ended September 30,		
	2021 Estimated		2020
Selected Financial Data, Non-GAAP Financial Measures and Key Metrics:	**Low**	**High**	**Actual**

Summary Risk Factors

Investing in our common stock involves risk. Before investing in our common stock, you should carefully consider all the information in this prospectus. In particular, please read the section titled "Risk Factors," which describes certain known risks and uncertainties that may offset our competitive strengths or have a negative effect on our strategy or operating activities, which could cause a decrease in the price of our common stock and result in a loss of all or a portion of your investment. These risks and uncertainties include, but are not limited to, the following:

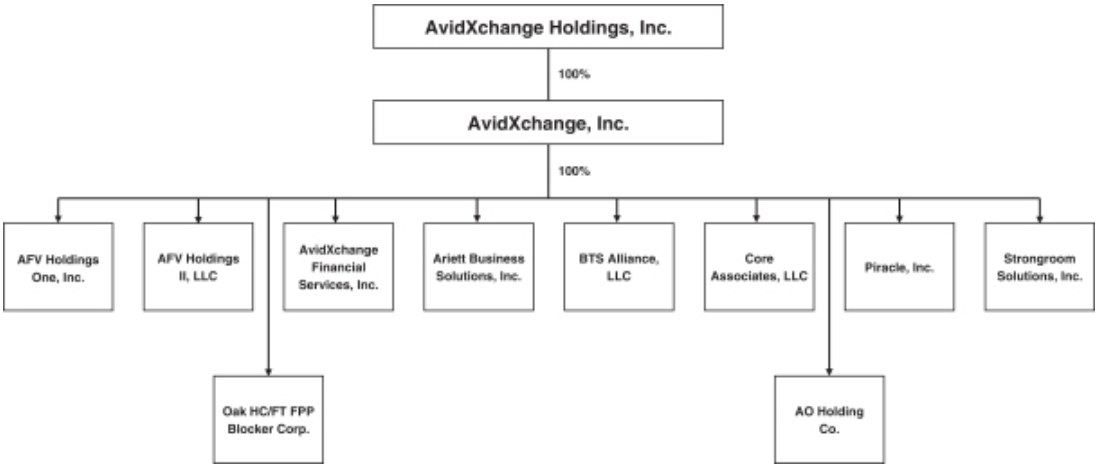
- We have a history of operating losses and we may not achieve or sustain profitability in the future.
- Our future revenue and operating results will be harmed if we are unable to acquire new customers, retain existing customers, expand sales to our existing customers, or develop new functionality for our platform that achieves market acceptance.
- Our historical growth may not be indicative of our future performance and our growth is dependent on a number of factors that we do not control.
- We participate in highly competitive and fragmented markets, and our industry is rapidly evolving.
- We transfer large sums of customer funds daily, and are subject to the risk of errors, which could result in financial losses and damage to our reputation and customer trust.
- We, our strategic partners, our buyers and suppliers, and others who use our services obtain and process a large amount of data. Any real or perceived improper or unauthorized use of, exposure of, disclosure of, or access to such data could harm our reputation as a trusted brand, as well as have a material adverse effect on our business.
- We earn a substantial portion of our revenue from electronic payment transactions and our growth is dependent upon the continued acceptance, security and adoption of electronic payment types that result in interchange revenue.
- If we lose key members of our team including our Co-Founder and Chief Executive Officer, or if we are unable to attract and retain talent, our business may be harmed.
- We may not be able to scale our business and technology quickly enough to meet our growth.
- We may lose existing customers or fail to attract new customers if we are unable to deliver new software, solutions and technology for our platform.
- Interruptions or delays in the services provided by third-party data centers or internet service providers could impair the delivery of our products and services.
- We are subject to the payment card network rules and our failure to comply with these rules could harm our business.
- We depend on banks, bank partners and other third-party service providers to process transactions.
- Our long-term growth strategy depends, in part, on strategic partnerships and indirect sales partners.
- The loss of one or more of our key customers or strategic partners could negatively affect our ability to market our platform.
- We use open-source software in our products, which could subject us to litigation or other actions.
- We identified material weaknesses in our internal control over financial reporting, and if we fail to remediate these material weaknesses or if we otherwise fail to establish and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.
- Uncertain or weakened economic conditions, including as a result of COVID-19, may adversely affect our industry, business and results of operations.

- Our risk management efforts may not be effective to prevent fraudulent activities by our customers or their counterparties or third parties, which could expose us to material financial losses and liability and otherwise harm our business.
- Our business, which includes payment services, is subject to extensive government regulation and oversight. Our failure to comply with extensive, complex, overlapping, and frequently changing rules, regulations, and legal interpretations could materially harm our business and noncompliance with such laws can subject us to criminal liability.
- Our Senior Secured Credit Facilities and Guaranty Agreement provides our lenders with a first-priority lien against substantially all of our and our subsidiaries' assets and personal property, and contains financial covenants and other restrictions on our and our subsidiaries' actions, which could limit our operational flexibility and otherwise adversely affect our financial condition.

Our Corporate Information

AvidXchange Holdings, Inc. was formed in January 2021 to serve as a holding company for AvidXchange, Inc., which was formed in 2000 as a Delaware corporation, originally named AvidXchange.com, Inc., changing its name in 2003 to AvidXchange, Inc. In our restructuring transaction, on July 9, 2021, stockholders of AvidXchange, Inc. received identical shares in a 1:1 ratio of AvidXchange Holdings, Inc. in exchange for their shares of AvidXchange, Inc., and AvidXchange, Inc. became a wholly owned subsidiary of AvidXchange Holdings, Inc., which is a holding company, the sole asset of which is the stock of AvidXchange, Inc. Prior to the restructuring, AvidXchange Holdings, Inc. did not conduct any activities other than in connection with its formation and in preparation for this offering. Accordingly, our consolidated financial statements and other financial information included in this prospectus as of dates and for periods prior to the date of the restructuring reflect the results of operations and financial position of AvidXchange, Inc. Our consolidated financial information, if any, as of dates and for periods from and after the date of the restructuring reflect the results of operations and financial condition of AvidXchange Holdings, Inc. and its wholly-owned subsidiary, AvidXchange, Inc., unless otherwise expressly stated. References throughout this prospectus to "AvidXchange," "we," "us" or "our" refer to either AvidXchange, Inc. (prior to the restructuring) or AvidXchange Holdings, Inc. (after the restructuring).

The diagram below depicts our current organizational structure (including the direct subsidiaries of AvidXchange, Inc.).



Our principal executive offices are located at 1210 AvidXchange Lane, Charlotte, NC 28206 and our telephone number is (800) 560-9305. We maintain a website at the address www.avidxchange.com. **Information contained on, or accessible through, our website is not a part of this prospectus and you should not rely on that information when making a decision to invest in our common stock.**

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, or JOBS Act, enacted in April 2012. An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include:

- not being required to comply for a certain period of time with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a stockholder advisory vote on executive compensation and any golden parachute payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common stock in this offering. However, if certain events occur prior to the end of such five-year period, including if: (i) we become a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (ii) our annual gross revenue exceeds $1.07 billion; or (iii) we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information in this prospectus and that we provide to our stockholders in the future may be different from what you might receive from other public reporting companies in which you hold equity interests. In addition, pursuant to the JOBS Act, as an emerging growth company we have elected to take advantage of an extended transition period for complying with new or revised accounting standards. This effectively permits us to delay adoption of certain accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our common stock less attractive to investors.

The Offering	
Issuer	AvidXchange Holdings, Inc.
Common stock we are offering	shares
Option to purchase additional shares of common stock	shares
Common stock to be outstanding after the offering	shares
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares of our common stock in full) based on an assumed initial public offering price of $ per share of common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering (including any additional proceeds that we may receive if the underwriters exercise their option to purchase additional shares of our common stock) to redeem the shares of redeemable preferred stock issuable upon conversion of our senior preferred stock (approximately $169 million), and for general corporate purposes, which we currently expect will include headcount expansion, continued investment in our sales and marketing efforts, product development, general and administrative matters, and working capital. We may also use a portion of the net proceeds for acquisitions or strategic investments in complementary businesses, products, services, or technologies, although we do not currently have any definitive plans or commitments for any such acquisitions or investments. See the section titled “Use of Proceeds” for more information.
Directed share program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the common stock being offered for sale, to certain individuals and entities associated with us. We will offer these shares to the extent permitted under applicable regulations. Any directors and officers that buy shares of common stock through the directed share program will be subject to a lock-up with respect to such shares. See “Shares Eligible for Future Sale-Lock-Up Agreements.” The number of shares of common stock available for sale to the general public in this offering will be reduced to the extent that such persons or entities purchase such reserved shares. Any reserved shares not purchased will be offered by the underwriters to the general public on the same terms as the other shares of common stock. See “Underwriting.”
Listing	We have applied to list our common stock on Nasdaq under the trading symbol “AVDX.”

Risk factors	For a discussion of risks relating to our company, business, industry and an investment in our common stock, see "Risk Factors" and the other information set forth in this prospectus before investing in our common stock.

The number of shares of our common stock that will be outstanding after this offering is based on shares of our common stock (including preferred stock on an as-converted basis and 47,112 restricted stock units, or RSUs, that have met their time-based vesting trigger and will vest in full upon completion of this offering) outstanding as of June 30, 2021, and excludes:

- 1,421,108 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2021, with a weighted-average exercise price of $29.73 per share;
- 576,436 shares of our common stock issuable upon the vesting of RSUs outstanding as of June 30, 2021;
- shares of our common stock reserved for issuance pursuant to the 1% pledge program;
- shares of our common stock reserved for future issuance under our 2021 Long Term Incentive Plan, or our 2021 Plan, which includes an annual evergreen increase and will become effective in connection with this offering, including the shares of common stock reserved for issuance as of June 30, 2021 under our Equity Incentive Plan, or our 2020 Plan, which shares will be added to the shares reserved under the 2021 Plan; and
- shares of our common stock reserved for future issuance under our 2021 Employee Stock Purchase Plan, or ESPP, which includes an annual evergreen increase and will become effective in connection with this offering.

Unless otherwise indicated, the information in this prospectus assumes or reflects:

- the filing of our amended and restated certificate of incorporation and the effectiveness of our amended and restated bylaws, each of which will occur immediately following the completion of this offering;
- a -for-1 forward stock split of our then-outstanding common stock (without any change in the par value per share) effected on ;
- the automatic conversion of all 27,359,830 outstanding shares of our preferred stock (other than our senior preferred stock) as of June 30, 2021, into an aggregate of 27,785,532 shares of our common stock, which will occur immediately prior to the completion of this offering;
- the automatic conversion of our senior preferred stock into 169,000 shares of redeemable preferred stock and 696,402 shares of convertible common stock and the automatic conversion of all shares of convertible common stock issuable upon conversion of the senior preferred stock into an aggregate of shares of our common stock (based upon an assumed initial public offering price of $, the midpoint of the price range set forth on the cover of this prospectus), which will occur immediately prior to the completion of this offering (see below for a calculation of shares of common stock issuable upon such conversion at various public offering prices);
- the redemption of all shares of redeemable preferred stock issuable upon conversion of the senior preferred stock;
- shares of common stock to be issued upon the automatic net exercise of warrants outstanding as of June 30, 2021, with a weighted-average exercise price of $8.16 per share, immediately prior to the completion of this offering, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus;
- no exercise of the outstanding options or warrants described above (other than the net exercises described above) or settlement of RSUs described above;

- no exercise by the underwriters of their option to purchase up to an additional shares of common stock from us; and
- no purchase of our common stock by executive officers, directors and existing stockholders through the directed share program described under "Underwriting."

Additional Shares of Common Stock Issuable Upon Conversion of Convertible Common Stock

Our senior preferred stock converts automatically upon the closing of this offering into shares of redeemable preferred stock and convertible common stock. No shares of senior preferred stock will remain outstanding following such conversion. Prior to completion of this offering, holders of a majority of the convertible common stock to be issued upon automatic conversion of the senior preferred can provide us a notice of election to redeem all shares of convertible common stock issued upon conversion of the senior preferred stock, which redemption would occur upon consummation of this offering. The redemption price per share would be determined based upon the relative increase between the value of our common stock at initial issuance of the senior preferred stock and the initial public offering price per share of our common stock in this offering, or the IPO Price. If such requisite notice of election to redeem is not provided, all shares of convertible common stock issued upon conversion of the senior preferred stock will automatically convert into shares of our common stock upon completion of this offering, with the number of shares of common stock so issued similarly being determined based upon the IPO Price.

As of June 30, 2021, we had 2,722,166 shares of senior preferred stock outstanding, which would convert into 169,000 shares of redeemable preferred and 696,402 shares of convertible common stock. If none of the 696,402 shares of convertible common stock are redeemed upon consummation of this offering, these shares of convertible common stock would convert into shares of our common stock, based upon an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, or the Midpoint Share Assumption.

For illustrative purposes only, the table below sets forth the number of shares of our common stock issuable upon conversion of each share of convertible common stock at a range of IPO Prices and the resulting increase (decrease) in the total number of outstanding shares of our common stock following this offering relative to the Midpoint Share Assumption, assuming the number of shares to be offered by us, as set forth on the cover page of this prospectus, remains the same.

IPO Price	Shares of Common Stock Issuable Per Share of Convertible Common	Aggregate Increase (Decrease) Relative to Midpoint Share Assumption
$		
$		
$		
$		

Summary Consolidated Financial and Other Data

The following tables set forth our summary consolidated financial and other data for the periods presented and at the dates indicated below. The selected consolidated statements of operations data for the years ended December 31, 2020 and 2019, and the consolidated balance sheet data as of December 31, 2020, have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated statements of operations data for the six months ended June 30, 2021 and 2020, and the unaudited consolidated balance sheet data as of June 30, 2021, have been derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The consolidated financial and other data for the periods presented reflects the revision for the correction of errors described in the notes to the financial statements included within this prospectus. Our historical results are not necessarily indicative of the results that may be expected in any future period. The following summary consolidated financial data should be read together with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
Consolidated Statements of Operations	**2020**	**2019**	**2021**	**2020**
(in thousands, except share and per share data)				
Revenues	$ 185,928	$ 149,584	$ 113,968	$ 85,465
Cost of revenues (excluding depreciation and amortization)	83,755	71,133	45,551	40,666
Operating expenses				
Sales and marketing	47,910	39,583	28,058	23,516
Research and development	44,500	33,591	27,553	21,101
General and administrative	56,395	52,101	29,934	20,456
Impairment of intangible asset	924	7,891	574	924
Depreciation and amortization	27,514	22,340	14,170	13,780
Total operating expenses	177,243	155,506	100,289	79,777
Loss from operations	(75,070)	(77,055)	(31,872)	(34,978)
Other income (expense)				
Interest income	1,675	1,383	297	977
Interest expense	(20,080)	(17,259)	(10,111)	(9,977)
Change in fair value of derivative instrument	(7,537)	(555)	(138)	(6,545)
Charge for amending financing advisory engagement letter — related party	—	—	(50,000)	—
Other expenses	(25,942)	(16,431)	(59,952)	(15,545)
Loss before income taxes	(101,012)	(93,486)	(91,824)	(50,523)
Income tax expense	234	60	201	117
Net loss	$ (101,246)	$ (93,546)	$ (92,025)	$ (50,640)
Deemed dividend on preferred stock	(43,414)	(6,494)	—	—
Accretion of convertible preferred stock	(21,682)	(7,906)	(9,405)	(10,419)
Net loss attributable to common shareholders	(166,342)	(107,946)	(101,430)	(61,059)
Net loss per share attributable to common shareholders, basic and diluted	$ (13.38)	$ (10.15)	$ (7.61)	$ (5.38)
Weighted-average shares used to compute net loss per share attributable to common shareholders, basic and diluted	12,434,563	10,631,679	13,329,319	11,346,058
Pro forma net loss attributable to common shareholders(1)				
Pro forma net loss per share attributable to common shareholders, basic and diluted(1)	$		$	
Pro forma weighted-average shares used to compute net loss per share attributable to common shareholders, basic and diluted(1)				

Disaggregation of Revenue: *(in thousands)*	Year Ended December 31, 2020	Year Ended December 31, 2019	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Software revenue	$ 68,063	$ 50,147	$ 42,071	$ 33,012
Payment revenue	115,745	98,335	70,620	51,807
Services revenue	2,119	1,102	1,277	646
Total revenues	$ 185,928	$ 149,584	$ 113,968	$ 85,465

Consolidated Balance Sheet Data: *(in thousands)*	As of June 30, 2021 Actual	As of June 30, 2021 Pro Forma(2)	As of June 30, 2021 Pro Forma As Adjusted(3)(4)	As of December 31, 2020
Cash and cash equivalents	$ 202,938			$ 252,458
Total assets	1,222,373			726,511
Total liabilities	939,715			404,991
Total convertible preferred stock	842,030			832,625
Total stockholders' deficit	(559,372)			(511,105)

(1) Unaudited pro forma net loss per share for the year ended December 31, 2020 and the six months ended June 30, 2021 was determined using the weighted-average number of shares of common stock outstanding during the period and after giving pro forma effect to the (i) conversion of all outstanding shares of convertible preferred stock (other than senior preferred stock) into shares of common stock, (ii) net exercise of outstanding warrants (based upon an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), (iii) vesting of RSUs that had met their time based vesting condition, (iv) conversion of all outstanding senior preferred stock into shares of redeemable preferred stock and convertible common stock and (iv) conversion of all outstanding shares of convertible common stock issuable upon conversion of the senior preferred stock into shares of common stock (based upon an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), in each case, assuming such conversion or exercise, as applicable, had occurred at the beginning of our most recently completed fiscal year.

(2) The pro forma column in the consolidated balance sheet data table above reflects (i) a -for-1 forward stock split of our then-outstanding common stock, effected on without a change in the par value per share; (ii) the automatic conversion of all 27,359,830 outstanding shares of our preferred stock (other than our senior preferred stock) as of June 30, 2021, into an aggregate of 27,785,532 shares of our common stock which will occur immediately prior to the completion of this offering; (iii) the automatic conversion of our senior preferred stock into 169,000 shares of redeemable preferred stock and 696,402 shares of convertible common stock; (iv) the 47,112 RSUs that met their time-based vesting condition as of June 30, 2021 and will vest in full upon completion of this offering; (v) the automatic conversion of all shares of convertible common stock issuable upon conversion of the senior preferred stock into an aggregate of shares of our common stock (based upon an assumed initial public offering price of $, the midpoint of the price range set forth on the cover of this prospectus), which will occur immediately prior to the completion of this offering; (vi) shares of common stock to be issued upon the automatic net exercise of warrants outstanding as of June 30, 2021, with a weighted-average exercise price of $8.16 per share, immediately prior to the completion of the offering, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus; (vii) stock-based compensation expense of $ million as of June 30, 2021 related to RSUs subject to service-based and performance-based vesting conditions, which conditions will be satisfied in connection with this offering, as further described in Notes and to our consolidated financial statements included elsewhere in this prospectus, reflected as an increase to additional paid-in capital and accumulated deficit; and (viii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur in connection with this offering.

(3) The pro forma as adjusted column in the consolidated balance sheet data table above reflects (i) the pro forma items described immediately above; (ii) the sale and issuance by us of shares of common stock in this offering at the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us; (iii) the redemption of all shares of redeemable preferred stock issuable upon conversion of the senior preferred stock; and (iv) no exercise by the underwriters of their option to purchase up to an additional shares of common stock from us.

(4) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the amount of pro forma as adjusted cash, cash equivalents, and marketable securities, total assets, working capital, and

total stockholders' equity by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease the amount of pro forma as adjusted cash, cash equivalents, and marketable securities, total assets, working capital, and total stockholders' equity by $ million, assuming the assumed initial public offering price per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

Selected Cash Flow Data: *(in thousands)*	Year Ended December 31, 2020	Year Ended December 31, 2019	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net cash provided by (used by):				
Operating activities	$ (44,129)	$ (61,791)	$ (41,093)	$ (26,616)
Investing activities	(36,560)	(116,855)	(10,132)	(5,614)
Financing activities	193,794	308,259	544,906	151,467
Net increase in cash and cash equivalents, and restricted funds held for customers	$ 113,105	$ 129,613	$ 493,681	$ 119,237

Key Metrics

We regularly monitor a number of financial and operating metrics in order to measure our current performance and estimate our future performance. For a description of how we calculate these financial and operating metrics as well as their uses, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Metrics."

	Year Ended December 31, 2020	Year Ended December 31, 2019	Percentage Change	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Percentage Change
Transactions Processed(1)	52,757,295	44,825,421	17.7%	29,880,127	24,647,693	21.2%
Transaction Yield(2)	$ 3.52	$ 3.34	5.4%	$ 3.81	$ 3.47	9.8%
Total Payment Volume (in millions)(3)	$ 37,880	$ 28,172	34.5%	$ 23,003	$ 16,876	36.3%

(1) We define transactions processed as the number of invoice transactions and payment transactions, such as invoices, purchase orders, checks, ACH payments and VCCs, processed through our platform during a particular period.

(2) We define transaction yield as the total revenue during a particular period divided by the total transactions processed during such period.

(3) We define total payment volume as the dollar sum of buyers' AP payments paid to their suppliers through the AvidPay Network during a particular period.

Certain Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core

operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and prospects, and allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making. We are presenting these non-GAAP metrics to assist investors in seeing our financial performance using a management view. We believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Other Financial and Operating Data: *(in thousands, except percentages)*	**Year Ended December 31,**		**Six Months Ended June 30,**	
	2020	**2019**	**2021**	**2020**
GAAP gross profit	$ 85,390	$ 62,623	$ 59,314	$ 36,479
Non-GAAP gross profit(1)	102,342	78,565	68,557	44,876
GAAP gross margin	45.9%	41.9%	52.0%	42.7%
Non-GAAP gross margin(1)	55.0%	52.5%	60.2%	52.5%
GAAP net loss	(101,246)	(93,546)	(92,025)	(50,640)
Non-GAAP net loss(2)	(67,902)	(70,209)	(30,558)	(36,859)
Adjusted EBITDA(3)	(32,723)	(37,438)	(12,080)	(19,550)
Net cash used in operating activities	(44,129)	(61,791)	(41,093)	(26,616)
Free cash flow(4)	(56,153)	(71,084)	(49,515)	(32,332)

(1) We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, excluding the portion of stock-based compensation expense and depreciation and amortization expense allocated to our cost of revenues. We believe non-GAAP gross profit and non-GAAP gross margin provide our management and investors consistency and comparability with our past financial performance and facilitate period-to-period comparisons of operations by eliminating the uneven impact of non-cash equity compensation expense and depreciation and amortization expense in order to assess our core operating results. The following table presents a reconciliation of our non-GAAP gross profit and non-GAAP gross margin to our GAAP gross profit and GAAP gross margin for the periods presented:

Reconciliation from Revenue to Non-GAAP Gross Profit and Non-GAAP Gross Margin *(in thousands, except percentages)*	**Year Ended December 31,**		**Six Months Ended June 30,**	
	2020	**2019**	**2021**	**2020**
Total revenues	$185,928	$149,584	$113,968	$ 85,465
Expenses:				
Cost of revenues (exclusive of depreciation and amortization expense)	(83,755)	(71,133)	(45,551)	(40,666)
Depreciation and amortization expense	(16,783)	(15,828)	(9,103)	(8,320)
GAAP Gross profit	$ 85,390	$ 62,623	$ 59,314	$ 36,479
Adjustments:				
Stock-based compensation expense	169	114	140	77
Depreciation and amortization expense	16,783	15,828	9,103	8,320
Non-GAAP gross profit	$102,342	$ 78,565	$ 68,557	$ 44,876
GAAP Gross margin	45.9%	41.9%	52.0%	42.7%
Non-GAAP gross margin	55.0%	52.5%	60.2%	52.5%

(2) We define Non-GAAP net loss as our net loss before amortization of acquired intangible assets, impairment and write-off of intangible assets, provision for income taxes, stock-based compensation expense, transaction and acquisition-related costs, change in fair value of derivative instrument, and non-recurring items not indicative of ongoing operations for our business. Non-GAAP net loss provides investors with greater transparency to the information used by management in its financial and operational decision-making and when viewed in combination with our results prepared in accordance with U.S. GAAP, it provides a more complete understanding of the factors and trends affecting our business and performance. The following table presents a reconciliation of our Non-GAAP net loss to our GAAP net loss for the periods presented:

Reconciliation from Net Loss to Non-GAAP Net Loss *(in thousands)*	Year Ended December 31,		Six Months Ended June 30,	
	2020	2019	2021	2020
Net loss	$(101,246)	$(93,546)	$(92,025)	$(50,640)
Amortization of acquired intangible assets	10,740	5,445	5,506	5,471
Impairment and write-off of intangible assets	924	7,891	574	924
Provision for income taxes	234	60	201	117
Stock-based compensation expense	1,630	1,379	1,952	573
Transaction and acquisition-related costs	1,352	2,363	3,046	99
Change in fair value of derivative instrument	7,537	555	138	6,545
Non-recurring items not indicative of ongoing operations	10,927	5,644	50,050	52
Total net adjustments	33,344	23,337	61,467	13,781
Non-GAAP net loss	$ (67,902)	$(70,209)	$(30,558)	$(36,859)

(3) To provide investors with additional information regarding our financial results, we have disclosed here and elsewhere in this prospectus adjusted EBITDA, a non-GAAP financial measure that we define as our net loss before depreciation and amortization of property and equipment, amortization of software development costs, amortization of acquired intangible assets, impairment and write-off of intangible assets, interest income and expense, income tax expense, stock-based compensation expense, transaction and acquisition-related costs expensed, and non-recurring items not indicative of ongoing operations for our business. We have provided a reconciliation below of adjusted EBITDA to GAAP net loss, the most directly comparable GAAP financial measure.

We have included adjusted EBITDA in this prospectus because it is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses in calculating adjusted EBITDA facilitates operating performance comparability across reporting periods by removing the effect of non-cash expenses and certain variable charges. Accordingly, we believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

We believe it is useful to exclude non-cash charges, impairment and write-off of intangible assets, stock-based compensation expense, and change in fair value of derivative instrument from our adjusted EBITDA because the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations. We believe it is useful to exclude transaction and acquisition-related costs and non-recurring items not indicative of ongoing operations for our business as these items are not components of our core business operations. For 2020, non-recurring items primarily comprised an approximate $11 million payment related to the modification of an existing VCC processor contract with a service provider. For 2019, non-recurring items primarily included $2.9 million in consulting fees to secure government grants for job development, $1.7 million in debt modification costs and $0.8 million related to

remaining lease payments on vacated office space. Additionally, for the six months ended June 30, non-recurring items was primarily comprised of an approximately $50 million non-cash charge for an amended financing advisory engagement letter.

Adjusted EBITDA has limitations as a financial measure, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future and adjusted EBITDA does not reflect capital expenditure requirements for such replacements or for new capital expenditures;
- adjusted EBITDA does not reflect stock-based compensation and related taxes. Stock-based compensation has been, and will continue to be for the foreseeable future, a recurring expense in our business and an important part of our compensation strategy;
- adjusted EBITDA does not reflect interest income (expense), net; or changes in, or cash requirements for, our working capital;
- adjusted EBITDA excludes non-recurring items not indicative of ongoing operations for our business; and
- other companies, including companies in our industry, may calculate adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net loss and our other GAAP results.

The following table presents a reconciliation of net loss to adjusted EBITDA for each of the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,	
Reconciliation of Net Loss to Adjusted EBITDA *(in thousands)*	**2020**	**2019**	**2021**	**2020**
Net loss	$(101,246)	$(93,546)	$(92,025)	$(50,640)
Depreciation and amortization	27,514	22,340	14,170	13,780
Impairment and write-off of intangible assets	924	7,891	574	924
Interest income	(1,675)	(1,383)	(297)	(977)
Interest expense	20,080	17,259	10,111	9,977
Provision for income taxes	234	60	201	117
Stock-based compensation expense	1,630	1,379	1,952	573
Transaction and acquisition-related costs	1,352	2,363	3,046	99
Change in fair value of derivative instrument	7,537	555	138	6,545
Non-recurring items not indicative of ongoing operations	10,927	5,644	50,050	52
Adjusted EBITDA	$ (32,723)	$(37,438)	$(12,080)	$(19,550)

(4) To provide investors with additional information regarding our financial results, we have also disclosed here and elsewhere in this prospectus free cash flow, a non-GAAP financial measure that we calculate as net cash used in operating activities less capital expenditures (which consist of purchases of property and equipment and internally developed intangible assets). Below we have provided a reconciliation of free cash flow to net cash used in operating activities, the most directly comparable GAAP financial measure.

We have included free cash flow in this prospectus because it is an important indicator of our liquidity, as it measures the amount of cash we generate. Accordingly, we believe that free cash flow provides useful

information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

Free cash flow has limitations as a financial measure and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. There are limitations to using non-GAAP financial measures, including that other companies and industry peers may calculate free cash flow differently. Because of these limitations, you should consider free cash flow alongside other financial performance measures, including net cash used in operating activities, capital expenditures and our other GAAP results.

The following table presents a reconciliation of net cash used in operating activities to free cash flow for each of the periods indicated.

Reconciliation of Net Cash Used in Operating Activities to Free Cash Flow *(in thousands)*	**Year Ended December 31,**		**Six Months Ended June 30,**	
	2020	**2019**	**2021**	**2020**
Net cash used in operating activities	$(44,129)	$(61,791)	$(41,093)	$(26,616)
Purchases of property and equipment	(678)	(1,944)	(344)	(567)
Capitalization of internal-use software costs	(11,346)	(7,349)	(8,078)	(5,149)
Free Cash Flow	$(56,153)	$(71,084)	$(49,515)	$(32,332)

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider and carefully read all of the risks and uncertainties described below, as well as other information included in this prospectus, including our consolidated financial statements and related notes appearing elsewhere in this prospectus, before making an investment decision. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. In such case, the trading price of our common stock could decline, and you may lose some or all of your original investment. This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below. See "Cautionary Note Regarding Forward-Looking Statements."

Summary Risk Factors

- We have a history of operating losses and we may not achieve or sustain profitability in the future.
- Our future revenue and operating results will be harmed if we are unable to acquire new customers, retain existing customers, expand sales to our existing customers, or develop new functionality for our platform that achieves market acceptance.
- Our historical growth may not be indicative of our future performance and our growth is dependent on a number of factors that we do not control.
- We participate in highly competitive and fragmented markets, and our industry is rapidly evolving.
- We transfer large sums of customer funds daily, and are subject to the risk of errors, which could result in financial losses and damage to our reputation and customer trust.
- We, our strategic partners, our buyers and suppliers, and others who use our services obtain and process a large amount of data. Any real or perceived improper or unauthorized use of, exposure of, disclosure of, or access to such data could harm our reputation as a trusted brand, as well as have a material adverse effect on our business.
- We earn a substantial portion of our revenue from electronic payment transactions and our growth is dependent upon the continued acceptance, security and adoption of electronic payment types that result in interchange revenue.
- If we lose key members of our team including our Co-Founder and Chief Executive Officer, or if we are unable to attract and retain talent, our business may be harmed.
- We may not be able to scale our business and technology quickly enough to meet our growth.
- We may lose existing customers or fail to attract new customers if we are unable to deliver new software, solutions and technology for our platform.
- Interruptions or delays in the services provided by third-party data centers or internet service providers could impair the delivery of our products and services.
- We are subject to the payment card network rules and our failure to comply with these rules could harm our business.
- We depend on banks, bank partners and other third-party service providers to process transactions.
- Our long-term growth strategy depends, in part, on strategic partnerships and indirect sales partners.
- The loss of one or more of our key customers or strategic partners could negatively affect our ability to market our platform.

- We use open-source software in our products, which could subject us to litigation or other actions.
- We identified material weaknesses in our internal control over financial reporting, and if we fail to remediate these material weaknesses or if we otherwise fail to establish and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.
- Uncertain or weakened economic conditions, including as a result of COVID-19, may adversely affect our industry, business and results of operations.
- Our risk management efforts may not be effective to prevent fraudulent activities by our customers or their counterparties or third parties, which could expose us to material financial losses and liability and otherwise harm our business.
- Our business, which includes payment services, is subject to extensive government regulation and oversight. Our failure to comply with extensive, complex, overlapping, and frequently changing rules, regulations, and legal interpretations could materially harm our business and noncompliance with such laws can subject us to criminal liability.
- Our Senior Secured Credit Facilities and Guaranty Agreement provides our lenders with a first-priority lien against substantially all of our and our subsidiaries' assets and personal property, and contains financial covenants and other restrictions on our and our subsidiaries' actions, which could limit our operational flexibility and otherwise adversely affect our financial condition.

Risks Related to Our Business and Industry

We have a history of operating losses and we may not achieve or sustain profitability in the future.

We were incorporated in 2000 and have experienced net losses and negative cash flows from operations since inception. We generated net losses of $93.5 million and $101.2 million during the years ended December 31, 2019 and 2020, respectively. We generated net losses of $50.6 million and $92.0 million during the six months ended June 30, 2020 and 2021, respectively. We had an accumulated total stockholders' deficit of $411.8 million and $511.1 million as of December 31, 2019, and December 31, 2020, respectively. Our losses and accumulated total stockholders' deficit reflect the substantial investments we made in our people, products and services, and technology, and to acquire new buyers. While we have experienced significant revenue and transaction volume growth in recent years, we are not certain whether or when we will be able to achieve or maintain profitability in the future.

We also expect our costs and expenses to increase in future periods. In particular, we intend to continue to expend significant funds to invest in our people, products and services, technology, and the AvidPay Network and to expand our sales and marketing teams and invest in strategic partnerships and system integrations. We expect our general and administrative costs to also increase, but at a slower rate than our other operating expenses, for the foreseeable future. If we are not able to reduce or maintain the costs of providing our services, we could face competitive pricing pressure. If we are unable to continue to grow our revenue, or to reduce or maintain the costs of providing our services, we could continue to suffer increasing operating losses.

We may incur significant losses in the future for several reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications, delays, and other unknown events. If we are unable to achieve and sustain profitability, the value of our business and stock may significantly decrease.

Our future revenue and operating results will be harmed if we are unable to acquire new customers, retain existing customers, expand sales to our existing customers, or develop new functionality for our platform that achieves market acceptance.

To continue to grow our business, it is important that we continue to attract new buyers and suppliers to use our platform. Our success in adding new buyers depends on numerous factors, including our ability to: (1) offer compelling AP automation products and services and features in the markets and industries we serve, (2) execute our sales and marketing strategy, (3) attract, effectively train and retain new sales, marketing, professional services, and support personnel in the markets we pursue, (4) develop or expand relationships with partners, payment providers, systems integrators, and resellers, (5) expand into new industry verticals, geographies, and market segments, which may require specific product and service features that we do not currently provide, (6) efficiently onboard new buyers on to our platform, (7) efficiently add more suppliers to our network and continue to drive increased adoption of electronic forms of payment, (8) execute a successful mergers and acquisitions strategy, and (9) provide additional paid services that complement the capabilities of our customers and their partners.

Our ability to increase revenue also depends in part on our ability to retain existing buyers and suppliers, sell more functionality and to increase product penetration to existing and new buyers and suppliers. Our buyers have no obligation to renew their subscriptions for our solutions after the expiration of their initial subscription period. In addition, some of our buyers can terminate their existing agreements with us prior to the expiration of the current contract terms. Our ability to increase sales to existing buyers depends on several factors, including their experience with implementing and using our platform, their ability to integrate our platform with other technologies, and our pricing model. Suppliers in our network select their preferred method of payment, which may include VCC, ACH, or check, based on their internal business rules, preferences, or perceived value, which may change at any time. Our ability to increase sales to suppliers already in our AvidPay Network depends on several factors, including their experience enrolling in and using our platform, development of new supplier product offerings, and our pricing model.

If we are unable to provide enhancements, new features, or keep pace with current technological developments, our business could be adversely affected. If our new functionality and services initiatives do not continue to achieve acceptance in the market and industries we serve, our competitive position may be impaired, and our potential to generate new revenue or to retain existing revenue could be diminished. The adverse effect on our financial results may be particularly acute because of the significant research, development, marketing, sales, and other expenses we will have incurred in connection with the new functionality and services.

Our historical growth may not be indicative of our future performance and we may not be able to sustain our growth rate, which is dependent on a number of factors that we do not control.

Although we have experienced significant historical revenue and transaction volume growth, we expect that, in the future, as our revenue and transaction volumes increase to higher levels, our growth rates may decline over time. Our revenue and transaction volume growth depends on a number of factors, including our ability to:

- attract and retain buyers and suppliers and grow the AvidPay Network and drive the use of our products and services across our customer base;
- expand the functionality and scope of the products and services we offer;
- expand into new and existing verticals and industries and geographies which may require specific product and service features that we do not currently provide;
- drive the acceptance and use of electronic payment types that result in interchange revenue;
- successfully invest in our technology, products and people;
- develop new integrations with third party accounting systems;

- execute a successful mergers and acquisition strategy;
- enter into new strategic partnerships to continue our business;
- convince the stakeholders of potential buyers to outsource functions that they have traditionally handled internally;
- price our products and services effectively; and
- manage the effects of the COVID-19 pandemic on our business and operations.

Further, the revenue that we derive from our invoice and payment transaction volume is dependent on several factors that we do not control. These factors include the number of invoices and payments submitted through our system, card brand interchange rates and tiers, payment amounts and types, the payment method selected by suppliers in our network, and competitive pricing pressure on products and incentives.

These factors make it difficult for us to control or forecast our future operating results and growth. If the assumptions we use to plan our business are incorrect or change, or if we are unable to maintain consistent revenue or revenue growth, it may be difficult to achieve and maintain profitability and the value of our business could be negatively impacted. You should not rely on our growth rates from any prior periods as any indication of our future growth.

We participate in highly competitive and fragmented markets, and our industry is rapidly evolving.

The AP and payments markets are highly fragmented and competitive and evolving. As businesses continue to adopt AP and payment automation solutions, we expect existing competitors and new market entrants to offer new and enhanced products and services and we expect the competitive environment to remain intense going forward. We currently compete on several factors, including:

- product and service features, functionality and quality and system stability;
- integrations with leading accounting and banking systems;
- pricing and incentives;
- supplier network;
- ability to automate existing processes; and
- customer onboarding time and effort.

Our current competitors range from other fintech companies and financial institutions to smaller, niche providers of software and services. We compete with companies that offer comprehensive solutions focused on the entire AP and payment processes and companies that focus only on select portions of these processes such as invoice and bill presentment, document and workflow management, AP and payment processing or accounts receivables. Solutions are also often specifically tailored to industry vertical or customer size making it difficult to expand into new verticals or attract larger or smaller customer types.

Accounting and ERP software providers, financial institutions, payment processing, and other service providers, a number of which we partner with in offering our solutions, may currently offer or develop solutions, acquire third-party solutions or competitors, or enter into strategic relationships that would enable them to expand their solutions to compete more effectively with our products and services. These parties may have access to larger, installed customer bases and may be able to effectively bundle and cross sell competitive solutions with their other services, which may enable them to compete more effectively or provide them with greater pricing and operating flexibility.

Companies that currently focus on providing solutions to enterprise businesses or SMBs may seek to expand the offering of their solutions to midmarket customers which would be more directly competitive with the products and services that we offer. New entrants not currently considered to be competitors may also enter the market through acquisitions, partnerships, or strategic relationships.

We often find that we are selling our products and services to potential customers that have not adopted a competing third-party solution and we must be able to convince internal stakeholders that our products and solutions are superior to their existing processes or third-party solutions.

For the reasons mentioned above, we may not be able to compete successfully against our current or future competitors, and this competition could result in the failure of our products and services to continue to achieve or maintain market acceptance, any of which would harm our business, operating results, and financial condition.

We transfer large sums of customer funds daily, and are subject to the risk of errors, which could result in financial losses and damage to our reputation and customer trust.

We processed approximately 53 million transactions for our customers in 2020. We have grown rapidly and seek to continue to grow, and although we maintain risk management processes, our business is always subject to the risk of financial losses as a result of operational errors, software defects, service disruption, third party fraud, employee misconduct, security breaches, credit losses, or other similar actions or errors. Furthermore, for 2018 to 2020, we identified a material weakness in our internal control over financial reporting relating to our reconciliation of funds held for customers. Our remediation efforts are ongoing and there can be no assurance that we will remediate this material weakness; further, we may experience additional material weaknesses in the future.

As a provider of AP and payment solutions, we collect and transfer funds on behalf of our customers. Software errors in our platform and operational errors by our employees and business partners may also expose us to losses. Moreover, our trustworthiness and reputation are fundamental to our business. As a provider of cloud-based software for complex back-office financial operations, the occurrence of any operational errors, software defects, service disruption, third party fraud, employee misconduct, security breaches, credit losses or other similar actions or errors on our platform could result in financial losses to our business and our customers, loss of trust, damage to our reputation, or termination of our agreements with strategic partners and accountants, each of which could result in:

- loss of buyers and suppliers;
- lost or delayed market acceptance and sales of our products and services;
- legal claims against us, including warranty and service level agreement claims;
- regulatory enforcement action;
- diversion of our resources, including through increased service expenses; and
- financial concessions, and increased insurance costs.

Although our terms of service generally allocate to our customers the risk of loss resulting from our customers' errors, omissions, employee fraud, or other fraudulent activity related to their systems, some of our customers may be able to negotiate changes to this position or in some instances we may cover such losses for efficiency or to prevent damage to our reputation, irrespective of fault or our terms of service. Although we maintain insurance to cover losses resulting from our errors and omissions, there can be no assurance that our insurance will cover all losses or our coverage will be sufficient to cover our losses. If we suffer significant losses or reputational harm as a result, our business, operating results, and financial condition could be adversely affected.

We, our strategic partners, our buyers and suppliers, and others who use our services obtain and process a large amount of data. Any real or perceived improper or unauthorized use of, exposure of, disclosure of, or access to such data could harm our reputation as a trusted brand, as well as have a material adverse effect on our business.

We, our strategic partners, our buyers and suppliers, and the third-party vendors and data centers that we use, obtain and process large amounts of data, including confidential information, along with personal and other data

related to our buyers and suppliers and their transactions, as well as other data of the counterparties to their payments. We face risks, including financial risks and risks to our reputation as a trusted brand, in the handling and protection of this data, and these risks will increase as our business continues to expand to include new products and technologies.

Cybersecurity incidents and malicious internet-based activity continue to increase generally, and providers of cloud-based services have frequently been targeted by such attacks. These cybersecurity challenges, including threats to our own IT infrastructure or those of our customers or third-party providers, may take a variety of forms ranging from stolen bank accounts, business email compromise, customer employee fraud, supply-chain attacks, ransomware, account takeover, check fraud, or cybersecurity attacks, to "mega breaches" targeted against cloud-based services and other hosted software, which could be initiated by individual or groups of hackers or sophisticated cyber criminals. A cybersecurity incident or breach could result in disclosure of data and intellectual property, or cause production downtimes and compromised data. We have in the past experienced cybersecurity incidents of limited scale. We may be unable to anticipate or prevent techniques used in the future to obtain unauthorized access or to sabotage systems because they change frequently and often are not detected until after an incident has occurred. As we increase our customer base and our brand becomes more widely known and recognized, third parties may increasingly seek to compromise our security controls or gain unauthorized access to our sensitive corporate information or our customers' data.

We have administrative, technical, and physical security measures in place, and perform periodic penetration tests of our environment. We additionally have policies and procedures in place to contractually require service providers to whom we disclose data to implement and maintain reasonable privacy and security measures. However, if our protection or security measures or those of the previously mentioned third parties are inadequate or expose vulnerabilities or are breached as a result of third-party action, employee or contractor action or inaction, malfeasance, malware, phishing, hacking attacks, system error, software bugs or defects in our products, trickery, process failure, or otherwise, and, as a result, there is improper disclosure of, or someone obtains unauthorized access to or exfiltrates funds or sensitive information, including personally identifiable information, or PII, on our systems or our partners' systems, or if we suffer a ransomware or advanced persistent threat attack, or if any of the foregoing is reported or perceived to have occurred, our reputation and business could be damaged. Recent high-profile security breaches and related disclosures of data by large institutions suggest that the risk of such events is significant, even if privacy protection and security measures are implemented and enforced. If sensitive information is lost or improperly disclosed or threatened to be disclosed, we could incur significant costs associated with remediation and the implementation of additional security measures, and may incur significant liability and financial loss, and be subject to regulatory scrutiny, investigations, proceedings, and penalties.

In addition, if our financial institutions or strategic partners conclude that our systems and procedures are insufficiently rigorous, they could terminate their relationships with us, and our financial results and business could be adversely affected. If there is a breach of the information that we store, we could be liable to our partners for their losses and related expenses. Additionally, if our own confidential business information were improperly disclosed, our business could be materially and adversely affected. A core aspect of our business is the reliability and security of our platform. Any perceived or actual breach of security, regardless of how it occurs or the extent of the breach, could have a significant impact on our reputation as a trusted brand, cause us to lose existing partners or other customers, prevent us from obtaining new partners and other customers, require us to expend significant funds to remedy problems caused by breaches and implement measures to prevent further breaches, and expose us to legal risk and potential liability including those resulting from governmental or regulatory investigations, class action litigation, and costs associated with remediation, such as fraud monitoring and forensics. Any actual or perceived security breach at a company providing services to us or our customers could have similar effects.

While we maintain cybersecurity insurance, our insurance may be insufficient or may not cover all liabilities incurred by such incidents. We also cannot be certain that our insurance coverage will be adequate for data

handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

We earn a substantial portion of our revenue from electronic payment transactions and our growth is dependent upon the continued acceptance, security and adoption of electronic payment types that result in interchange revenue.

We earn a substantial portion of our revenue from VCC and ACH payment transactions paid to suppliers in our network and our growth is dependent upon the continued acceptance, security, and adoption of electronic payment types that result in interchange revenue on the amount of the transactions. During the fiscal year ended December 31, 2020, we earned approximately $109.6 million in revenue from VCC and AvidPay Direct paid through our network.

Although we expect businesses to continue to accept and adopt electronic forms of payment, we do not mandate a specific payment type in our network and the adoption rates of electronic payments in AP transactions could erode or grow more slowly than expected. Suppliers in our network select their preferred method of payment, which may include VCC, ACH, or check, based on their internal business rules, preferences, or perceived value, which may change at any time. Additionally, accounts receivable, or AR, service providers market and sell their AR services to suppliers and groups of supplier types in our network. These service providers may not accept electronic payments and may convert existing suppliers in our network that accept electronic payments to check. Suppliers in our network, and those AR service providers, may, with or without advance notice, prohibit or impose restrictions on the methods we use to provide or deliver electronic payments that we may not be aware of or be able to comply with, seek to negotiate reduced pricing, or charge fees in order to accept electronic payments. Certain industries and verticals are also less inclined to accept electronic forms of payment which may limit our ability to successfully expand into new industries or verticals.

The revenue we receive from electronic payment transactions is also dependent upon number of factors, many of which we do not control, including the continued acceptance and adoption by businesses of electronic payments, interchange rates which may decline over time, fees charged by suppliers to accept electronic payments, buyer incentives, and the terms of our commercial agreements with third-party service providers that are involved in the payment process. Widespread adoption of new forms of electronic payments, such as real time payments, could also negatively impact the revenue we receive from electronic payment transactions.

If we lose key members of our team including our Co-Founder and Chief Executive Officer, or if we are unable to attract and retain talent, our business may be harmed.

Our success and future growth depend upon the continued services of our team and other key employees. Our Co-Founder and Chief Executive Officer, Michael Praeger, is critical to our overall strategic direction, our culture, and the development of key products, partnerships and relationships. Our senior management and key employees are employed on an at-will basis. The loss of our chief executive officer, one or more members of our senior management, or other key employees, could harm our business, and we may not be able to find adequate replacements.

To execute our business strategy, we must attract and retain highly qualified personnel. Our headquarters and primary center of employment is in Charlotte, North Carolina. In general, the talent pool in Charlotte may be smaller than in other geographic areas. Competition for executive officers, software developers and engineers, compliance and risk management personnel, and other key employees in our industry and location is intense and increasing, and we may not be able to attract the talent we need to grow and succeed. We compete with many other companies for software developers with high levels of experience in designing, developing, and managing cloud-based software and payment systems, as well as for skilled legal and compliance and risk operations

professionals. The current regulatory environment related to immigration may increase the likelihood that immigration laws may be modified to further limit the availability of H1-B and other visas. If a new or revised visa program is implemented, it may impact our ability to recruit, hire, retain or effectively collaborate with qualified skilled personnel, including in the areas of AI and ML, and payment systems and risk management, which could adversely impact our business, operating results and financial condition. Many of the companies with which we compete for experienced personnel have greater resources than we do and can frequently offer such personnel substantially greater compensation than we can offer, and may be in geographies perceived by some employees as more desirable. If we fail to identify, attract, develop, and integrate new personnel, or fail to retain and motivate our current personnel, our growth prospects would be adversely affected.

We may not be able to scale our business and technology quickly enough to meet our growth.

As we continue to grow and process additional transactions, and as we sign additional strategic partners, we will need to devote additional resources to improving and maintaining our infrastructure and computer network and integrating with third-party applications to maintain the performance of our platform. In addition, we will need to appropriately scale our internal business systems and our services organization, including customer support, risk and compliance operations, and professional services, to serve our growing customer base.

We have also experienced, and may in the future experience, disruptions, outages and other performance problems that interfere with our customers' ability to access and use our products and services. These events may be due to a variety of factors, including capacity constraints due to increased use and transaction volumes, legacy infrastructure, architecture, code and processes, and software and human errors. It may become increasingly difficult to maintain and improve the performance of our platform and our products and services especially during peak usage times and as our solutions become more complex.

Any failure of or delay in our efforts to maintain, improve and scale our technology, infrastructure and platform could result in service interruptions, impaired system performance, and reduced customer satisfaction, resulting in decreased sales to new customers, lower renewal rates by existing customers, or requested refunds, all of which could hurt our revenue growth. Even if we are successful in these efforts to scale our business, they will be expensive and complex, and require the dedication of significant management time and attention. We could also face inefficiencies or service disruptions as a result of our efforts to scale our internal infrastructure. We cannot be sure that the expansion and improvements to our internal infrastructure will be effectively implemented on a timely basis, if at all, and such failures could adversely affect our business, operating results, and financial condition.

We may lose existing customers or fail to attract new customers if we are unable to deliver new software, solutions and technology for our platform.

Our success depends on our continued development of new and improved AP automation software and payment solutions and related technology and the continued automation of payments processes. If we are unable to deliver new products or services, or to enhance existing products and services, that achieve market acceptance or if we are unable to integrate technology, products and services that we acquire into our platform, our business could be adversely affected through increased attrition of current customers or slower addition of new customers. We have experienced, and may in the future experience, delays in the planned release dates of enhancements to our platform, and we have discovered, and may in the future discover, errors in new releases after their introduction. Either situation could result in adverse publicity, loss of sales, delay in market acceptance of our platform or customer claims, including, among other things, warranty claims against us, any of which could cause us to lose existing customers or affect our ability to attract new customers.

Interruptions or delays in the services provided by third-party data centers or internet service providers could impair the delivery of our products and services.

We host our products and platform on a hybrid cloud platform leveraging public cloud infrastructure services and co-located infrastructure in datacenter facilities. Public cloud services are provided by Microsoft Azure, and

others which include infrastructure as a service and platform as a service technologies. All products utilize resources operated by us through these providers, therefore, we depend on these third parties to protect their data centers against damage or interruption from natural disasters, power or telecommunications failures, criminal acts, and similar events. We have periodically experienced service disruptions in the past, and we cannot assure you that we will not experience interruptions or delays in our service in the future. Many of our core products are run in production from a single data center in Charlotte, North Carolina. If that data center were not available to us due to damage or otherwise, we would have to operate using our disaster recovery plan, as we do not have a fully redundant system for all of our core functions. This could cause substantial disruption in our operations if we were not able to move our main processes in a timely manner to a backup data center. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the data storage services we use.

Although we have disaster recovery plans, any incident affecting their infrastructure that may be caused by fire, flood, severe storm, earthquake, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, natural disasters, military actions, terrorist attacks, negligence, and other similar events beyond our control could negatively affect our platform. Any prolonged service disruption affecting our platform for any of the foregoing reasons could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers, or otherwise harm our business. System failures or outages, including any potential disruptions due to significantly increased global demand on certain cloud-based systems during the COVID-19 pandemic, could compromise our ability to perform these functions in a timely manner, which could harm our ability to conduct business or delay our financial reporting.

Our platform is accessed by many customers, often at the same time. As we continue to expand the number of our customers and products available to our customers, we may not be able to scale our technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. In addition, the failure of data centers, internet service providers, or other third-party service providers to meet our capacity requirements could result in interruptions or delays in access to our platform or impede our ability to grow our business and scale our operations. If our third-party infrastructure service agreements are terminated, or there is a lapse of service, interruption of internet service provider connectivity, or damage to data centers, we could experience interruptions in access to our platform as well as delays and additional expense in arranging new facilities and services.

Moreover, we are currently executing on a long-term strategy to transition to public cloud services completely and decommission on-premise infrastructure hosted in co-located datacenters. As this transition occurs, it is possible that the availability of the platform may be impacted and outages or disruptions may occur. Although we have a disaster recovery program, it does not yet provide full redundancy, so there will be a period of time that our platform will remain shut down while the transition to the back-up data centers take place. We were informed in June 2021 that our current lease for our core data center in Charlotte will terminate in September 2022. We will have to either accelerate our move of our infrastructure to public cloud services, or move the existing data center operations to a new location. Any service disruption affecting our platform during such migration or while operating on the Azure cloud infrastructure could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers, or otherwise harm our business.

Future acquisitions, strategic investments, partnerships, collaborations, or alliances could be difficult to identify and integrate, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our operating results and financial condition.

Like we have in the past with our acquisitions of Piracle, Strongroom, Ariett, Entryless, BankTEL, and Core Associates and most recently FastPay, we may in the future seek to acquire or invest in businesses, products, or technologies that we believe could complement or expand our platform, enhance our technical capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable

acquisitions, whether or not such acquisitions are completed. In addition, we may not successfully identify desirable acquisition targets, or if we acquire additional businesses, we may not be able to integrate them effectively following the acquisition or effectively manage the combined business following the acquisition. Integration may prove to be difficult due to the necessity of integrating personnel with disparate business backgrounds and accustomed to different corporate cultures.

We also may not achieve the anticipated benefits from any acquired business due to a number of factors, including:

- inability to integrate or benefit from acquired technologies or services in a profitable manner;
- unanticipated costs or liabilities, including legal liabilities, associated with the acquisition;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the customers of the acquired business into our current and future offerings and contract terms, including disparities in the revenue model of the acquired company;
- diversion of management's attention or resources from other business concerns;
- adverse effects on our existing business relationships with customers, members, or strategic partners as a result of the acquisition;
- the potential loss of key employees; and
- use of substantial portions of our available cash to consummate the acquisition.

Acquisitions could result in lower cash reserves, possible dilutive issuances of equity securities or the incurrence of debt, as well as unfavorable accounting treatment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline. In addition, a significant portion of the purchase price of any companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. We also may not generate sufficient financial returns to offset the costs and expenses related to any acquisitions. If our acquisitions do not yield expected returns, we may be required to take charges to our results of operations based on this impairment assessment process, and our business, operating results and financial condition may suffer.

Failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase our base of buyers and suppliers and achieve broader market acceptance of our products.

Our ability to increase our base of buyers and suppliers and achieve broader market acceptance of our platform will depend to a significant extent on our ability to expand our sales and marketing organizations, and to deploy our sales and marketing resources efficiently. We plan to continue expanding our direct sales force as well as our sales force focused on identifying new strategic and indirect sales partners. We also dedicate significant resources to sales and marketing programs. Our business and operating results will be harmed if those efforts do not generate significant increases in revenue. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop, integrate, and retain talented and effective sales personnel, if our new and existing sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs and advertising are not effective.

We are subject to the payment card network rules and our failure to comply with these rules could harm our business.

We use Mastercard branded VCCs exclusively in connection with our VCC payment service and we are subject to payment card network operating rules, including the Payment Card Industry Data Security Standard, or PCI-DSS. The payment card networks set and interpret the card operating rules and could adopt new operating rules

or interpret or reinterpret existing rules that we or our processors might find difficult or even impossible to follow, or costly to implement. AvidXchange was not previously PCI-DSS compliant, but recently obtained its PCI-DSS certification. There can be no assurances that AvidXchange will be able to maintain this certification. Failure to maintain this certification, or any prior or future violations of existing or new rules of the payment card network, or increased fees, could result in the revocation of our ability to make payments using VCCs, or such payments could become prohibitively expensive for us or for our customers. If we are unable to make buyer payments to suppliers using VCCs, our business would be adversely affected. We also may seek to introduce other card-related products in the future which may entail additional operating rules.

If we fail to maintain or grow our brand recognition, our ability to expand our base of suppliers and buyers will be impaired and our financial condition may suffer.

We believe that growing the AvidXchange brand is important to supporting continued acceptance of our existing and future solutions, attracting new buyers and suppliers to our platform, and retaining existing buyers and suppliers. We also believe that the importance of brand recognition will increase as competition in our market increases. Successfully maintaining our brand will depend largely on the effectiveness of our marketing efforts, our ability to provide a reliable and useful platform to meet the needs of our customers at competitive prices, our ability to maintain our customers' trust, our ability to continue to develop new functionality and solutions, and our ability to successfully differentiate our platform. Additionally, our partners' performance may affect our brand and reputation if customers do not have a positive experience. Brand promotion activities may not generate customer awareness or yield increased revenue. Even if they do, any increased revenue may not offset the expenses we incurred in building our brand. If we fail to successfully promote and maintain our brand, we may fail to attract enough new customers or retain enough existing customers to realize a sufficient return on our brand-building efforts, and our business could suffer.

In connection with our financial statement close process for the year ended December 31, 2020, material weaknesses were identified in the design and operating effectiveness of our internal control over financial reporting. If we fail to develop and maintain effective internal control over financial reporting, we may not be able to accurately and timely report our financial results, which may adversely affect investor confidence in us.

In connection with the preparation of our financial statements for the year ended December 31, 2020, we and our independent registered public accounting firm identified certain control deficiencies in the design of our internal control over financial reporting that constituted material weaknesses as of December 31, 2020. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Our evaluation was based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) *Internal Control—Integrated Framework* (2013). These material weaknesses are as follows:

- We lack a sufficient complement of personnel with an appropriate level of accounting knowledge, training, and experience to appropriately analyze, record and disclose accounting matters timely and accurately. This material weakness contributed to the following additional material weaknesses:
  - We did not design and maintain effective controls over the accounting for preferred stock transactions.
  - We did not design and maintain effective controls over the preparation and review of the statement of cash flows.

  These material weaknesses resulted in material misstatements related to our preferred stock, additional-paid-in-capital accounts, and the classification of cash flows from operating and investing activities as of and for the year ended December 31, 2019, which resulted in the restatement of the 2019 consolidated financial statements, errors identified and corrected in the aforementioned accounts as of and for the periods ended December 31, 2020 and June 30, 2021, and in immaterial misstatements related to our cost of revenues, sales and marketing expense,

research and development expense, general and administrative expense, and additional-paid-in-capital accounts, which resulted in the revision of our December 31, 2020 and June 30, 2021 financial statements.

- We did not design and maintain effective controls to appropriately reconcile cash receipt and disbursement transactions within our treasury operations accounts at the individual transaction level. This material weakness resulted in material misstatements to our treasury operations liability and treasury operations expense accounts and related disclosures for the period ended December 31, 2017 and immaterial misstatements to the aforementioned accounts and disclosures for the periods ended December 31, 2019, 2020 and June 30, 2021.

Additionally, these material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that such material weaknesses could result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected. As of the date of this prospectus we have taken the following steps as part of our remediation plan.

- We recently hired a new Controller with extensive knowledge and experience consulting on public company U.S. GAAP and SEC requirements.
- We have hired additional technical accounting resources with public company experience to assess complex technical accounting and reporting matters, including accounting for preferred stock transactions and preparing and reviewing the statement of cash flows.
- We have designed review procedures and implemented enhanced processes and controls for the areas impacted by these material weaknesses.

As of the date of this prospectus we are in the process of implementing the following steps of our remediation plan.

- We are in the process of developing a timely, automated, systemic reconciliation of our treasury operations accounts inclusive of IT general controls, utilizing individual source system transactions.
- We continue to hire additional technical accounting resources with public company experience to enhance our accounting and financial reporting function.
- We will engage third-party resources to supplement our resources and current processes where needed.
- We will continue to design and refine adequate review procedures and implement improved processes and controls for the areas impacted by these material weaknesses.

We believe the material weaknesses will be fully remediated in 2022, at which time we believe we will have implemented and tested review controls executed by our newly hired resources. We have incurred certain costs associated with the aforementioned remediation activities completed to date, which are reflected in our historical financial statements, and do not expect to incur material costs related to our remaining remediation efforts.

While we believe these efforts will remediate the material weaknesses, we may not be able to complete our evaluation, testing or any required remediation in a timely fashion, or at all. We cannot assure you that the measures we have taken to date and may take in the future will be sufficient to remediate the control deficiencies that led to the identified material weaknesses in internal control over financial reporting or that the measures will prevent or avoid future material weaknesses. The effectiveness of our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. If we are unable to remediate the material weaknesses, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods required under SEC rules, could be

adversely affected. This may in turn adversely affect our reputation and business and the market price of our common stock. In addition, any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of our common stock, and diversion of financial and management resources from the operation of our business.

Customer funds held by us are subject to market, interest rate, credit, and liquidity risks, as well as general political and economic conditions. The loss of these funds could have a material adverse effect on our business, financial condition, and results of operations.

We arrange for funds of our customers, including funds that will be remitted to suppliers, to be held in trust in cash or cash equivalents, and these funds may be invested in highly liquid, investment-grade marketable securities and money market securities from time to time. Nevertheless, our customer fund assets are subject to general market, interest rate, credit, and liquidity risks. These risks may be exacerbated, individually or in aggregate, during periods of heavy financial market volatility. In the event of a financial crisis, such as that experienced in 2008 and such as that which has resulted, or may result, from the COVID-19 pandemic or other similar events, employment levels and interest rates may decrease with a corresponding impact on our business. As a result, we could experience a constriction in the availability of liquidity, which may impact our ability to fulfill our obligations to enable the movement of customer funds to the intended recipients. Additionally, we rely upon certain banking partners and other third parties to originate ACH payments, process checks, execute wire transfers, and issue VCCs, and these banking partners and other third parties could be similarly affected by a liquidity shortage, which may further exacerbate our ability to operate our business. Any material loss of or inability to access customer funds could have an adverse impact on our cash position and results of operations, could require us to obtain additional sources of liquidity, and could have a material adverse effect on our business, financial condition, and results of operations.

We are licensed as a money transmitter (or statutory equivalent) in all U.S. jurisdictions where, to the best of our knowledge, licensure is required for our business. Accordingly, we are subject to direct regulation by the licensing authorities of the jurisdictions where we are licensed. In certain jurisdictions where we operate, we are required to hold eligible liquid assets, as defined by the relevant regulatory authority, equal to at least 100% of the aggregate amount of any outstanding customer liabilities. Our ability to manage and accurately account for the assets underlying our customer funds and comply with applicable liquid asset requirements requires a high level of internal controls. As our business continues to grow and we expand our product offerings, it may be necessary to scale the applicable internal controls. Our success requires significant public confidence in our ability to properly manage our customers' balances and handle large and growing transaction volumes and amounts of customer funds. Any failure to maintain the necessary controls or to accurately manage our customer funds and the assets underlying our customer funds in compliance with applicable regulatory requirements could result in reputational harm, lead customers to discontinue or reduce their use of our products, and result in significant penalties and fines, up to and including the loss of our state money transmitter licenses, which would materially harm our business.

We depend on banks, bank partners and other third-party service providers to process transactions.

We depend on bank partners and other third-party service providers, including KeyBank, Comdata Inc., Fiserv Solutions and Fidelity Information Services, to process electronic payment transactions and check payments for our customers. We have entered into treasury services agreements and other arrangements with our bank partners and other third-party service providers for payment processing and related services. If these arrangements are terminated for any reason, or if services provided by our bank partners and other third-party service providers are interrupted, we could experience delays, interruptions, and additional costs in processing payments for our customers.

We also depend on third-party service providers for other critical functions, including customer invoicing and scanning solutions. We have entered into service agreements with these third-party service providers for

scanning, indexing and related services, and these agreements include significant security, compliance, and operational obligations. If our agreements with the scanning and/or indexing partners are terminated for any reason, we could experience service interruptions as well as delays and additional expenses in arranging for new services.

Our business depends, in part, on our relationships with providers of accounting and ERP solutions.

Our relationships with accounting and ERP solutions partners are integral to our ability to deliver our products and services to our customers. We rely upon their cooperation to develop and maintain integrations between our products and services and their respective solutions. These integrations allow information to be communicated between our products and services and our customers' accounting systems. These partners may also market and promote our products and services to customers. We may also compete with accounting and ERP solution providers from time to time that have developed or offer third party products and services that are competitive with our products and services.

If our current partners decided instead to design their own AP solutions, that could harm our business.

If we were unable to continue these relationships and add relationships with new accounting and ERP solutions partners, our growth prospects could be negatively impacted by not being able to offer necessary integrations to customers.

Our long-term growth strategy depends, in part, on strategic partnerships and indirect sales partners.

We intend to continue to expand our current strategic partner relationships and to develop new strategic partner relationships to expand our sales and marketing efforts that we believe will allow us to sell and market our services in existing and new markets. Establishing strategic partner relationships, particularly with our financial institution customers and accounting software providers, entails extensive and highly specific upfront sales efforts, with little predictability and various ancillary requirements.

For example, our partners may require us to submit to an exhaustive security audit, given the sensitivity and importance of storing their customer billing and payment data on our platform. As a result, formalizing and maintaining new strategic partner relationships involve a degree of effort and risks that may not be present or that are present to a lesser extent with direct customer sales. With strategic partners, the decision to enter into a relationship with us frequently requires the approval of multiple management personnel and technical personnel. Additionally, sales to strategic partners' customers may require us to invest more time educating and selling to these potential customers. Purchases of our services by customers of strategic partners are also frequently subject to delays and considerable efforts to negotiate and document relationships with them. Further, we may integrate our platform with our strategic partners' own websites and apps, which requires significant time and resources to design and deploy both before and after marketing and sales efforts begin. If we are unable to increase sales of our services through strategic partners and to manage the costs associated with these relationships, including without limitation, integrating with their systems and ongoing training for their marketing and sales personnel, our business, financial position, and operating results may be adversely affected.

Our ability to attract new strategic partners may be limited by our commitments to provide our existing strategic partners with certain exclusivity and/or first rights to participate in certain channels or territories. We also may not be able to attract new strategic partners if our potential partners favor our competitors' products or services over our services or choose to compete with our services directly. Certain of our strategic partners may have the resources and inclination to develop their own solutions to replace ours. Moreover, strategic partners could decide to focus on other market segments. Further, there can be no guarantee that our strategic partners will not choose to terminate their relationships with us for strategic or other reasons. If we are unsuccessful in establishing, growing, or maintaining our relationships with strategic partners, our ability to compete in the marketplace or to grow our revenue could be impaired, and our results of operations may suffer.

The loss of one or more of our key buyers or strategic partners could negatively affect our ability to market our platform.

We rely on our reputation and recommendations from key buyers and strategic partners in order to promote our platform. The loss of any of our key buyers or strategic partners could have a significant impact on our revenues, reputation and our ability to obtain new customers. Some of our key customers have the ability to terminate their existing agreements without cause prior to the expiration of the applicable term. In addition, acquisitions of our buyers could lead to cancellation of our contracts with those customers or by the acquiring companies, thereby reducing the number of our existing and potential customers.

If we cannot maintain our company culture as we grow, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success and our business may be harmed.

We believe that a critical component of our success has been our company culture, which is based on our core values of ensuring customer success, focusing on results and striving for excellence. We have invested substantial time and resources in building our team within this company culture. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain these important aspects of our company culture. If we fail to preserve our culture, our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives could be compromised, potentially harming our business.

If we fail to offer high-quality customer support, or if our support is more expensive than anticipated, our business and reputation could suffer.

Both our buyers and suppliers rely on our customer support services to resolve issues and realize the full benefits provided by our products and services. High-quality support is also important for the renewal and expansion of our products and services with existing customers. We primarily provide customer support over chat, email and phone-based support. If we do not help our customers quickly resolve issues and provide effective ongoing support, or if our support personnel or methods of providing support are insufficient to meet the needs of our customers, our ability to retain customers, increase the density of our supplier network and acquire new customers could suffer, and our reputation with existing or potential customers could be harmed.

Uncertain or weakened economic conditions, including as a result of COVID-19, may adversely affect our industry, business and results of operations.

Our overall performance depends on economic conditions, which may be challenging at various times in the future. Financial developments seemingly unrelated to us or our industry may adversely affect us. Domestic and international economies have from time-to-time been impacted by falling demand for a variety of goods and services, tariffs and other trade issues, threatened sovereign defaults and ratings downgrades, restricted credit, threats to major multinational companies, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty. For example, COVID-19 has created and may continue to create significant uncertainty in global financial markets and the long-term economic impact of COVID-19 is highly uncertain. We cannot predict the timing, strength or duration of the current or any future potential economic slowdown in the United States or globally. These conditions affect the rate of technology spending generally and could adversely affect our customers' ability or willingness to use our services, delay prospective customers' purchasing decisions or reduce the value of payments made on our network, any of which could adversely affect our results of operations.

Natural catastrophic events and man-made problems such as power-disruptions, computer viruses, data security breaches, and terrorism may disrupt our business.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could harm our business. We have a large employee presence in

Charlotte, North Carolina and smaller employee groups in Houston, Texas, Salt Lake City, Utah, Birmingham, Alabama, Columbus, Mississippi, Somerset, New Jersey and Pembroke, Massachusetts, and our primary co-located data center is located in North Carolina. In the event of a major earthquake, hurricane or catastrophic event such as fire, power loss, telecommunications failure, vandalism, cyber-attack, war, or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions in our products, breaches of data security, and loss of critical data, all of which could harm our business, operating results, and financial condition.

Additionally, as computer malware, viruses, and computer hacking, fraudulent use attempts, phishing attacks, and other data security breaches have become more prevalent, we, and third parties upon which we rely, face increased risk in maintaining the performance, reliability, security, and availability of our solutions and related services and technical infrastructure to the satisfaction of our customers. Any such data security breach related to our network infrastructure or information technology systems or to computer hardware we lease from third parties, could, among other things, harm our reputation and our ability to retain existing customers and attract new customers.

In addition, the insurance we maintain may be insufficient to cover, or may not cover, our losses resulting from disasters, cyber-attacks, or other business interruptions, and any incidents may result in loss of, or increased costs of, such insurance.

The COVID-19 outbreak has materially impacted the U.S. and global economies and could have a material adverse impact on our employees, customers and strategic partners.

Beginning in March 2020, the outbreak of COVID-19, or coronavirus, caused by a novel strain of the coronavirus became increasingly widespread in the United States and worldwide. Many jurisdictions in the United States have limited social mobility and gathering. Many business establishments have closed or restricted hours or operations due to restrictions imposed by the government and many governmental authorities have closed or restricted hours or operations of public establishments, including schools, restaurants and shopping malls. The outbreak has had, and may continue to have for the foreseeable future, a significant negative impact on general economic conditions in both the United States and abroad.

Many of our customers have been, and will likely continue to be, negatively impacted by the pandemic and the resulting national, state and local orders and the increase in unemployment. These conditions will likely continue to have negative implications on the demand for goods and services, real estate, public services, the supply chain and the production of goods and transportation which could in turn have a negative impact on our customers and the number of transactions that we process through our systems.

In response to the outbreak, AvidXchange shifted to a work-from-home environment in accordance with its business continuity policy and modified existing business practices particularly around employee travel and the cancellation of physical participation in meetings, events and conferences including our annual customer conference. We may take further action in response to the pandemic and as may be required by government authorities.

The COVID-19 pandemic may also continue to adversely impact our employees and our productivity and the operations of our customers and our strategic partners. The disruption caused by the pandemic may negatively impact our ability to meet customer demand and our revenue and profit margins and we may experience delays or changes in customer demand, particularly if customer funding priorities change.

In addition, the disruption and volatility in the global and domestic capital markets caused by the pandemic may increase the cost of capital and limit our ability to access capital.

Both the health and economic aspects of the pandemic are highly fluid and the future course of each is uncertain. For these reasons and other reasons that may come to light if the COVID-19 pandemic and associated protective

or preventative measures expand, we may experience a material adverse impact on our business operations, revenues and financial condition; however, its ultimate impact is highly uncertain and subject to change.

Our risk management efforts may not be effective to prevent fraudulent activities by our customers or their counterparties or third parties, which could expose us to material financial losses and liability and otherwise harm our business.

We offer products and services, including software, that digitize and automate back-office financial operations for a large number of buyers and execute payments to their suppliers. We are responsible for verifying the identity of our buyers and their users, and monitoring transactions for fraud. We and our buyers and our suppliers have been in the past, and will continue in the future to be, targeted by parties who seek to commit acts of financial fraud using techniques such as stolen identities and bank accounts, compromised business email accounts, employee or insider fraud, account takeover, false applications, and check fraud. We may suffer losses from acts of financial fraud committed by our buyers and suppliers and their users, our employees or third-parties.

The techniques used to perpetrate fraud on our platform are continually evolving. In addition, when we introduce new products and functionality, or expand existing products, we may not be able to identify all risks created by the new products or functionality. Our risk management policies, procedures, techniques, and processes may not be sufficient to identify all of the risks to which we are exposed, to enable us to prevent or mitigate the risks we have identified, or to identify additional risks to which we may become subject in the future. Furthermore, our risk management policies, procedures, techniques, and processes may contain errors or our employees or agents may commit mistakes or errors in judgment as a result of which we may suffer large financial losses. The software-driven and highly automated nature of our platform could enable criminals and those committing fraud to steal significant amounts of money from businesses like ours. As greater numbers of customers use our platform, our exposure to material risk losses from a single customer, or from a small number of customers, will increase.

Our current business and anticipated growth will continue to place significant demands on our risk management efforts, and we will need to continue developing and improving our existing risk management infrastructure, policies, procedures, techniques, and processes. As techniques used to perpetrate fraud on our platform evolve, we may need to modify our products or services to mitigate fraud risks. As our business grows and becomes more complex, we may be less able to forecast and carry appropriate reserves in our books for fraud related losses.

Further, these types of fraudulent activities on our platform can also expose us to civil and criminal liability, governmental and regulatory sanctions as well as potentially cause us to be in breach of our contractual obligations to our third-party partners and buyers or suppliers.

Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates as we could fail to capture the market share that we anticipate.

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Our estimates and forecasts relating to the size and expected growth of our market may prove to be inaccurate. Even if the market in which we compete meets our size estimates and forecasted growth, our business could fail to grow at similar rates or we could fail to secure the portion of market share we expect.

Our business, which includes payment services, is subject to extensive government regulation and oversight. Our failure to comply with extensive, complex, overlapping, and frequently changing rules, regulations, and legal interpretations could materially harm our business and noncompliance with such laws can subject us to criminal and civil liability.

Financial Services Regulation

In addition to the regulatory regimes described elsewhere, the local, state, and federal laws, rules, regulations, licensing schemes, and industry standards that govern our payment services include, or may in the future include, those relating to banking, invoicing, cross-border and domestic money transmission, foreign exchange, payment processing and settlement services, and escheatment. These laws, rules, regulations, licensing schemes, and industry standards are enforced by multiple authorities and governing bodies in the United States, including federal regulators, self-regulatory organizations, and numerous state and local authorities.

As a licensed money transmitter in various U.S. states and territories, we are subject to a range of restrictions and ongoing compliance obligations under the money transmitter statutes (or their equivalent) administered by the banking departments of the various U.S. states and territories, including requirements with respect to the investment of customer funds, financial recordkeeping and reporting, reconciliation of customer funds, bonding, minimum capital, disclosure, and inspection, audit or examination by regulatory authorities concerning various aspects of our business. In a number of cases, evaluation of our compliance efforts depends on regulatory interpretations that could change over time. In the past, regulators have identified violations or alleged violations of certain statutory and regulatory regimes, and we have been subject to fines, a state consent order and financial penalties by state regulatory authorities due to their interpretation and application of their respective state money transmitter regime to our business model.

In the future, as a result of the financial services regulations applicable to our business, we will be subject to routine examinations by state and federal regulatory authorities; any identified violations or non-compliance during the course of such examinations could subject us to liability, including governmental fines, restrictions on our business, or other similar enforcement actions, and we could be forced to cease conducting certain aspects of our business with residents of certain jurisdictions, be forced to change our business practices in certain jurisdictions, or be required to obtain additional licenses, regulatory approvals, or other similar authorizations. We cannot make any assurances that we will be able to obtain or maintain any such licenses, regulatory approvals, and other similar authorizations, and there could be substantial costs and potential product changes involved in maintaining any such licenses, approvals, or other similar authorizations, which could have a material adverse effect on our business. In addition, there are substantial costs involved in maintaining and renewing those licenses, regulatory approvals, and other similar authorizations that we currently hold, and we could be subject to fines or other enforcement action if we are found to violate the various requirements applicable to us in connection with maintaining the same. These factors could impose substantial additional costs on us, involve considerable delay to the development or provision of our products or services to our customers, require significant and costly operational changes, or prevent us from providing our products or services in any given market.

Governmental authorities may impose new or additional rules on money transmission, including regulations that:

- prohibit, restrict, and/or impose taxes or fees on money transmission transactions in, to or from certain countries or with certain governments, individuals, or entities;
- impose additional customer identification and customer due diligence requirements;
- impose additional reporting or recordkeeping requirements, or require enhanced transaction monitoring;
- limit the types of entities capable of providing money transmission services, or impose additional licensing or registration requirements;
- impose higher minimum capital or other financial requirements;

- limit or restrict the revenue that may be generated from money transmission, including revenue from interest earned on customer funds, transaction fees, and revenue derived from foreign exchange;
- require enhanced disclosures to our money transmission customers;
- require the principal amount of money transmission originated in a country to be invested in that country or held in trust until paid;
- limit the number or principal amount of money transmission transactions that may be sent to or from a jurisdiction, whether by an individual or in the aggregate;
- restrict or limit our ability to process transactions using centralized databases, for example, by requiring that transactions be processed using a database maintained in a particular country or region; or
- impose other requirements in furtherance of their missions.

Other Regulation

Our success and increased visibility may result in increased regulatory oversight and enforcement and more restrictive rules and regulations that apply to our business. We are subject to a wide variety of local, state and federal laws, rules, regulations, licensing schemes, and industry standards in the United States, which govern numerous areas important to our business; we will likely become subject to additional laws, rules, regulations, licensing schemes, and industry standards in other jurisdictions if we expand our operations internationally in the future. In addition to those laws and regulations described elsewhere, our business is also subject to, without limitation, rules and regulations applicable to: securities, labor and employment, immigration, competition, data usage and marketing and communications practices. These are subject to change, including by means of legislative action and/or executive orders and by way of evolving interpretations and application of existing statutory and regulatory regimes by the applicable regulatory authorities. Thus, it may be difficult to predict how these changes will apply to our business and the way we conduct our operations, particularly as we introduce new products and services and expand into new jurisdictions. We may not be able to respond quickly or effectively to regulatory, legislative, or other developments, which, in turn, may impair our ability to offer our existing or planned features, products, and services and/or increase our cost of doing business.

Although we have a compliance program focused on the laws, rules, regulations, licensing schemes, and industry standards that we have determined apply to our business, and although we continue to prioritize investments in this program, we can make no assurances that our employees or contractors will not violate such laws, rules, regulations, licensing schemes, and industry standards. Any failure or perceived failure to comply with existing or new laws, rules, regulations, licensing schemes, or industry standards (including as a result of any changes to the interpretation or application of the same), may:

- subject us to significant fines, penalties, criminal and civil lawsuits, license suspension or revocation, forfeiture of significant assets, audits, inquiries, whistleblower complaints, adverse media coverage, investigations, and enforcement actions in one or more jurisdictions by federal, state, local or foreign regulators, state attorneys general, or private plaintiffs who may be acting as private attorneys general pursuant to various applicable federal, state, and local laws;
- result in additional compliance and licensure requirements;
- increase regulatory scrutiny of our business; and
- restrict our operations and force us to change our business practices or compliance program, make product or operational changes, or delay planned product launches or improvements.

The complexity of U.S. federal and state regulatory and enforcement regimes, coupled with the scope of any future international operations and the evolving regulatory environment, could result in a single event giving rise to many overlapping investigations and legal and regulatory proceedings by multiple government authorities in different jurisdictions.

Any of the foregoing could, individually or in the aggregate, harm our reputation as a trusted provider, damage our brands and business, cause us to lose existing customers, prevent us from obtaining new customers, require us to expend significant funds to remedy problems caused by violations and to avoid further violations, expose us to legal or regulatory risk and potential liability, and adversely affect our results of operations and financial condition.

We are subject to governmental regulation and other legal obligations related to privacy, data protection, and information security, and our actual or perceived failure to comply with such obligations could harm our business, by resulting in litigation, fines, penalties, or adverse publicity and reputational damage that may negatively affect the value of our business and decrease the value of our common stock. Compliance with such laws could also result in additional costs and liabilities to us or inhibit sales of our products.

Our buyers and other users store personal and business information, financial information and other sensitive information on our platform. In addition, we receive, store, and process personal and business information and other data from and about actual and prospective customers and users, in addition to our employees and service providers. Our handling of data may subject us to a variety of laws and regulations, including regulation by various government agencies. Our data handling also is subject to contractual obligations and industry standards.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use, and storage of data relating to individuals and businesses, including the use of contact information and other data for marketing, advertising, and other communications with individuals and businesses. In the United States, various laws and regulations apply to the collection, processing, disclosure, and security of certain types of data. The laws and regulations relating to privacy and data security are evolving, can be subject to significant change, and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. Additionally, the scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, as a result of the rapidly evolving regulatory framework for privacy issues worldwide.

Any failure or perceived failure by us to comply with laws, regulations, policies, legal, or contractual obligations, industry standards, or regulatory guidance relating to privacy or data security, may result in governmental investigations and enforcement actions, litigation, fines and penalties, or adverse publicity, and could cause our customers and partners to lose trust in us, which could have an adverse effect on our reputation and business. We expect that there will continue to be new proposed laws, regulations, and industry standards relating to privacy, data protection, marketing, consumer communications, and information security, and we cannot determine the impact such future laws, regulations, and standards may have on our business. Future laws, regulations, standards, and other obligations or any changed interpretation of existing laws or regulations could impair our ability to develop and market new functionality, use particular forms of data, and maintain and grow our customer base and increase revenue. Future restrictions on the collection, use, sharing, or disclosure of data, or additional requirements for express or implied consent of our customers, partners, or end users for the use and disclosure of such information could require us to incur additional costs or modify our platform, possibly in a material manner, and could limit our ability to develop new functionality.

As we expand into new jurisdictions, the number of foreign laws, rules, regulations, licensing schemes, and industry standards governing our business will expand. In addition, as we expand our business and develop new products and services, we may become subject to additional laws, rules, regulations, licensing schemes, and industry standards. We may not always be able to accurately predict the scope or applicability of certain laws, rules, regulations, licensing schemes, or industry standards to our business, particularly as we expand into new areas of operations, which could have a significant negative effect on our existing business and our ability to pursue future plans.

We are subject to governmental laws and requirements regarding economic and trade sanctions, export controls, anti-money laundering, and counter-terror financing that could impair our ability to compete in international markets or subject us to criminal or civil liability if we violate them.

Although we currently only operate in the United States, in the future, we may seek to expand internationally. In that case, we would become subject to additional laws and regulations, and would need to implement new controls to comply with applicable laws and regulations. We are required to comply with U.S. export control and economic and trade sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC. We have implemented policies and procedures designed to ensure compliance with these regulations and requirements, as well as similar requirements in other jurisdictions, to the extent applicable. However, we cannot assure you that such policies and procedures will effectively prevent violations of these laws in the future. If we fail to comply with applicable export control and economic and trade sanctions laws, we could be subject to fines or other enforcement actions, which could adversely affect our business. We are also subject to various anti-money laundering, or AML, and counter-terrorist financing laws and regulations around the world that prohibit, among other things, our involvement in transferring the proceeds of criminal activities. In the United States, most of our services are subject to AML laws and regulations, including the Bank Secrecy Act of 1970, as amended by the USA PATRIOT Act of 2001, and its implementing regulations, or collectively, the BSA, and other similar laws and regulations. The BSA, among other things, requires money transmitters to develop and implement risk-based AML programs, to report large cash transactions and suspicious activity, and, in some cases, to collect and maintain information about customers who use their services and maintain other transaction records. Regulators in the U.S. and globally continue to increase their scrutiny of compliance with these obligations, which may require us to further revise or expand our compliance program, including the procedures we use to verify the identity of our customers and to monitor transactions on our system, including payments to persons outside of the United States Regulators regularly re-examine the transaction volume thresholds at which we must obtain and keep applicable records or verify identities of customers, and any change in such thresholds could result in greater costs for compliance. Regulators and third-party auditors have identified gaps in our AML program, and we could be subject to potentially significant fines, penalties, inquiries, audits, investigations, enforcement actions, and criminal and civil liability if such gaps are not sufficiently remediated or our AML program is found to violate the BSA by a regulator.

We are subject to anti-corruption, anti-bribery, and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business and reputation.

We are subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and other anti-corruption and anti-bribery laws and regulations in any non-U.S. jurisdictions in which we do business. These laws generally prohibit companies, their employees, and their third-party intermediaries from promising, authorizing, making, offering, or providing, directly or indirectly, anything of value to foreign government officials or commercial partners for the purpose of obtaining or retaining business or securing an improper business advantage. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions.

As we increase our international business, our risks under these laws may increase. Although we currently only maintain operations in the United States, as we increase our international cross-border business and expand operations abroad, we may engage with business partners and third-party intermediaries to market our services and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities; and we cannot assure that all of our employees and agents will comply with applicable anti-corruption and anti-bribery laws and internal policies.

Detecting, investigating, and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti- corruption or anti-bribery laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties, injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas are received or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our business, results of operations, financial condition, and growth prospects could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, data protection, and other losses.

Our agreements with partners and certain customers may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, data protection, damages caused by us to property or persons, or other liabilities relating to or arising from our platform or other contractual obligations. Some of these indemnity agreements provide for uncapped liability and some indemnity provisions survive termination or expiration of the applicable agreement. Large indemnity payments could harm our business, operating results, and financial condition. Although we normally limit our liability with respect to such obligations in our contracts with direct customers and with customers acquired through our accounting firm partners, we may still incur substantial liability, and we may be required to cease use of certain functions of our platform or products, as a result of IP-related claims. Any dispute with a customer with respect to these obligations could have adverse effects on our relationship with that customer and other existing or new customers, and harm our business and operating results. In addition, although we carry insurance, our insurance may not be adequate to indemnify us for all liability that may be imposed, or otherwise protect us from liabilities or damages with respect to claims alleging compromises of customer data, and any such coverage may not continue to be available to us on acceptable terms or at all.

We could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our customers would have to pay for our offerings and adversely affect our operating results.

The vast majority of states have considered or adopted laws that impose tax collection obligations on out-of-state companies. States where we have nexus may require us to calculate, collect, and remit taxes on sales in their jurisdiction. Additionally, the Supreme Court of the U.S. ruled in South Dakota v. Wayfair, Inc. et al (Wayfair) that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer's state. In response to Wayfair, or otherwise, states or local governments may enforce laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions. We may be obligated to collect and remit sales and use tax in states in which we have not historically collected and remitted sales and use tax. A successful assertion by one or more states requiring us to collect taxes where we historically have not or presently do not do so could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments or local governments of sales tax collection obligations on out-of-state sellers could also create additional administrative burdens for us, put us at a perceived competitive disadvantage if they do not impose similar obligations on our competitors, and decrease our future sales, which could adversely affect our business and operating results.

Our ability to use our net operating losses, or NOLs, to offset future taxable income may be subject to certain limitations.

As of December 31, 2020, we had federal and state NOL carryforwards of approximately $338.8 million and $314.8 million, respectively. The federal NOLs include $141.6 million that may be used to offset up to 100% of future taxable income and the federal and state NOLs will begin to expire in the calendar year 2021, unless

previously utilized. The NOL carryforwards subject to expiration could expire unused and be unavailable to offset future income tax liabilities.

Under the Tax Cuts and Jobs Act, or the Tax Act, as modified by the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, federal NOLs incurred in taxable years beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal NOLs in taxable years beginning after December 31, 2020 is limited to 80% of taxable income in such years. There is variation in how states have responded and may continue to respond to the Tax Act and CARES Act.

Separately, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. Similar rules may apply under state tax laws. We may have experienced such ownership changes in the past, and we may experience ownership changes in the future as a result of this offering or subsequent shifts in our stock ownership, some of which are outside our control. We have not conducted any studies to determine if our NOLs could be subject to limitation as a result of such changes in ownership. For these reasons, our ability to utilize our NOL carryforwards and other tax attributes to reduce future tax liabilities may be limited, which would have a material adverse effect on our cash flows and results of operations.

Changes in our effective tax rate or tax liability may adversely affect our operating results.

Our effective tax rate could increase due to several factors, including:

- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate due to differing statutory tax rates in various jurisdictions;
- changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Tax Act;
- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business; and
- the outcome of current and future tax audits, examinations, or administrative appeals, including limitations or adverse findings regarding our ability to do business in some jurisdictions.

Any of these developments could adversely affect our operating results.

Any future litigation against us could be costly and time consuming to defend.

We may become subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought in connection with intellectual property disputes, claims brought by our customers in connection with commercial disputes, employment claims made by our current or former employees, or claims for reimbursement following misappropriation of customer funds or data.

The software industry is characterized by the existence of many patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights. Companies in the software industry are often required to defend against litigation claims based on allegations of infringement or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims against their use. In addition, many companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. If a third party is able to obtain an injunction preventing us from accessing such third-party intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we would be forced to limit or stop sales of our

software or cease business activities related to such intellectual property. Any inability to license third-party technology in the future would have an adverse effect on our business or operating results and would adversely affect our ability to compete. We may also be contractually obligated to indemnify our customers in the event of infringement of a third party's intellectual property rights.

Lawsuits are time-consuming and expensive to resolve and they divert management's time and attention. Although we carry insurance, our insurance may not cover certain future claims, may not provide sufficient payments to cover all the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our operating results and leading analysts or potential investors to reduce their expectations of our performance, which could reduce the trading price of our stock.

We cannot predict the outcome of lawsuits and cannot assure you that the results of any such actions will not have an adverse effect on our business, operating results, or financial condition.

Our Senior Secured Credit Facilities and Guaranty Agreement provides our lenders with a first-priority lien against substantially all of our and our subsidiaries' assets and personal property, and contains financial covenants and other restrictions on our and our subsidiaries' actions, which could limit our operational flexibility and otherwise adversely affect our financial condition.

Our Senior Secured Credit Facilities and Guaranty Agreement, or our Senior Facilities Agreement, restricts our and our subsidiaries' ability to, among other things (in each case, subject to certain exceptions based on dollar caps or other conditions):

- incur additional indebtedness;
- use our and our subsidiaries' assets as security in other borrowings or transactions or otherwise incur liens upon our and our subsidiaries' assets and property, including without limitation, accounts receivable, whether now owned or hereafter acquired, or any income or profits therefrom;
- enter into other agreements that restrict the creation or assumption of liens upon our and our subsidiaries' properties or assets;
- enter into other agreements that restrict our subsidiaries' ability to (i) make dividend payments or certain distributions to us, (ii) repay our subsidiaries' indebtedness owed to us, (iii) make loans or advances to us, or (iv) transfer property or assets to us;
- declare dividends or make certain distributions;
- redeem or repurchase common and preferred capital stock or make payments to retire outstanding warrants, options or other rights to acquire capital stock, in each case;
- prepay indebtedness (other than indebtedness under, and in connection with, the Senior Facilities Agreement);
- make purchases or acquisitions of equity interests or assets (including, without limitation, accounts receivable) of other persons or legal entities, or make other investments, including, without limitation, investments in our real estate subsidiary, AFV Holdings One, Inc., a North Carolina corporation, joint ventures and foreign subsidiaries (if any);
- make loans, advances or capital contributions to other persons or legal entities;
- undergo a merger or consolidation or liquidation or dissolution or other transactions;
- sell, lease or sublease (as lessor or sublessor), enter into a sale and leaseback with respect to, assign, convey, transfer, license or otherwise dispose of, our or our subsidiaries' businesses, assets, capital stock or other properties;

- enter into transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 5% or more of any class of our or our subsidiaries' capital stock or with any other affiliate of ours or other affiliate of any such holder;
- engage in new businesses, other than our primary B2B payments business;
- amend our and our subsidiaries' organizational documents; and
- amend, terminate, or waive any provision of certain of our and our subsidiaries' material contracts.

Our Senior Facilities Agreement also contains certain financial covenants that prohibit us from (i) allowing our and our subsidiaries' ratio of total debt to recurring revenue (i.e., our Consolidated Recurring Revenue Ratio, as defined in the Senior Facilities Agreement) as of the end of each fiscal quarter to be in excess of prescribed maximums, (ii) allowing our and our subsidiaries' balance of unrestricted cash-on-hand in the United States less our usage of the revolving credit and letter of credit capacity under our Senior Facilities Agreement to be less than the prescribed minimum and (iii) allowing our and our subsidiaries' segregated cash and cash equivalents balance required to be maintained pursuant to applicable financial services laws (i.e., our Client Funds Coverage Amount, as defined in the Senior Facilities Agreement) to be in excess of the prescribed maximums under a prescribed formula. Our ability to comply with these and other covenants is dependent upon several factors, some of which are beyond our control.

Our or our subsidiaries' failure to comply with the covenants or payment requirements, or the occurrence of other events specified in our Senior Facilities Agreement, could result in an event of default under the Senior Facilities Agreement, which would give our lenders, in addition to other rights and remedies, the right to terminate their commitments to provide additional loans under the Senior Facilities Agreement and to declare all outstanding loans, together with accrued and unpaid interest and fees and any other outstanding amounts, to be immediately due and payable. In addition, we and our subsidiaries have granted our lenders under the Senior Facilities Agreement first-priority liens against substantially all of our and our subsidiaries' assets and property as collateral. If the debt under our Senior Facilities Agreement was to be accelerated, we might not have sufficient cash on hand or be able to sell sufficient collateral to repay the obligations then due. In such event, the lenders under our Senior Facilities Agreement would have the right to, among other remedies, enforce liens against our and our subsidiaries assets and property and seek other judicial and non-judicial enforcement of their rights, any or all of which would likely have an immediate adverse effect on our business and operating results.

If we are unable to effectively document or perfect our ownership over our proprietary technology and intellectual property, our ability to protect our proprietary rights against third parties might be adversely affected.

Historically, we have developed our proprietary technology and other intellectual property both internally, through development by our employees and consultants, and externally, through engaging third party developers in the United States and abroad. We generally enter into confidentiality and invention assignment agreements with such employees, consultants and third party developers with the expressed intention that we own all proprietary rights in all applicable technology and intellectual property developed during the relationship. However, it is possible that these agreements may not have been properly entered into on every occasion with the applicable counterparty, and if one of these agreements were found to be defective under applicable law, it may not have effectively granted ownership of certain technology or other intellectual property to us. In such an event, there would be a risk that the applicable counterparty would not be available to (or would not be willing to) assist us in perfecting our ownership of the technology or intellectual property, which may have an adverse effect on our ability to protect our proprietary rights over such technology and intellectual property.

If we are unable to obtain necessary or desirable third-party technology licenses, our ability to develop platform enhancements may be impaired.

We utilize commercially available off-the-shelf technology in the development of our products and services. As we continue to introduce new features or improvements to our products and services, we may be required to

license additional technologies from third parties. These third-party licenses may be unavailable to us on commercially reasonable terms, if at all. If we are unable to obtain necessary third-party licenses, we may be required to obtain substitute technologies with lower quality or performance standards, or at a greater cost, any of which could harm the competitiveness of our platform and our business. In the future, we could be required to seek licenses from third parties in order to continue offering our products and services or to develop enhancements to our technology, which licenses may not be available on terms that are acceptable to us, or at all. Our inability to use third-party software could result in disruptions to our business, or delays in the development of future offerings or enhancements of existing offerings, which could impair our business, financial condition, and results of operations.

We use open-source software in our products, which could subject us to litigation or other actions.

We use open-source software in the development of our products and services. From time to time, there have been claims challenging the ownership of open-source software against companies that incorporate it into their products. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open-source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition, or require us to devote additional research and development resources to change our products. In addition, if we were to combine our proprietary software products with open-source software in a certain manner under certain open-source licenses, we could be required to release the source code of our proprietary software products. If we inappropriately use or incorporate open-source software subject to certain types of open-source licenses that challenge the proprietary nature of our products, we may be required to re-engineer such products, discontinue the sale of such products, or take other remedial actions.

If our technology and other proprietary rights are not adequately protected to prevent use or appropriation by our competitors, the value of our brand and other intangible assets may be diminished, and our business may be adversely affected.

We rely and expect to continue to rely on a combination of confidentiality and license agreements with our employees, consultants and third parties with whom we have relationships, as well as trademark, copyright, patent and trade secret protection laws, to protect our proprietary rights. We may also seek to enforce our proprietary rights through court proceedings or other legal actions. We have filed and we expect to file from time to time for trademark, copyright and patent applications. However, the steps we take to protect our intellectual property rights may be inadequate. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection, and the approach we select may ultimately prove to be inadequate. For example, we have not historically prioritized seeking patent protections for our technology and therefore we may have limited capacity to assert proprietary rights against third parties that may offer similar products, services or functionality. Even in cases where we seek patent protection, we cannot assure that the resulting patents will effectively protect every significant feature of our solutions and any U.S. or other patents issued to us may not be sufficiently broad to protect our proprietary technologies. Specifically, there can be no guarantee that others will not independently develop similar products, duplicate any of our solutions or design around our patents, or adopt similar or identical brands for competing platforms or technology. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Therefore, our registration applications may not be approved, third parties may challenge any copyrights, patents or trademarks issued to or held by us, third parties may knowingly or unknowingly infringe our intellectual property rights, and we may not be able to prevent infringement or misappropriation without substantial expense to us. If the protection of our intellectual property rights is inadequate to prevent use or misappropriation by third parties, the value of our brand, content, and other intangible assets may be diminished.

Further, intellectual property law, including statutory and case law, particularly in the United States, is constantly developing, and any changes in the law could make it harder for us to enforce our rights. In addition, we believe that the protection of our trademark rights is an important factor in product recognition, protecting our brand and

maintaining goodwill. If we do not adequately protect our rights in our trademarks from infringement and unauthorized use, any goodwill that we have developed in those trademarks could be lost or impaired, which could harm our brand and our business. Failure to protect our domain names could also adversely affect our reputation and brand and make it more difficult for subscribers to find our products and services. We may be unable, without significant cost or at all, to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of our trademarks and other proprietary rights.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in controlling access to and distribution of our proprietary information. Further, these agreements do not prevent our competitors or partners from independently developing technologies that are substantially equivalent or superior to our platform.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our intellectual property. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. An adverse determination of any litigation proceedings could put our intellectual property at risk of being invalidated or interpreted narrowly and could put our related patents, patent applications and trademark filings at risk of not issuing or being cancelled. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our platform, impair the functionality of our platform, delay introductions of new functionality to our platform, result in our substituting inferior or more costly technologies into our platform, or injure our reputation. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Moreover, policing unauthorized use of our technologies, trade secrets and intellectual property may be difficult, expensive and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. If we fail to meaningfully protect our intellectual property and proprietary rights, our business, operating results and financial condition could be adversely affected.

Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Our failure to secure, protect and enforce our intellectual property rights could seriously damage our brand and our business.

Risks Related to Our Initial Public Offering and Ownership of Our Common Stock

The market price of our common stock may be volatile or may decline steeply or suddenly regardless of our operating performance and we may not be able to meet investor or analyst expectations. You may not be able to resell your shares at or above the initial public offering price and may lose all or part of your investment.

The initial public offering price for our common stock will be determined through negotiations between the underwriters and us, and will vary from the market price of our common stock following this offering. If you purchase shares of our common stock in this offering, you may not be able to resell those shares at or above the initial public offering price. We cannot assure you that the market price following this offering will equal or exceed prices in privately negotiated transactions of our shares that have occurred from time to time before this offering. The market price of our common stock may fluctuate or decline significantly in response to numerous factors, many of which are beyond our control, including:

- variations between our actual operating results and the expectations of securities analysts, investors and the financial community;
- any forward-looking financial or operating information we may provide to the public or securities analysts, any changes in this information or our failure to meet expectations based on this information;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow us or our failure to meet these estimates or the expectations of investors;
- additional shares of our common stock being sold into the market by us or our existing stockholders, or the anticipation of such sales, including if existing stockholders sell shares into the market when applicable “lock-up” periods end;
- hedging activities by market participants;
- announcements by us or our competitors of significant products or features, technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in operating performance and stock market valuations of companies in our industry, including our competitors;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- lawsuits threatened or filed against us;
- developments in new legislation and pending lawsuits or regulatory actions, including interim or final rulings by judicial or regulatory bodies; and
- other events or factors, including those resulting from COVID-19, political conditions, election cycles, war or incidents of terrorism, or responses to these events.

In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect many technology companies’ stock prices. Stock prices often fluctuate in ways unrelated or disproportionate to a company’s operating performance. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and seriously harm our business.

Moreover, because of these fluctuations, comparing our operating results on a period-to-period basis may not be meaningful. You should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenues or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the

expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings forecasts that we may provide.

Sales of a substantial number of shares of our common stock in the public market, or the perception that they might occur, could cause the price of our common stock to decline.

The price of our common stock could decline if there are substantial sales of our common stock, particularly sales by our directors, executive officers, and significant stockholders. We had a total of 13,650,953 shares of our common stock outstanding as of June 30, 2021. Our executive officers, directors, and other stockholders and optionholders owning substantially all of our common stock and options to acquire common stock will be subject to a lock-up agreement with respect to their shares. These agreements contain several exemptions from the lock-up restrictions. For example, our executive officers may enter into Rule 10b5-1 trading plans under which they would contract with a broker to sell shares of our common stock on a periodic basis. These plans provide for sales to occur from time to time, and sales under such plans that were entered into prior to execution of a lock-up agreement in connection with this offering by our executive officers will not be subject to the additional lock-up period related to this offering.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, whether due to the expiration or release of lock-up restrictions or otherwise, could cause the market price of our common stock to decline or make it more difficult for you to sell your common stock at a time and price that you deem appropriate and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales, or the perception that our shares may be available for sale, will have on the prevailing market price of our common stock.

Certain of our stockholders have rights, subject to some conditions, to require us to file registration statements covering their shares and/or to include their shares in registration statements that we may file for ourselves or our stockholders, subject to market standoff and lockup agreements. The market price of the shares of our common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market or the perception in the market that the holders of a large number of shares intend to sell their shares.

In addition, we intend to file registration statements to register shares reserved for future issuance under our equity compensation plans. Subject to the satisfaction of applicable exercise periods and expiration of the lock-up agreements referred to above, the shares issued upon exercise of outstanding stock options or settlement of outstanding RSUs will be available for immediate resale in the United States in the open market.

We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

We have funded our operations to date primarily through equity financings, sales of our products and services, and transaction fees. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. Additionally, we expect to continue to invest heavily in our business and expend substantial financial and other resources on:

- our technology infrastructure, including systems architecture, scalability, availability, performance, and security;
- product development including investments in our product team and the development of new products and new functionality;
- acquisitions or strategic investments;
- sales, marketing and customer success, including an expansion of our sales organization; and

- general administration, including increased legal, compliance, risk management and accounting expenses.

These investments may not result in increased revenue growth in our business. If we are unable to increase our revenue at a rate sufficient to offset the expected increase in our costs, or if we encounter difficulties in managing a growing volume of payments, we may be required to engage in equity or debt financings to secure additional capital, which may be dilutive to our current stockholders. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. Because our decision to issue securities in the future will depend on numerous considerations, including certain factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our current stock and diluting their interests.

If securities or industry analysts either do not publish research about us or publish inaccurate or unfavorable research about us, our business or our market, or if they change their recommendations regarding our common stock adversely, the trading price or trading volume of our common stock could decline.

The trading market for our common stock will be influenced in part by the research and reports that securities or industry analysts may publish about us, our business, our market or our competitors. If one or more analysts initiate research with an unfavorable rating or downgrade our common stock, provide a more favorable recommendation about our competitors or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price or trading volume of our common stock to decline.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. In addition, our Senior Credit Facilities Agreement contains restrictions on our ability to pay cash dividends on our capital stock. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Delaware law and provisions in our amended and restated certificate of incorporation and bylaws that will be in effect immediately following the completion of this offering could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.

Our amended and restated certificate of incorporation and bylaws that will go into effect immediately following the completion of this offering contain provisions that could depress the trading price of our common stock by acting to discourage, delay or prevent a change of control of our company or changes in our management that the stockholders of our company may deem advantageous. For example, these provisions:

- establish a classified board of directors so that not all members of our board of directors are elected at one time;
- permit the board of directors to establish the number of directors and fill any vacancies and newly-created directorships;
- provide that directors may only be removed for cause;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and bylaws;

- authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- prohibit stockholders from calling special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws;
- restrict the forum for certain litigation against us to Delaware; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

Any provision of our amended and restated certificate of incorporation or bylaws that will be in effect immediately following the completion of this offering or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock. For information regarding these and other provisions, see section titled "Description of Capital Stock — Anti-Takeover Provisions."

Our amended and restated certificate of incorporation, to be effective immediately following the closing of this offering, will provide that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees or stockholders to us or our stockholders, or any action asserting a claim for aiding and abetting such breach of fiduciary duty; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the Delaware General Corporation Law, or DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws (including any right, obligation, or remedy thereunder); (v) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees or stockholders that is governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. This provision would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. In addition, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation to be effective immediately following the closing of this offering will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, or the Securities Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such provision. Our amended and restated certificate of incorporation, to be effective immediately following the closing of this offering,

will further provide that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. Investors also cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us, our directors, officers, or other employees in a venue other than in the federal district courts of the United States. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and we cannot assure you that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could harm our business.

We have broad discretion in how we may use the net proceeds from this offering, and we may not use them effectively.

The principal purposes of this offering are to create a public market for our common stock, facilitate access to the public equity markets, increase our visibility in the marketplace and obtain additional capital to support further growth in our business. Our management will have broad discretion in applying the net proceeds we receive from this offering. We may use the net proceeds (including any additional proceeds that we may receive if the underwriters exercise their option to purchase additional shares of our common stock) to redeem the shares of redeemable preferred stock issuable upon conversion of our senior preferred stock (approximately $169 million), and for general corporate purposes, which we currently expect will include head count expansion, continued investment in our sales and marketing efforts, product development, general and administrative matters, and working capital. We may also use a portion of the net proceeds for acquisitions or strategic investments in complementary businesses, products, services or technologies, although we do not currently have any definitive plans or commitments for any such acquisitions or investments. We may also spend or invest these proceeds in a way with which our stockholders disagree. If our management fails to use these funds effectively, our business could be seriously harmed.

We are an emerging growth company, and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.

We are an emerging growth company and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including:

- not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, or Section 404;
- reduced disclosure obligations regarding executive compensation in our periodic reports, including our annual report on Form 10-K; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved.

As a result, our stockholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if our total annual gross revenues exceed $1.07 billion, if we issue more than $1.0 billion in non-convertible debt securities during any three-year period, or if we are a large accelerated filer and the market

value of our common stock held by non-affiliates exceeds $700 million as of the end of any second quarter before that time. We cannot predict if investors will find our common stock less attractive if we choose to rely on any of the exemptions afforded emerging growth companies. If some investors find our common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our common stock and the market price of our common stock may be more volatile.

Under the JOBS Act, "emerging growth companies" can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We elected to use the extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

As a result of becoming a public company, we will be obligated to develop and maintain effective internal control over financial reporting, and if we fail to develop and maintain effective disclosure controls and procedures and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

Upon becoming a public company, we will be required to comply with the SEC's rules including implementing effective processes and internal control over financial reporting to comply with the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the Nasdaq Stock Market and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time consuming, or costly, and increase demand on our systems and resources, particularly after we are no longer an emerging growth company. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting.

Compliance with these requirements may require significant resources and management oversight to maintain and, if necessary, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business and operating results. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future or engage outside consultants, which would increase our costs and expenses.

We will also be required, pursuant to Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent material misstatements due to fraud or error. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting, as well as a statement that our independent registered public accounting firm has issued an opinion on the effectiveness of our internal control over financial reporting, provided that our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until our first annual report required to be filed with the SEC following the later of the date we are deemed to be an "accelerated filer" or a "large accelerated filer," each as defined in the Exchange Act, or the date we are no longer an emerging growth company, as defined in the JOBS Act. We could

be an emerging growth company for up to five years. An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Undetected material weaknesses in our internal control over financial reporting could lead to financial statement restatements and require us to incur the expense of remediation. We will be required to disclose material changes made in our internal control over financial reporting on a quarterly basis. To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring additional accounting or internal audit staff.

We have already made significant progress towards the challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing, and any required remediation in a timely fashion. During the evaluation and testing process, if we identify material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective.

If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion on the effectiveness of our internal control, including as a result of the material weaknesses described above, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the Nasdaq exchange.

Our management team has limited experience managing a public company.

Our management team has limited experience managing a publicly traded company, interacting with public company investors and securities analysts, and complying with the increasingly complex laws pertaining to public companies. These new obligations and constituents require significant attention from our management team and could divert their attention away from the day-to-day management of our business, which could harm our business, operating results, and financial condition.

An active trading market for our common stock may never develop or be sustained.

We have applied to list our common stock on Nasdaq under the symbol "AVDX." However, we cannot assure you that an active trading market for our common stock will develop on that exchange or elsewhere or, if developed, that any market will be sustained. Accordingly, we cannot assure you of the likelihood that an active trading market for our common stock will develop or be maintained, the liquidity of any trading market, your ability to sell your shares of our common stock when desired or at the prices that you may obtain for your shares.

If you purchase our common stock in this offering, you will incur immediate and substantial dilution.

The assumed initial public offering price is substantially higher than the net tangible book value per share of our common stock of $ per share as of . Investors purchasing common stock in this offering will pay a price per share that substantially exceeds the book value of our tangible assets after subtracting our liabilities, goodwill, intangible assets and redeemable non-controlling interest. As a result, investors purchasing common stock in this offering will incur immediate dilution of $ per share, at the initial public offering price of $ per share. This dilution is due to the substantially lower price paid by our investors who purchased shares prior to this offering as compared to the price offered to the public in this offering.

You will be diluted by the future issuance of common stock, preferred stock or securities convertible into common or preferred stock, in connection with our incentive plans, acquisitions, capital raises or otherwise.

After this offering, we will have outstanding shares of common stock. Our amended and restated certificate of incorporation, which will become effective prior to the closing of this offering, authorizes us to

issue shares of common stock and options, rights, warrants, and appreciation rights relating to common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise.

In the future, we expect to obtain financing or to further increase our capital resources by issuing additional shares of our capital stock or offering debt or other equity securities, including senior or subordinated notes, or debt securities convertible into equity or shares of preferred stock. Issuing additional shares of our capital stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of our existing stockholders or reduce the market price of our common stock or both. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Shares of preferred stock, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing, or nature of our future offerings. As a result, holders of our common stock bear the risk that our future offerings may reduce the market price of our common stock and dilute their stockholdings in us. See “Description of Capital Stock.”

We have reserved 2,502,017 shares of common stock for issuance under our 2020 Plan, which amount is increased by shares subject to an award under our 2010 Plan or 2017 Plan that expire, are forfeited, or otherwise terminate, or are settled in cash. Any common stock that we issue, including under our 2010 Plan, 2017 Plan and 2020 Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by the investors who purchase common stock in this offering. We intend to file one or more registration statements on Form S-8 under the Securities Act, to register shares of our common stock or securities convertible into or exchangeable for shares of our common stock issued pursuant to our 2010 Plan, 2017 Plan or 2020 Plan as well as our new 2021 Plan and ESPP. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. All statements of historical fact included in this prospectus regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors” included in this prospectus. These forward-looking statements are based on management’s current beliefs, based on currently available information, as to the outcome and timing of future events. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our ability to attract and retain buyers and suppliers;
- our ability to deepen our relationships with existing customers;
- our expectations regarding our customer and transaction growth rates;
- our business plan and beliefs and objectives for future operations;
- trends associated with our industry and potential market;
- benefits associated with use of our platform and services;
- our ability to develop or acquire new solutions, improve our platform and solutions and increase the value of our platform and solutions;
- our ability to compete successfully against current and future competitors;
- our ability to further develop strategic relationships;
- our ability to successfully identify, acquire and integrate complementary businesses, products or technology;
- our plans to further invest in and grow our business, and our ability to effectively manage our growth and associated investments;
- our ability to timely and effectively scale and adapt our existing technology;
- our ability to achieve positive returns on investments;
- our ability to increase or maintain our revenue, our revenue growth rate and gross margin;
- our ability to generate sufficient revenue to achieve and sustain profitability;
- our future financial performance, including trends in revenue, cost of revenue, operating expenses, other income and expenses, income taxes, billings and customers;
- the sufficiency of our cash and cash equivalents and cash generated from operations to meet our working capital and capital expenditure requirements;
- our ability to raise capital and the terms of those financings;
- our ability to attract, train and retain qualified employees and key personnel;
- our ability to maintain and benefit from our corporate culture;
- our ability to successfully enter new markets and manage our international expansion;

- our ability to maintain, protect and enhance our intellectual property and not infringe upon others' intellectual property; and
- our anticipated uses of our net proceeds from this offering.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk Factors" and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

MARKET AND INDUSTRY DATA

This prospectus contains estimates and information concerning our industry, including market position and the size and growth rates of the markets in which we participate, that are based on industry publications and reports and other information from our internal sources. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in these publications and reports.

Certain information in the text of this prospectus is contained in independent industry publications. The sources of these independent industry publications are provided below:

Mastercard Real-Time Payments Innovation Playbook October 2018
https://www.mastercard.us/content/dam/mccom/en-us/business-payments/documents/real-time-payments-innovation-playbook-october-2018.pdf

Pymnts.com Payables Friction Playbook Payables-Friction-Playbook_09_2019.pdf (pymnts.com)

AP Automation Market — Global Forecast to 2024 — ResearchAndMarkets.com | Business Wire

2019 AFP Payments Fraud and Control Survey.
https://www.afponline.org/docs/default-source/registered/2021_paymentsfraudsurveyreport-highlights-2.pdf

Certain information included in this prospectus concerning our industry and the markets we serve, including our market share, is also based on our good-faith estimates derived from management’s knowledge of the industry and other information currently available to us.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately million (or approximately million if the underwriters exercise their option to purchase additional shares of our common stock in full) based on an assumed initial public offering price of per share of common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of per share of common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately million, assuming the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We do not expect that a change in the initial public offering price or the number of shares by these amounts would have a material effect on our uses of the proceeds from this offering, although it may accelerate the time at which we will need to seek additional capital.

We intend to use the net proceeds from this offering (including any additional proceeds that we may receive if the underwriters exercise their option to purchase additional shares of our common stock) to redeem the shares of redeemable preferred stock issuable upon conversion of our senior preferred stock (approximately $169 million), and for general corporate purposes, which we currently expect will include headcount expansion, continued investment in our sales and marketing efforts, product development, general and administrative matters, and working capital. We may also use a portion of the net proceeds for acquisitions or strategic investments in complementary businesses, products, services, or technologies, although we do not currently have any definitive plans or commitments for any such acquisitions or investments. We cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. We will have broad discretion over how to use the net proceeds to us from this offering. We intend to invest the net proceeds to us from the offering that are not used as described above in investment-grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared nor paid any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not expect to pay any dividends on our common stock in the foreseeable future. In addition, we expect to enter into a new revolving credit facility in connection with the closing of this offering, which may restrict our ability to pay dividends. Any future determination relating to our dividend policy will be made by our board of directors and will depend on a number of factors, including: our actual and projected financial condition, liquidity and results of operations; our capital levels and needs; tax considerations; any acquisitions or potential acquisitions that we may examine; statutory and regulatory prohibitions and other limitations; the terms of any credit agreements or other borrowing arrangements that restrict the amount of cash dividends that we can pay; general economic conditions; and other factors deemed relevant by our board of directors. We are not obligated to pay dividends on our common stock.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2021:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the conversion of our preferred stock (other than our senior preferred stock) into common stock in connection with this offering; (ii) the conversion of our senior preferred stock into redeemable preferred stock and convertible common stock in connection with this offering; (iii) the conversion of the convertible common stock issuable upon conversion of our senior preferred stock into shares of common stock in connection with this offering, assuming an offering price at the midpoint of the price range on the front cover of this prospectus; (iv) the filing of our amended and restated certificate of incorporation, which will be in effect on the completion of this offering, and the :1 forward stock split of our common stock that will be effected prior to the completion of this offering; (v) the RSUs that met their time based vesting condition as of June 30, 2021 and will vest in full upon completion of this offering and the related stock-based compensation expense; and (vi) the common stock to be issued upon the automatic net exercise of warrants outstanding as of June 30, 2021; and
- on a pro forma as adjusted basis, giving effect to (i) the pro forma adjustments set forth above, (ii) the cash used to redeem the redeemable preferred stock and (iii) the sale and issuance by us of shares of our common stock in this offering.

	As of June 30, 2021		
(in thousands)	**Actual**	**Pro Forma**	**Pro Forma As Adjusted**
Cash and cash equivalents	$ 202,938	$	$
Total debt, including current portion:			
Senior secured credit facility [1]	101,684		
Revolving credit facility	—		
Promissory note in land acquisition	3,000		
Total debt	104,684	—	—
Senior preferred stock, $0.001 par value per share, 2,722,166 shares authorized, 2,722,166 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	153,764		
Redeemable preferred stock, $0.001 par value per share, 350,000 shares authorized, no shares issued and outstanding, actual; 350,000 shares authorized and 169,000 shares issued pro forma and no shares authorized, issued and outstanding, pro forma as adjusted.			
Preferred stock, $0.001 par value per share, 37,400,000 shares authorized, 27,359,830 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	688,266		
Stockholders' (deficit) equity:			
Preferred stock, $0.001 par value per share, no shares authorized, issued and outstanding, actual; 50,000,000 shares authorized and no shares issued and outstanding, pro forma and pro forma as adjusted	—		
Convertible common stock, $0.001 par value per share, 750,000 shares authorized, no shares issued and outstanding, actual; 750,000 shares authorized and 696,402 shares issued and outstanding, pro forma; no shares authorized, issued and outstanding, pro forma as adjusted	—		
Common stock, $0.001 par value per share, 60,000,000 shares authorized, 13,650,953 shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized and shares issued and outstanding, pro forma as adjusted	14		
Additional paid-in capital	204,910		
Accumulated deficit	(764,296)		
Total stockholders' (deficit) equity	(559,372)	—	—
Total capitalization	$ 387,342	$ —	$ —

1 Net of debt issuance costs of $3.5 million actual, and $ million pro forma and pro forma as adjusted.

The number of shares of common stock that will be outstanding after this offering is based on shares of common stock outstanding as of June 30, 2021, on a pro forma basis, and excludes (i) 1,421,108 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2021; (ii) 576,436 shares of our common stock issuable upon the vesting of RSUs outstanding as of June 30, 2021; (iii) shares of our common stock reserved for issuance pursuant to the 1% pledge program; (iv) shares of our common stock reserved for future issuance under our 2021 Plan as of June 30, 2021; and (v) shares of our common stock reserved for future issuance under our ESPP. You should read this in conjunction with the information regarding the number of shares of common stock issuable upon conversion of the shares of convertible common stock issuable upon conversion of our senior preferred stock, found in "The Offering — Additional Shares of Common Stock Issuable Upon Conversion of the Senior Preferred" included elsewhere in this prospectus.

You should read this information in conjunction with our consolidated financial statements and the related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

DILUTION

If you invest in shares of our common stock in this offering, your investment will be immediately diluted to the extent of the difference between the initial public offering price per share of common stock and the pro forma net tangible book value per share of our common stock immediately following consummation of this offering. Net tangible book value per share represents the book value of our total tangible assets less the book value of our total liabilities divided by the number of shares of our common stock then issued and outstanding. Pro forma net tangible book value per share gives effect to (i) the sale by us of shares of common stock in this offering, at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, (ii) the cash used to redeem the shares of redeemable preferred stock issuable upon conversion of the senior preferred stock and (iii) the application of the estimated net proceeds from this offering as described under "Use of Proceeds."

Our net tangible book value as of June 30, 2021 was $, or $ per share. Our pro forma net tangible book value as of June 30, 2021 was $ million, or $ per share of our common stock. This represents an immediate decrease in pro forma, net tangible book value per share of our common stock of $ to our existing stockholders and an immediate dilution of $ per share of our common stock to new investors purchasing our common stock in this offering.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price per share of common stock		$
Net tangible book value (deficit) per share as of June 30, 2021	$	
Increase (decrease) in pro forma net tangible book value (deficit) per share attributable to new investors purchasing our common stock in this offering	$	
Pro forma net tangible book value (deficit) per share of common stock after this offering		$
Dilution per share to new investors purchasing our common stock in this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma net tangible book value (deficit) after this offering by $ and $ per share and decrease (increase) the dilution to new investors by $ and $ per share, assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remained the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, a one million share increase (decrease) in the number of shares offered by us, as set forth on the cover of this prospectus, would increase (decrease) the pro forma net tangible book value (deficit) after this offering by $ and $ per share and decrease (increase) the dilution in pro forma to investors participating in this offering by $ and $ per share, assuming the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, remained the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters were to fully exercise their option to purchase additional shares of our common stock, the pro forma net tangible book value (deficit) per share as June 30, 2021 would be $ per share, and the dilution in pro forma net tangible book value (deficit) per share to new investors purchasing our common stock in this offering would be $ per share.

The following table summarizes, as of June 30, 2021, on a pro forma basis as described above, the differences between the number of shares of common stock, the total consideration and the average price per share (i) paid to us by existing stockholders and (ii) to be paid by the new investors purchasing our common stock in this offering, at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the front cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
	(in thousands)		(in thousands)		
Existing Stockholder		%	$	%	$
New investor					
Total		%	$	%	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) total consideration paid by new investors by $ and increase (decrease) the percentage of total consideration paid by new investors by %, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remained the same and before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, a one million share increase (decrease) in the number of shares offered by us, as set forth on the cover of this prospectus, would increase (decrease) total consideration paid by new investors by $ and increase (decrease) the percentage of total consideration paid by new investors by %, assuming the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, remained the same and before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters were to fully exercise their option to purchase additional shares of our common stock, the percentage of shares of our common stock held by existing stockholders will be reduced to % of the total number of shares of our common stock outstanding after this offering, and the number of shares held by new investors will increase to shares, or % of the total number of shares of our common stock outstanding after this offering.

The discussion and tables above are based on shares of our common stock outstanding as of June 30, 2021, and excludes shares of common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2021, shares of common stock issuable upon the vesting of RSUs outstanding as of June 30, 2021, shares of common stock reserved for issuance pursuant to the 1% pledge program, shares of common stock reserved for future issuance under the 2021 Plan and shares of common stock reserved for issuance under the ESPP. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in further dilution to our stockholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the section titled "Prospectus Summary—Summary Consolidated Financial and Other Data" and our consolidated financial statements and the related notes appearing elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should read the sections titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Our year end is December 31, and our fiscal quarters end on March 31, June 30, September 30, and December 31. The accompanying Management's Discussion and Analysis of Financial Condition and Results of Operations gives effect to the revision adjustments made to the previously reported consolidated financial statements for the fiscal year ended December 31, 2020 and the unaudited interim financial statements for the periods ended June 30, 2021 and 2020 as discussed the notes to the financial statements included elsewhere in this prospectus.

Overview

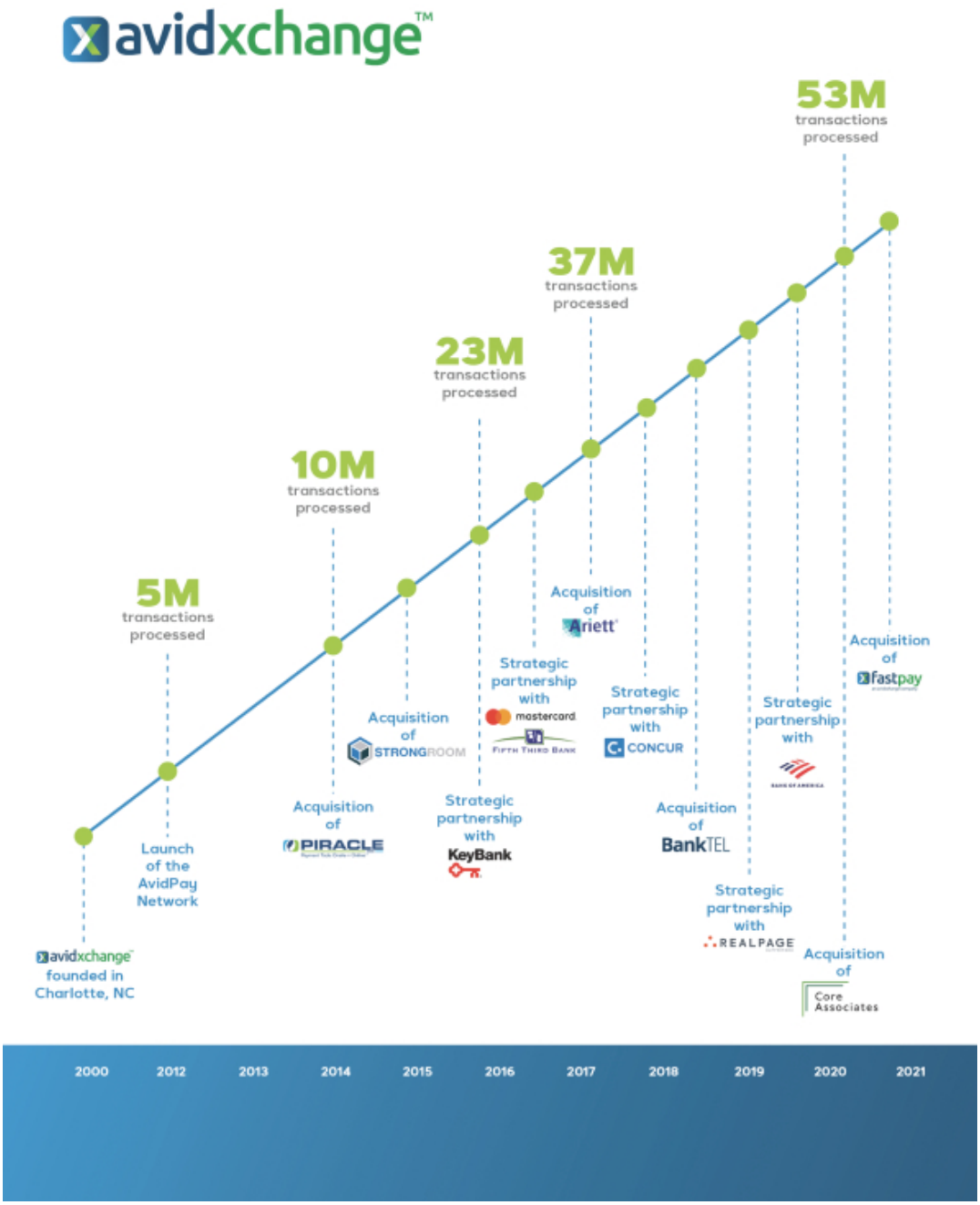
We are a leading provider of AP automation software and payment solutions for middle market businesses and their suppliers. Our SaaS-based, end-to-end software and payment platform digitizes and automates the AP workflows for more than 7,000 businesses (our buyers) and we have made payments to more than 700,000 supplier customers of our buyers (suppliers) over the past five years. While acquiring new and retaining existing relationships with buyers and suppliers are important to our business, the growth of our business is ultimately dependent upon the number of transactions we process, as well as our total payment volume. We developed our technology platform through years of working to solve our buyers' unique middle market workflow challenges. Leveraging our deep domain expertise, we purpose-built a powerful two-sided network that connects buyers and suppliers, drives digital transformation, increases efficiency and accuracy in AP workflows, accelerates payments, enables insight into critical analytics, and lowers operating costs for our buyers.

We transform the way AP works for the middle market. Our platform was purpose-built for the middle market since we wrote our first line of code, based on our desire to deal with the business process complexities of our initial customers. Our intuitive user interfaces are an entry point to a broader user experience emphasizing visibility and control. The SaaS-based technical underlayer drives digital transformation and provides the scalability to grow with our buyers. We built our business to solve this gap for the middle market and believe we have become a uniquely strategic platform for our customers' CFOs, treasurers and finance teams by digitally transforming how they receive, manage and pay their bills. Supported by deep integrations to our customers' middle market oriented accounting and information systems, our platform automates the end-to-end AP workflows for our buyers and enhances the payment experience for our suppliers. We provide a SaaS-based solution automating and digitizing the capture, review, approval and payment of invoices for our buyers. Our two-sided payments network then connects our buyers with their suppliers, enabling invoice payments on behalf of a buyer and according to the supplier's business rules, payment preferences and remittance data. We support a variety of payment methods depending on the supplier's preference, including VCC, enhanced ACH (our AvidPay Direct) and physical check, while delivering rich remittance data to streamline the reconciliation process. Finally, we provide cash management solutions to our supplier network that include tools that provide a comprehensive view of invoices and an accelerator feature (our Invoice Accelerator). These additional features, and others in our product pipeline, allow us to both monetize and increase engagement on our two-sided payments network.

We do not have significant customer concentration in our business, with no single customer contributing more than 6% of 2020 revenue and with our top 10 customers contributing less than 15% of revenue in 2020 as well as the first six months of 2020 and 2021. Our customers operate across a variety of verticals in which we have deep domain expertise, including real estate, HOAs, construction, financial services (including banks and credit unions), healthcare facilities, social services, education, and media. In 2020, we processed approximately 53 million transactions representing over $145 billion in spend under management across our platform and, of

that, moved $38 billion in total payment volume from our buyers to their suppliers. Spend under management represents the sum of (i) the aggregate dollar amount of payments processed by us, plus (ii) the aggregate dollar amount represented by the total number of invoices processed by us, in each case, during the specified period. As described in more detail below, we generate revenue from each transaction processed on a per transaction basis and earn interchange revenue from a portion of the total payment volume.

AvidXchange was founded in 2000 to serve the AP automation needs of the middle market. In 2012, in response to customer demand for more efficient payment methods, we launched the AvidPay Network. Since 2012, we have had substantial growth, both organic and through a series of strategic acquisitions allowing us to expand the vertical markets that we serve. Key milestones in our journey included the following:



We have achieved significant growth through our recurring revenue business model, which gives us visibility into future periods and which is leading to increasing gross margins as we grow our revenue base. We generated revenue of $149.6 million in 2019 and $185.9 million in 2020, representing year-over-year growth of 24.3%. Our gross profit was $62.6 million in 2019 and $85.4 million in 2020, resulting in gross margin of 41.9% in 2019 and 45.9% in 2020. Our Non-GAAP gross profit was $78.6 million in 2019 and $102.3 million in 2020, resulting in Non-GAAP gross margin in 52.5% in 2019 and 55.0% in 2020. Our net loss was $93.5 million in 2019 and $101.2 million in 2020, and we have generated a net loss of more than $484.0 million since inception. See the section titled "Summary Consolidated Financial and Other Data — Key Performance Indicators and Non-GAAP Measures" for a discussion of the limitations of Adjusted EBITDA, Non-GAAP gross profit and Non-GAAP gross margin and reconciliations of these non-GAAP measures to the most comparable GAAP measures for the periods presented.

Our Business and Revenue Model

We sell our solutions through a hybrid go-to-market strategy that includes direct and indirect channels. Our direct sales force leverages their deep domain expertise in select verticals and over 120 referral relationships with integrated software providers, financial institutions and other partners to identify and attract buyers that would benefit from our AP software solutions and the AvidPay Network. Our indirect channel includes reseller partners and other strategic partnerships such as Mastercard, through MasterCard's B2B Hub, which includes Fifth Third Bank and Bank of America, and other financial institutions, such as KeyBank, and third-party software providers such as MRI Software, RealPage and SAP Concur. Our referral and indirect channel partnerships provide us greater reach across the market to access a variety of buyers.

One of the ways that we evaluate our revenue model is by looking at our net transactions processed retention rate. We calculate net transactions processed retention rate for a current period by dividing the (i) number of total transactions processed for customers in the comparable prior period by (ii) the number of total transactions processed for the same customers in the current period. Accordingly, net transactions processed retention rate is calculated solely based on transactions of prior period customers in the current period, regardless of whether or not the prior period customer remains a customer in the current period. Correspondingly, customers in the current period that were not customers in the prior period are excluded from the current period calculation of net transactions processed retention rate. Net transactions processed retention rate, together with our key metric Transactions Processed, enables us to both assess transaction volume attributable to retained customers in a period as well as determine transaction volume attributable to new customers during the same period. This metric allows us to quantify the activity of retained customers over time and illustrates both retention and expansion of the volume of total transactions processed for such customers. Our net transactions processed retention rate from 2018 to 2019 was 105%, and our net transactions processed retention rate from 2019 to 2020 was 102%.

We have a highly visible revenue model based on the durability of our buyer relationships and the recurring nature of the revenues we earn. Our revenues are derived from multiple sources, predominantly through software revenue from our buyers and revenue from payments made to their suppliers. The table below represents our revenues disaggregated by type of service performed:

	Years Ended		Six Months Ended June 30,	
	2020	2019	2021	2020
Software revenue	$ 68,062,964	$ 50,146,554	$ 42,071,205	$ 33,012,350
Payment revenue	115,745,382	98,335,115	70,619,565	51,807,042
Services revenue	2,119,293	1,102,385	1,277,055	645,869
Total revenues	$ 185,927,639	$ 149,584,054	$ 113,967,825	$ 85,465,261

Software Revenue

We generate software revenue from our buyers primarily through (i) fees calculated based on the number of invoices and payment transactions processed and (ii) recurring maintenance and SaaS fees. Software revenue is

typically billed to and paid by our buyers on a monthly basis. Our software offerings, many of which are built for specific verticals, address the needs of buyers and together they comprise our suite of predominately cloud-based solutions designed to manage invoices and automate the AP function. We generally sign multi-year contracts with buyers and revenue is recognized over the term of the contract. We also receive initial upfront implementation fees and software maintenance fee revenue for ongoing support, which are recognized ratably over the term of the applicable support period.

Payment Revenue

We generate revenue from the payments our buyers make to their suppliers through (i) offering electronic payment solutions to suppliers, (ii) fees charged to suppliers using our invoice factoring product, and (iii) interest on funds held for buyers pending disbursement.

Our electronic payment solutions currently include VCC and an enhanced ACH payment product, or AvidPay Direct, which eliminate paper checks and increase the speed to payment for the supplier. AvidPay Direct also provides suppliers with enhanced remittance data allowing the supplier to reconcile the payment and the underlying invoice. VCC revenues result from interchange fees applied to the spend processed and are recorded net of fees and incentives. AvidPay Direct revenue is based on a per transaction fee that we charge to suppliers that generally includes a cap and is based on the spend per payment and is recorded net of incentives.

Our invoice factoring product, Invoice Accelerator, provides certain suppliers with the opportunity to better manage cash flows and receive payments even faster by allowing suppliers to receive advance payment on qualifying invoices. Revenues are generated on a per transaction basis for each payment that is advanced. We currently fund the purchase of invoices from our balance sheet.

Interest income represents interest received from buyer deposits held during the payment clearing process. We receive interest on funds held through our contractual relationship with our buyers.

Impact of Covid-19 Pandemic

Notwithstanding current vaccinations and the gradual re-opening of the U.S. economy, the global COVID-19 pandemic continues to adversely affect commercial activity and has contributed to significant volatility in the financial markets which may continue. Our revenue was adversely affected in 2020 by COVID-19 due to a reduction in spending and closures or slowdowns of certain of our buyer’s businesses. The impact has been higher in certain industry verticals or segments such as HOAs and commercial real estate, with certain buyers tightly managing spend and hesitating to start new implementation projects. However, no material changes have occurred in implementation timelines as a whole. On the other hand, the pandemic has also increased interest and, for certain buyers, accelerated the usage of payment automation technologies such as ours. The COVID-19 pandemic has, on balance, continued to have an adverse effect on our acquisitions of new buyers and suppliers and on sales of new transactions, and thus will likely have an adverse impact on revenue in 2021, which we believe is due to a slow down in commercial activity of some of our buyers, including from continued interruptions in supply chains caused by the pandemic.

Key Factors Affecting Our Performance

Acquiring new buyers and suppliers

To sustain our growth, we need to continue to sell our AP software and payment solutions to new buyers. New buyers add software revenue and new buyers that use our payment solutions will allow us to continue adding new suppliers to our network, increasing payment volume across our platform and providing us with the opportunity to generate additional revenue from the payments our buyers make to their suppliers. Our financial performance will depend in large part on the overall demand for our platform particularly from middle market buyers and their suppliers.

Expanding our relationships with existing buyers and suppliers

The growth of our software revenue is dependent upon the number of invoice and payment transactions processed across our platform. The number of transactions that our buyers submit through our platform is often based on their experience implementing and using our products and services, realized or perceived value, and confidence in the accuracy and timeliness of our services. Although we often include minimum transaction commitments in our buyer agreements, our growth is dependent on our buyers using our platform to process their invoice and payment transactions and otherwise serve their AP needs.

Payment revenue is a significant component of our overall revenue and is dependent upon the payment spend volume submitted by our buyers and processed through our AvidPay Network. Payment revenue is also dependent upon the continued acceptance by suppliers in our network of electronic payment types that result in interchange revenue. Our growth will depend on our continued ability to deliver electronic payments to existing suppliers in a manner that is consistent with their internal business rules, payment preferences, and perceived value.

We also experience growth from buyers when we cross sell existing products and services or introduce new products and services.

Investing in sales and marketing

We intend to increase our sales and marketing spend to drive awareness and generate demand to acquire new buyers and to grow our supplier network. We also intend to invest in new relationships with accounting software providers and other strategic partners. Our investments in supporting these relationships have been significant and will continue, and we expect such investments to include education and training initiatives such as webinars, industry trade show presentations, and developing sell-sheet case studies. We expect our sales and marketing expenses to increase as we continue to grow.

Growing our network

We will continue to add buyers and suppliers to our proprietary AvidPay Network and to invest in features and functionality to drive value across our network. We expect to add payment methods to our platform over time.

Investing in our platform and products

We are making significant investments in our technology to maintain and enhance our position as a leading provider of AP automation software and payment solutions for middle market businesses and their suppliers. To drive adoption and increase penetration within our base, we have and will continue to introduce new products and features. We believe that investment in research and development contributes to our long-term growth but may also negatively impact our short-term profitability. We will continue to leverage emerging technologies and invest in the development of more features that meet and anticipate the needs of both buyers and suppliers. As a result, we expect our expenses related to research and development to increase as we continue to grow. These efforts will require us to invest significant financial and other resources.

Pursue strategic mergers and acquisitions

We will continue to supplement our organic growth by pursuing strategic mergers and acquisitions to expand into new verticals and horizontal capabilities, capture unmonetized or under-monetized spend, and enhance and expand products and capabilities.

In July 2021, we acquired all of the equity interests of FastPay, a leading provider of payments automation solutions for the media industry. This acquisition expands our portfolio of automated payments technologies and services to middle market companies across the media landscape in the United States.

Key Business Metrics

We regularly review several business metrics, as presented in the table below, to measure our performance, identify trends affecting our business, prepare financial projections, and make strategic decisions. We believe that these key business metrics provide meaningful supplemental information for management and investors in assessing our historical and future operating performance. The calculation of the key metrics and other measures discussed below may differ from other similarly-titled metrics used by other companies, securities analysts or investors.

	Year Ended December 31,		Percentage Change	Six Months Ended June 30,		Percentage Change
	2020	2019		2021	2020	
Transactions Processed	52,757,295	44,825,421	17.7%	29,880,127	24,647,693	21.2%
Transaction Yield	$ 3.52	$ 3.34	5.4%	$ 3.81	$ 3.47	9.8%
Total Payment Volume (in millions)	$ 37,880	$ 28,172	34.5%	$ 23,003	$ 16,876	36.3%

Transactions processed

We believe that transactions processed is an important measure of our business because it is a key indicator of the use by both buyers and suppliers of our solutions and our ability to generate revenue, since a majority of our revenue is generated based on transactions processed. We define transactions processed as the number of invoice transactions and payment transactions, such as invoices, purchase orders, checks, ACH payments and VCCs, processed through our platform during a particular period.

Transaction yield

We believe that transaction yield is an important measure of the value of solutions to buyers and suppliers as we scale. We define transaction yield as the total revenue during a particular period divided by the total transactions processed during such period.

Total payment volume

We believe total payment volume is an important measure of our AvidPay Network business as it quantifies the demand for our payment services. We define total payment volume as the dollar sum of buyers' AP payments paid to their suppliers through the AvidPay Network during a particular period.

Certain Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and prospects, and allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making. We are presenting these non-GAAP metrics to assist investors in seeing our financial performance using a management view. We believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

	Year Ended December 31,		Six Months Ended June 30,	
Other Financial and Operating Data:	**2020**	**2019**	**2021**	**2020**
(in thousands, except percentages)				
GAAP gross profit	$ 85,390	$ 62,623	$ 59,314	$ 36,479
Non-GAAP gross profit(1)	102,342	78,565	68,557	44,876
GAAP gross margin	45.9%	41.9%	52.0%	42.7%
Non-GAAP gross margin(1)	55.0%	52.5%	60.2%	52.5%
GAAP net loss	(101,246)	(93,546)	(92,025)	(50,640)
Non-GAAP net loss(2)	(67,902)	(70,209)	(30,558)	(36,859)
Adjusted EBITDA(3)	(32,723)	(37,438)	(12,080)	(19,550)
Net cash used in operating activities	(44,129)	(61,791)	(41,093)	(26,616)
Free cash flow(4)	(56,153)	(71,084)	(49,515)	(32,332)

(1) We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, excluding the portion of stock-based compensation expense and depreciation and amortization expense allocated to our cost of revenues. We believe non-GAAP gross profit and non-GAAP gross margin provide our management and investors consistency and comparability with our past financial performance and facilitate period-to-period comparisons of operations by eliminating the uneven impact of non-cash equity compensation expense and depreciation and amortization expense in order to assess our core operating results. See “Prospectus Summary — Summary Consolidated Financial and Other Data — Reconciliation from Revenue to Non-GAAP Gross Profit and Non-GAAP Gross Margin” for a reconciliation to GAAP.

(2) We define Non-GAAP net loss as our net loss before amortization of acquired intangible assets, impairment and write-off of intangible assets, provision for income taxes, stock-based compensation expense, transaction and acquisition-related costs, change in fair value of derivative instrument, and non-recurring items not indicative of ongoing operations for our business. Non-GAAP net loss provides investors with greater transparency to the information used by management in its financial and operational decision-making and when viewed in combination with our results prepared in accordance with U.S. GAAP, it provides a more complete understanding of the factors and trends affecting our business and performance. See “Prospectus Summary — Summary Consolidated Financial and Other Data — Reconciliation from Non-GAAP Net Loss” for a reconciliation to GAAP.

(3) To provide investors with additional information regarding our financial results, we have disclosed here adjusted EBITDA, a non-GAAP financial measure that we define as our net loss before depreciation and amortization of property and equipment, amortization of software development costs, amortization of acquired intangible assets, impairment and write-off of intangible assets, interest income and expense, income tax expense, stock-based compensation expense, transaction and acquisition-related costs, and non-recurring items not indicative of ongoing operations for our business. We have included adjusted EBITDA in this prospectus because it is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses in calculating adjusted EBITDA facilitates operating performance comparability across reporting periods by removing the effect of non-cash expenses and certain variable charges. Accordingly, we believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. See “Prospectus Summary — Summary Consolidated Financial and Other Data — Reconciliation of Net Loss to Adjusted EBITDA” for a reconciliation to GAAP.

(4) To provide investors with additional information regarding our financial results, we have also disclosed here and elsewhere in this prospectus free cash flow, a non-GAAP financial measure that we calculate as net cash used in operating activities less capital expenditures, which consist of purchases of property and equipment, and internally developed intangible assets. See “Prospectus Summary — Summary Consolidated Financial and Other Data — Reconciliation of Net Cash Used in Operating Activities to Free Cash Flow” for a reconciliation to GAAP.

Components of Results of Operations

Revenue

We generate revenue from the following sources: (i) software, (ii) payments, and (iii) services.

Software Revenue

We generate software revenue from our buyers primarily through (i) fees calculated based on the number of invoices and payment transactions processed and (ii) recurring maintenance and SaaS fees. Software revenue is typically billed to and paid by our buyers on a monthly basis. Our software offerings, many of which are built for specific verticals, address the needs of buyers and together they comprise our suite of predominately cloud-based solutions designed to manage invoices and automate the AP function. We generally sign multi-year contracts with buyers and revenue is recognized over the term of the contract. We also receive initial upfront implementation fees and software maintenance fee revenue for ongoing support, which are recognized ratably over the term of the applicable support period.

Payment Revenue

We generate revenue from the payments our buyers make to their suppliers through (i) offering electronic payment solutions to suppliers, (ii) fees charged to suppliers from our invoice factoring product, and (iii) interest on funds held for buyers pending disbursement.

Our electronic payment solutions currently include VCC and an enhanced ACH payment product, or AvidPay Direct, which eliminate paper checks and increase the speed to payment for the supplier. AvidPay Direct also provides suppliers with enhanced remittance data allowing the supplier to reconcile the payment and the underlying invoice. VCC revenues result from interchange fees applied to the spend processed and are recorded net of fees and incentives. AvidPay Direct revenue is based on a per transaction fee that we charge to suppliers that generally includes a cap and is based on the spend per payment and is recorded net of incentives.

Our invoice factoring product, Invoice Accelerator, provides certain suppliers with the opportunity to better manage cash flows and receive payments even faster by allowing suppliers to receive advance payment on qualifying invoices. Revenues are generated on a per transaction basis for each payment that is advanced. We currently fund the purchase of invoices from our balance sheet.

Interest income represents interest received from buyer deposits held during the payment clearing process. We receive interest on funds held through our contractual relationship with our buyers.

Services Revenue

Services revenue includes fees charged to process buyer change in service requests.

We expect our total revenue to increase year over year due to an increase in the number of buyers and transactions processed, and that payment revenue will comprise a greater proportion of total revenue as the volume of transactions on the AvidPay Network continues to increase.

Cost of Revenues and Operating Expenses

Cost of Revenues — Cost of revenues includes personnel related costs, which include direct compensation, fringe benefits, short- and long-term incentive plans and stock-based compensation expense. Cost of revenues includes teams responsible for buyer and supplier onboarding and setup, invoice processing, payment operations, money movement execution, and customer service. Personnel costs also include internal labor associated with the employees who monitor the performance and reliability of our buyer and supplier solutions and the underlying delivery infrastructure (i.e., application and data hosting administration, product support and escalations, payment monitoring and settlement functions).

Cost of revenues also includes external expenses that are directly attributed to the processing of invoice and payment transactions. These expenses include the cost of scanning and indexing invoices, printing checks, postage for mailing checks, expenses for processing payments (ACH, check, and wires), bank fees associated with buyer deposits held during the payment clearing process, and other transaction execution costs. Additionally, cost of revenues includes fees paid to third parties for the use of their technology, data hosting services, and customer relationship management tools in the delivery of our services or in supporting the delivery infrastructure and adjustments to the allowance for uncollectible advancements processed through Invoice Accelerator. Lastly, cost of revenues includes estimates for treasury losses that occur in treasury operations. Treasury losses include various unrecoverable internal payment processing errors that occur in the ordinary course of business, such as duplicate payments, overpayments, payments to the wrong party and reconciliation errors.

We have elected to exclude amortization expense of capitalized developed software and acquired technology, as well as allocations of fixed asset depreciation expense and facility expenses from cost of revenues.

We expect our cost of revenues as a percentage of revenue to decrease as we continue to realize operational efficiencies and shift more of our transactions to electronic payments.

Sales and Marketing — Sales and marketing consists primarily of costs related to our direct sales force and partner channels that are incurred in the process of setting up go-to-market strategies, generating leads, building brand awareness and acquiring new buyers and suppliers, including efforts to convert suppliers from paper check payments to electronic forms of payments and efforts to enroll them into the Invoice Accelerator solution.

Personnel costs include salaries, wages, direct and amortized sales commissions, fringe benefits, short- and long-term incentive plans and stock-based compensation expense. Most of the commissions paid to the direct sales force are incremental based upon invoice and payment volume from the acquisition of a new buyer and are deferred and amortized ratably over an estimated benefit period of five years.

The partner ecosystem consists of reseller, referral and accounting system partners. Compensation paid to referral and accounting system partners in exchange for the referral and marketing efforts of the partner is classified as sales and marketing expense.

In addition, we focus on generating awareness of our platform and products through a variety of sponsorships, user conferences, trade shows, and integrated marketing campaigns. Costs associated with these efforts, including travel expenses, external consulting services, and various technology applications are included in sales and marketing as well.

We expect our sales and marketing expenses to increase in absolute dollars while remaining fairly consistent as a percentage of revenue as we continue to expand our market presence, grow our customer base, and continue to develop new offerings to sell to our buyers and suppliers. We are focused on the efficient deployment of marketing resources to drive our sales efforts and expect to continue to increase marketing over the coming periods.

Research and Development — Research and development efforts focus on the development of new products and business intelligence tools or enhancements to existing products and applications, as well as large scale infrastructure projects that improve the underlying architecture of our technology.

The main contributors of research and development costs are (i) personnel related expenses, including fringe benefits, short- and long-term incentive plans and stock-based compensation expense, and (ii) fees for outsourced professional services. We capitalize certain internal and external development costs that are attributable to new products or new functionality of existing products and amortize such costs to depreciation and amortization on a straight-line basis over an estimated useful life, which is generally three years.

We also incur research and development costs attributed to the use of software tools and technologies required to facilitate the research and development activities. Examples of such costs include fees paid to third parties to host lower technical environments and the associated virtual machine ware fees paid to support agile development efforts, and fees paid for software tools and licenses used in quality control testing and code deployment activities.

We expect our research and development expense to increase in absolute dollars, but to decrease as a percentage of revenue as we are able to efficiently deploy our development resources against a larger revenue base.

General and Administrative — General and administrative expenses consist primarily of our finance, human resources, legal and compliance, facilities, information technology, administration, and information security organizations. Significant cost contributors are (i) personnel expenses, including fringe benefits, short- and long-term incentive plans and stock-based compensation expense, and (ii) costs of software applications, including end user computing solutions, and various technology tools utilized by these organizations. Occupancy expenses, which include personnel, rent, maintenance and property tax costs are not allocated to other components of the statements of operations and remain in general and administrative expenses. General and administrative expenses are reduced by incentives we have received from state and local government agencies as part of various local job development investment grants.

We expect our general and administrative expenses to increase in both absolute dollars and as a percentage of revenue over the next two years, as we continue to build out our infrastructure to support our life as a public company, and to support our greater customer base. After approximately two years we expect these expenses to decrease as a percentage of revenue as a large portion of this public company infrastructure investment is comprised of fixed costs.

Impairment and Write-Off of Intangible Assets — Impairment and write-off of intangible assets is the reduction from carrying value to fair value for assets or asset groups whose carrying value is not recoverable and also includes charges determined based on our estimation of the amount of obsolescence of previously capitalized software development costs.

Depreciation and Amortization — Depreciation and amortization expense includes depreciation of property and equipment over the estimated useful life of the applicable asset, as well as amortization of acquired intangibles (i.e., technology, customer list and tradename) with a useful life between 3 and 12 years, and amortization of capitalized software development costs with an estimated benefit of 3 years.

Other Income (Expense) — Other income (expense) consists primarily of interest expense on our bank borrowings and headquarter finance leases, offset by interest income on non-customer corporate funds. Additionally, other income (expense) includes changes in the fair value of our derivative instrument, which requires adjustments to fair value each reporting period.

Income Tax Expense (Benefit) — This consists of federal and state income taxes.

Results of Operations

Our results of operations have been revised for correction of errors described in the notes to the financial statements included elsewhere in this prospectus. The following table sets forth our results of operations for the periods presented:

Consolidated Statements of Operations *(in thousands, except share and per share data)*	Year Ended December 31, 2020	Year Ended December 31, 2019	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Revenues	$ 185,928	$ 149,584	$ 113,968	$ 85,465
Cost of revenues (excluding depreciation and amortization)	83,755	71,133	45,551	40,666
Operating expenses				
Sales and marketing	47,910	39,583	28,058	23,516
Research and development	44,500	33,591	27,553	21,101
General and administrative	56,395	52,101	29,934	20,456
Impairment and write-off of intangible assets	924	7,891	574	924
Depreciation and amortization	27,514	22,340	14,170	13,780
Total operating expenses	177,243	155,506	100,289	79,777
Loss from operations	(75,070)	(77,055)	(31,872)	(34,978)
Other income (expense)				
Interest income	1,675	1,383	297	977
Interest expense	(20,080)	(17,259)	(10,111)	(9,977)
Change in fair value of derivative instrument	(7,537)	(555)	(138)	(6,545)
Charge for amending financing advisory engagement letter — related party	—	—	(50,000)	—
Other expenses	(25,942)	(16,431)	(59,952)	(15,545)
Loss before income taxes	(101,012)	(93,486)	(91,824)	(50,523)
Income tax expense	234	60	201	117
Net loss	$ (101,246)	$ (93,546)	$ (92,025)	$ (50,640)
Deemed dividend on preferred stock	(43,414)	(6,494)	—	—
Accretion of convertible preferred stock	(21,682)	(7,906)	(9,405)	(10,419)
Net loss attributable to common shareholders	(166,342)	(107,946)	(101,430)	(61,059)
Net loss per share attributable to common shareholders, basic and diluted	$ (13.38)	$ (10.15)	$ (7.61)	$ (5.38)
Weighted-average shares used to compute net loss per share attributable to common shareholders, basic and diluted	12,434,563	10,631,679	13,329,319	11,346,058

Comparison of the Six Months Ended June 30, 2021 and 2020

Revenue

(in thousands, except percentages)	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Period-to-Period Change Amount	Period-to-Period Change Percentage
Revenue	$113,968	$85,465	$28,503	33.4%

The increase in revenue was comprised of an increase in software revenue of $9.1 million, or 27.4%, primarily driven by the addition of new buyer invoice and payment transaction volume as well as the inclusion of $3.9 million of software license and maintenance fees associated with the acquisition of Core Associates which closed in

December 2020. Payment revenue increased by approximately $18.8 million, or 36.3%, driven primarily by increased electronic payments on the AvidPay Network with the addition of new buyer payment transaction volume.

Cost of Revenue

	Six Months Ended June 30,					
	2021		2020		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Cost of revenues (excluding depreciation and amortization expense)	$45,551	40.0%	$40,666	47.6%	$4,885	12.0%

The increase in cost of revenue (excluding depreciation and amortization) was due primarily to an increase in employee costs of $2.8 million. This increase is driven by hiring efforts to support the growth in our business as well as a $0.7 million impact related to headcount additions from our acquisition of Core Associates, which closed in December 2020. The additional employees are supporting implementation and buyer and supplier experience services, SaaS product delivery and money movement. The remainder of the increase was primarily driven by increases in invoice and check processing fees of $1.6 million as well as increases in cloud hosting fees of $0.5 million related to a higher volume of transactions processed through our applications.

Sales and Marketing Expenses

	Six Months Ended June 30,					
	2021		2020		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Sales and marketing	$28,058	24.6%	$23,516	27.5%	$4,542	19.3%

The increase in sales and marketing expenses was due primarily to an increase of $3.1 million in employee costs (net of capitalized sales commissions), driven by a $0.8 million impact related to headcount additions from the acquisition of Core Associates plus organic headcount growth related to personnel directly engaged in acquiring new buyers and suppliers and in marketing our products and services. Additionally, increases in channel marketing fees of $1.2 million were offset by decreases in travel-related costs of $0.2 million as the COVID-19 pandemic decreased travel activity in the first half of 2021 compared to the first half of 2020.

Research and Development Expenses

	Six Months Ended June 30,					
	2021		2020		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Research and development	$27,553	24.2%	$21,101	24.7%	$6,452	30.6%

Research and development expenses increased primarily due to a $3.3 million increase in costs associated with engaging consultants and contractors to support the investment in our platform, and $6.0 million related to increased employee costs. The investments in our platform are intended to increase the quality, reliability and efficiency of our technology and included approximately $1.1 million of consultant and contractor costs associated with the acquisition of Core Associates which closed in December 2020. The increase in employee costs were related to both headcount and compensation increases. These increases were offset, in part, by a reduction in expense associated with capitalization of internally developed software of approximately $2.9 million.

General and Administrative Expenses

	Six Months Ended June 30,					
	2021		2020		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
General and administrative	$29,934	26.3%	$20,456	23.9%	$9,478	46.3%

The increase in general and administrative expenses is attributable to a $3.3 million increase in employee costs, a $3.0 million increase in transaction-related costs and $1.9 million of IPO-related costs. The increases reflect the growth in our business and our preparation to operate as a public company.

Impairment and Write-Off of Intangible Assets

	Six Months Ended June 30,					
	2021		2020		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Impairment and write-off of intangible assets	$ 574	0.5%	$ 924	1.1%	$ (350)	-37.9%

The impairment and write-off of intangible assets during the six months ended June 30, 2021 and 2020 relates to internally developed software projects.

Depreciation and Amortization

	Six Months Ended June 30,					
	2021		2020		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Depreciation and amortization	$14,170	12.4%	$13,780	16.1%	$ 390	2.8%

Depreciation and amortization increased slightly due to an increase in the amortization of intangible assets associated with the acquisition of Core Associates which closed in December 2020.

Other Income (Expense)

	Six Months Ended June 30,					
	2021		2020		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Other Income (Expense)	$(59,952)	-52.6%	$(15,545)	-18.2%	$(44,407)	285.7%

Other income (expense) increased primarily due to a $50 million non-cash charge related to amending a financing advisory agreement with a related party which was settled by issuing common stock. This increase was partially offset by a reduction in loss caused by the net revaluation of a derivative instrument of approximately $6.4 million, offset in part by slightly higher interest expense and slightly lower interest income.

Income Tax Expense

(in thousands, except percentages)	Six Months Ended June 30, 2021 Amount	2021 Percentage of Revenue	2020 Amount	2020 Percentage of Revenue	Period-to-Period Change Amount	Period-to-Period Change Percentage
Income tax expense	$ 201	0.2%	$ 117	0.1%	$ 84	71.8%

The provision for income taxes relates primarily to state income taxes and noncurrent federal taxes related to the non-deductibility of goodwill in the future.

Comparison of the Years Ended December 31, 2020 and 2019

Revenue

(in thousands, except percentages)	Year Ended December 31, 2020	2019	Period-to-Period Change Amount	Period-to-Period Change Percentage
Revenue	$185,928	$149,584	$36,344	24.3%

Total revenue increased $36.3 million, or 24.3%, during the year ended December 31, 2020. Software revenue increased $17.9 million, or 35.7%, year over year driven primarily by the addition of new buyer invoice and payment transaction volume and the inclusion of $10.3 million associated with the acquisition of BankTEL, which closed in October 2019. Payment revenue increased $17.4 million, or 17.7%, year over year driven primarily by increased electronic payments on the AvidPay Network primarily from the addition of new buyer payment transaction volume.

Cost of Revenue

(in thousands, except percentages)	Year Ended December 31, 2020 Amount	2020 Percentage of Revenue	2019 Amount	2019 Percentage of Revenue	Period-to-Period Change Amount	Period-to-Period Change Percentage
Cost of revenues (excluding depreciation and amortization expense)	$83,755	45.0%	$71,133	47.6%	$12,622	17.7%

The increase in cost of revenue (excluding depreciation and amortization) was due primarily to an increase in employee costs of $9.0 million related to additional hiring to support the growth in our business. The additional employees are supporting implementation and buyer and supplier experience services, SaaS product-delivery and money movement. The remainder of the increase was primarily driven by an increase in invoice and check processing and bank fees from an increase in the volume of transactions.

Sales and Marketing Expenses

(in thousands, except percentages)	Year Ended December 31, 2020 Amount	2020 Percentage of Revenue	2019 Amount	2019 Percentage of Revenue	Period-to-Period Change Amount	Period-to-Period Change Percentage
Sales and marketing	$47,910	25.8%	$39,583	26.5%	$8,327	21.0%

The increase in sales and marketing expenses was due primarily to a $7.7 million increase in employee costs (net of capitalized sales commissions), including the hiring of additional personnel who were directly engaged in acquiring new buyers and suppliers and in marketing our products and services.

Research and Development Expenses

	Year Ended December 31,				Period-to-Period Change	
	2020		2019			
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Research and development	$44,500	23.9%	$33,591	22.5%	$10,909	32.5%

The increase in research and development expenses was due primarily to an $11.6 million increase in costs associated with engaging consultants and contractors to support the investment in our platform, which are intended to increase the quality, reliability and efficiency of our technology, and $4.6 million related to increased employee costs, primarily related to compensation increases. These increases were offset, in part, by an increase in costs associated with capitalization of internally developed software of approximately $4.6 million.

General and Administrative Expenses

	Year Ended December 31,				Period-to-Period Change	
	2020		2019			
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
General and administrative	$56,395	30.3%	$52,101	34.8%	$4,294	8.2%

The increase in general and administrative expenses was due primarily to costs recognized during the year ending December 31, 2020 of approximately $11.0 million relating to a non-recurring charge associated with modifying the terms of our agreement with our VCC service provider. In addition, during the 2020 period, we incurred $1.4 million of professional and consulting fees in connection with our preparation to operate as a public company. These increases were offset in part by certain non-recurring costs that occurred during the 2019 period, including $2.9 million in consulting fees to secure government grants for job development, $1.7 million in debt modification costs and $0.8 million related to remaining lease payments on vacated office space.

Impairment and Write-Off of Intangible Assets

	Year Ended December 31,				Period-to-Period Change	
	2020		2019			
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Impairment and write-off of intangible assets	$ 924	0.5%	$7,891	5.3%	$(6,967)	-88.3%

The impairment and write-off of intangible assets during the year ended December 31, 2019 relates to a new product release, which resulted in the obsolescence of previously capitalized software development costs.

Depreciation and Amortization

	Year Ended December 31,					
	2020		2019		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Depreciation and amortization	$27,514	14.8%	$22,340	14.9%	$5,174	23.2%

The increase in depreciation and amortization expenses was due primarily to the amortization of intangible assets added through the acquisition of BankTEL. Amortization expense related to BankTEL intangible assets was $1.8 million in 2019 compared to $7.3 million in 2020.

Other Income (Expense)

	Year Ended December 31,					
	2020		2019		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Other Income (Expense)	$(25,942)	-14.0%	$(16,431)	-11.0%	$(9,511)	57.9%

Other income (expense) increased to approximately $(25.9) million during the year ended December 31, 2020 from approximately $(16.4) million during the year ended December 31, 2019, due primarily to a greater loss related to the revaluation of a derivative instrument of approximately $7.0 million and an increase in interest expense associated with increased borrowings under our 2019 credit facility.

Income Tax Expense

	Year Ended December 31,					
	2020		2019		Period-to-Period Change	
(in thousands, except percentages)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Income tax expense	$ 234	0.1%	$ 60	0.0%	$ 174	290.0%

The provision for income taxes relates primarily to state income taxes.

Quarterly Results of Operations

The following tables summarize our selected unaudited quarterly consolidated statements of operations data and the percentage of revenue that each line item represents for each of the ten quarters in the period ended June 30, 2021. The information for each of these quarters has been prepared on the same basis as our audited annual consolidated financial statements and reflects, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for the fair statement of the results of operations for these periods as well as the revision for the correction of errors to the 2020 and 2021 quarterly periods described in the notes to the financial statements included elsewhere in this prospectus. This data should be read in conjunction with our

audited consolidated financial statements included elsewhere in this prospectus. Historical results are not necessarily indicative of the results that may be expected in the future.

	Three Months Ended									
Consolidated Statements of Operations Data	**March 31, 2019**	**June 30, 2019**	**September 30, 2019**	**December 31, 2019**	**March 31, 2020**	**June 30, 2020**	**September 30, 2020**	**December 31, 2020**	**March 31, 2021(1)**	**June 30, 2021**
(in thousands)										
Revenues	$ 33,506	$ 36,294	$ 38,109	$ 41,675	$ 43,050	$ 42,415	$ 47,600	$ 52,863	$ 55,214	$ 58,754
Cost of revenues (excluding depreciation and amortization)(2)	15,776	16,750	18,765	19,842	20,343	20,323	20,972	22,117	22,540	23,011
Operating expenses										
Sales and marketing	8,775	10,327	9,156	11,325	11,728	11,788	11,763	12,631	13,511	14,547
Research and development	6,404	7,386	9,618	10,183	10,409	10,692	11,055	12,344	13,933	13,620
General and administrative	13,201	11,092	12,043	15,765	10,597	9,859	10,357	25,582	14,164	15,770
Impairment and write-off of intangible asset	—	—	—	7,891	471	453	—	—	—	574
Depreciation and amortization	5,089	5,168	5,175	6,908	6,875	6,905	6,953	6,781	7,077	7,093
Total operating expenses	33,469	33,973	35,992	52,072	40,080	39,697	40,128	57,338	48,685	51,604
Loss from operations	(15,739)	(14,429)	(16,648)	(30,239)	(17,373)	(17,605)	(13,500)	(26,592)	(16,011)	(15,861)
Other income (expense)(3)	(3,683)	(3,751)	(3,771)	(5,226)	(9,459)	(6,086)	(4,426)	(5,971)	(53,947)	(6,005)
Loss before income taxes	(19,422)	(18,180)	(20,419)	(35,465)	(26,832)	(23,691)	(17,926)	(32,563)	(69,958)	(21,866)
Income tax expense	—	—	—	60	59	58	58	59	68	133
Net loss	$(19,422)	$(18,180)	$ (20,419)	$ (35,525)	$(26,891)	$(23,749)	$ (17,984)	$ (32,622)	$(70,026)	$(21,999)

	Three Months Ended									
Percentage of Revenue Data	**March 31, 2019**	**June 30, 2019**	**September 30, 2019**	**December 31, 2019**	**March 31, 2020**	**June 30, 2020**	**September 30, 2020**	**December 31, 2020**	**March 31, 2021**	**June 30, 2021**
(in thousands)										
Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenues (excluding depreciation and amortization)	47	46	49	48	47	48	44	42	41	39
Operating expenses										
Sales and marketing	26	28	24	27	27	28	25	24	24	25
Research and development	19	20	25	24	24	25	23	23	25	23
General and administrative	39	31	32	38	25	23	22	48	26	27
Impairment and write-off of intangible asset	0	0	0	19	1	1	0	0	0	1
Depreciation and amortization	15	14	14	17	16	16	15	13	13	12
Total operating expenses	100	94	94	125	93	94	84	108	88	88
Loss from operations	(47)	(40)	(44)	(73)	(40)	(42)	(28)	(50)	(29)	(27)
Other income (expense)(3)	(11)	(10)	(10)	(13)	(22)	(14)	(9)	(11)	(98)	(10)
Loss before income taxes	(58)	(50)	(54)	(85)	(62)	(56)	(38)	(62)	(127)	(37)
Income tax expense	0	0	0	0	0	0	0	0	0	0
Net loss	(58)%	(50)%	(54)%	(85)%	(62)%	(56)%	(38)%	(62)%	(127)%	(37)%

(1) The three-month period ended March 31, 2021 includes a correction for the revision related to treasury reconciliation losses that reduces cost of revenue by approximately $768,000.
(2) Cost of revenues for the three month periods ended March 31, 2021 and June 30, 2021 include approximately $57,000 and $83,000, respectively, of stock based compensation expense from stock options, reduced for actual forfeitures.
(3) Other income (expense) includes $50 million of non-cash charge in the three months ended March 31, 2021 related to amending a financing advisory agreement with a related party that was settled by issuing common stock.

Quarterly Revenue Trends

Our quarterly revenue generally increased sequentially for all periods presented, other than the three months ended June 30, 2020, as a result of organic growth of existing customers and onboarding net new transactions.

We have in the past and expect in the future from time to time to experience seasonal fluctuations in transaction volumes as well as sales and onboarding of new customers. Seasonality is driven by macro-level events such as the Covid-19 pandemic and enterprise buying patterns within industries. Seasonality has generally not had a material impact on quarterly revenue trends, other than the three months ended June 30, 2020. As the company enters new industries, it is possible that new seasonal patterns may emerge.

Quarterly Cost of Revenues Trends

Our quarterly cost of revenues generally increased sequentially in absolute dollar terms primarily driven by increased personnel-related expenses as we hire to support our growth and by increases in invoice and check processing and bank fees.

Quarterly Expense Trends

Total operating expenses generally increased sequentially for all periods presented primarily due to the addition of personnel in connection with the expansion of our business. General and administrative expenses for the three months ended December 31, 2020 includes a non-recurring charge of approximately $11 million associated with modifying the terms of our agreement with our VCC service provider. For the three months ended December 31, 2019, general and administrative costs included approximately $1.7 million in debt modification costs and impairment and write-off of intangible asset included approximately $7.9 million related to obsolete capitalized software development costs as the result of a new product release.

Liquidity and Capital Resources

We do not currently generate positive cash flow through our operations. We have financed our operations and capital expenditures primarily through sales of common and preferred stock and borrowings under our 2019 credit facility. As of June 30, 2021, our principal sources of liquidity are our unrestricted cash and cash equivalents of approximately $202.9 million and funds available under our existing term loan and revolving credit facilities, which we collectively refer to as the 2019 credit facility. As of June 30, 2021, our unused committed capacity under the 2019 credit facility was $56.0 million.

We believe that our unrestricted cash, cash equivalents and funds available under our 2019 credit facility will be sufficient to meet our working capital requirements for at least the next twelve months. To the extent existing cash, cash from operations, and amounts available for borrowing under the 2019 credit facility are insufficient to fund future activities, we may need to raise additional capital. In the future, we may attempt to raise additional capital through the sale of equity securities or through equity-linked or debt financing arrangements. If we raise additional capital by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional capital by the incurrence of additional indebtedness, we may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Our ability to raise additional debt may be limited by applicable regulatory requirements as a licensed money transmitter that require us to meet certain net worth requirements. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors. There can be no assurances that we will be able to raise additional capital. The inability to raise capital would adversely affect our ability to achieve our business objectives.

Cash Flows

Below is a summary of our consolidated cash flows:

Selected Cash Flow Data: *(in thousands)*	Year Ended December 31, 2020	Year Ended December 31, 2019	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net cash provided by (used by):				
Operating activities	$ (44,129)	$ (61,791)	$ (41,093)	$ (26,616)
Investing activities	(36,560)	(116,855)	(10,132)	(5,614)
Financing activities	193,794	308,259	544,906	151,467
Net increase in cash and cash equivalents, and restricted funds held for customers	$ 113,105	$ 129,613	$ 493,681	$ 119,237

Net Cash Used by Operating Activities

Our primary source of cash provided by our operating activities is from our software and payment revenue. Our primary uses of cash in our operating activities include payments for employee salary and related costs, payments to third party service providers to execute our payment transactions, sales and marketing costs, and other general corporate expenditures.

Net cash used in operating activities decreased to approximately $44.1 million during the year ended December 31, 2020 from approximately $61.8 million during the year ended December 31, 2019 due to the increase in cash received from revenue generating activities, as well as reduced payroll tax payments due to deferrals allowed under the CAREs Act, offset by increased operating expenses, primarily employee salary and consulting costs.

Net cash used in operating activities increased to approximately $41.1 million during the six months ended June 30, 2021 compared to approximately $26.6 million during the six months ended June, 2020 due primarily to an $11 million payment to a vendor in connection with a contract modification and the impact of the timing of payments which decreased AP and increased prepaid assets and other current assets, offset by the increase in cash received from revenue generating activities.

Net Cash Used by Investing Activities

Cash used in our investing activities consists primarily of the acquisition of acquired businesses, purchases of property and equipment, capitalization of internal-use software, and supplier advances related to our Invoice Accelerator product.

Net cash used in investing activities decreased to approximately $36.6 million during the year ended December 31, 2020 from approximately $116.9 million during the year ended December 31, 2019, due primarily to a reduction in cash expenditures related to the 2019 acquisition of BankTEL, offset in part by an increase of approximately $2.7 million related to purchases of equipment and capitalized software and $3.0 million increase in supplier advances driven by a rollout of enhancements to the Cash Flow Manager product.

Net cash used in investing activities increased slightly to approximately $10.1 million during the six months ended June 30, 2021 from approximately $5.6 million during the six months ended June 30, 2020, as both internal-use software and cash invested in supplier advances increased by $3.0 million and $1.8 million, respectively.

Net Cash Provided by Financing Activities

Cash provided by our financing activities consists primarily of an increase in restricted buyer fund deposits related to buyer payment transactions, proceeds from the issuance of preferred and common stock, exercise of stock options and borrowings under our 2019 credit facility. Cash used in our financing activities consists primarily of repayments of our borrowings under our 2019 credit facility and the 2019 and 2020 redemption of preferred and common stock.

Net cash provided by financing activities decreased to approximately $193.8 million during the year ended December 31, 2020 from approximately $308.3 million during the year ended December 31, 2019, due primarily to higher net inflows from capital raise activities that occurred during 2019 including proceeds from the issuance of the series F and senior preferred stock and $25.3 million of increased borrowings under the 2019 credit facility. During the year ended December 31, 2020, we raised approximately $301.7 million in net proceeds from the issuance of series F preferred stock and common stock and used a portion of these proceeds to redeem $195.7 million of common and preferred stock and vested stock options. Additionally, restricted buyer fund deposits, or payment service obligations, provided cash of $85.9 million during the year ended December 31, 2020 compared to $51.7 million for the year ended December 31, 2019.

Net cash provided by financing activities increased to approximately $544.9 million during the six months ended June 30, 2021 from approximately $151.5 million during the six months ended June 30, 2020, due primarily to net inflows of $520.9 million from payment service obligations offset, in part, by a $135.4 million decrease in proceeds from the issuance of common and preferred stock.

Outstanding Debt

Below is a summary of our outstanding debt:

Outstanding Debt:	**As of June 30, 2021**
(in thousands)	
Term loan facility	$ 95,000
Interest payable delayed draw term loan	6,684
Promissory note payable for land acquisition	3,000
Total principal due	104,684
Current portion of promissory note	(1,000)
Unamortized portion of debt issuance costs	(3,475)
Long term debt	$ 100,209

Credit Facilities

On October 1, 2019, we entered into a new senior secured credit facility, which we refer to as the 2019 credit facility, with Sixth Street Specialty Lending, Inc. and KeyBank National Association. The 2019 credit facility makes available a facility in an aggregate amount of $163.5 million. Proceeds from the 2019 credit facility were used to pay amounts outstanding under the credit agreement dated October 19, 2016, as amended and restated, and for working capital. The 2019 credit agreement consists of the following:

- $95 million term loan facility, which we refer to as the 2019 term loan facility;
- $18.5 million interest payable delayed draw term loan commitment, which we refer to as the Interest DDTL;
- $20 million revolving commitment, which we refer to as the 2019 revolver; and
- $30 million additional delayed draw term loan commitment, which we refer to as the DDTL.

Interest on the loans under the 2019 credit facility is equal to the London InterBank Offered Rate, or LIBOR, which is the base rate, plus a margin. The applicable margin will be between 8.0% and 9.0% for the first three years, with the lower rate applicable for quarters in which we do not borrow from the Interest DDTL, and after the third anniversary will be 7.5% or 8.0% depending on whether the cash burn rate is greater than or less than negative $2.5 million. The base rate is equal to the higher of the current prime rate, federal funds effective rate plus 0.5%, or 4.0%. We may elect an interest period of up to three months in connection with a LIBOR rate loan. In 2017, the United Kingdom's Financial Conduct Authority warned that LIBOR may cease to be available or appropriate for use by 2021. Per the terms of the 2019 credit agreement, the unavailability or replacement of LIBOR would result in the use of a similar measure based upon a calculated average of borrowing rates offered by major banks in the London interbank as determined by Sixth Street. As such, we do not believe that the unavailability of LIBOR will have any material impact on our borrowing costs.

From October 1, 2019 through the third anniversary date of the 2019 credit agreement, we may, on a quarterly basis, borrow under the Interest DDTL to finance up to 4.5% of the interest due on the 2019 term loans. On December 27, 2019, we borrowed $1.1 million at a rate of 11.0% (LIBOR base rate of 2.0% plus 9.0% margin) under the Interest DDTL. During 2020, we borrowed an additional $4.5 million under the Interest DDTL at rates ranging from 10.0% to 10.5% and as of June 30, 2021, we borrowed $1.1 million at a rate of 10%.

We also have available additional DDTL which may be made in minimum increments of $5 million, and multiples of $0.5 million in excess of that amount, up to $30 million. The DDTL commitment terminates on the earlier of October 1, 2021 or in the event of a default.

The maturity date for the 2019 term loans and Interest DDTL is April 1, 2024, or the date any series of preferred stock becomes eligible to be redeemed or otherwise repurchased.

Borrowing increments on the 2019 revolver start at $0.5 million, and multiples of $0.1 million in excess of that amount. There was no balance outstanding under the facility as of December 31, 2020 and June 30, 2021. The maturity date for the 2019 revolver is October 1, 2023. Borrowing availability under the 2019 revolver is reduced by the then current amount of the letter of credit dated October 1, 2019 and issued by KeyBank National Association to secure our obligation to make payments under the lease related to our headquarter building in Charlotte, North Carolina. The current amount of the letter of credit is approximately $6.0 million.

Liquidity and Financial Covenants

Our 2019 credit facility contains certain covenants and restrictions on actions, including limitations on the payment of dividends. In addition, the 2019 credit facility requires that we comply monthly with specified ratios, including a maximum ratio of debt to recurring revenue and a minimum cash balance requirement. We are in compliance with our financial debt covenants as of June 30, 2021.

Land Promissory Note

On November 15, 2018, we signed a promissory note in connection with the purchase of two land parcels at our Charlotte, North Carolina headquarters campus. The principal amount of $5.0 million will be repaid in $1.0 million installments, plus accrued interest at a rate of 6.75%, due on each anniversary date, with final payment due on November 15, 2023. The note is collateralized by the land parcels and any future building to be situated on, or improvements to, the land. We are current with all payments under the note.

Issuances of Common Stock

During the six months ended June 30, 2021, we issued 1,137,233 shares of common stock at a weighted average price per share of $44.99. The common shares included 1,020,159 shares issued in connection with the amended and restated engagement letter with FT Partners, the investment banking firm disclosed in the section titled "Certain Relationships and Related Party Transactions."

During the years ended December 31, 2020 and 2019 we issued 4,772,505 shares of common stock at a weighted average price per share of $47.83 and 574,294 shares of common stock at a weighted average price per share of $17.83, respectively. The common shares issued in 2020 included 122,176 shares in connection with acquisition activity including the acquisition of Core Associates, a provider of AP software to the construction industry. Gross proceeds from the issuance of 4,497,005 shares of common stock in 2020 of approximately $220.4 million, less expenses of approximately $14.2 million, were used for general corporate purpose and to fund the redemption of common stock and preferred stock discussed below. The remaining issuances were the result of employees and officers exercising vested stock option grants or warrants during this period.

The common shares issued in 2019 included 462,946 shares in connection with the BankTEL acquisition, and the remaining issuances were the result of employees and others, including consultants, exercising vested stock option grants or warrants during the period.

Issuances of Preferred Stock

In April 2020, we issued 2,040,316 shares of series F preferred stock at a per share price of $49.01, for gross proceeds of $100.0 million, less expenses of approximately $6.4 million.

In December 2019, we issued 2,652,412 shares of series F preferred stock at a price per share of $49.01 for aggregate consideration of $130.0 million, less expenses incurred of approximately $7.9 million. In October 2019, we issued 2,722,166 shares of senior preferred stock at a price per share of $47.76 for aggregate consideration of approximately $130.0 million, less expenses of approximately $4.8 million. The value of the convertible common stock liability had a fair market value of approximately $2.2 million on the date of issuance.

Redemption of Common Shares, Stock Options and Preferred Stock

On October 20, 2020, we paid a total consideration of approximately $195.7 million, which primarily related to the $1.5 million true-up to an investor discussed in the paragraph below and the redemption of the following shares of preferred stock and common stock at a price per common share equivalent of $45.57 and outstanding vested stock options at a price per share equal to the difference between $45.57 and the exercise price of the awards:

	Shares	Redemption Price
Common Stock	3,250,655	$ 148,132,348
Stock Options	11,805	537,954
Junior Series-1 Preferred Stock	159,119	7,251,053
Series A Preferred Stock	44,143	3,379,972
Series B Preferred Stock	518,328	23,620,207
Series C Preferred Stock	121,664	5,544,228
Series D Preferred Stock	85,456	3,894,230
Series E Preferred Stock	37,471	1,707,553
Total	4,228,641	$ 194,067,546

In September 2019, we entered into a redemption agreement with affiliates of Sixth Street Partners, to repurchase 278,371 shares of our series E preferred stock. The total proceeds paid in connection with the redemption was approximately $12.7 million.

Shares Issued in Acquisitions

In July 2021, we entered into a stock purchase agreement for all of the equity interests of FastPay for total consideration of approximately $81.0 million consisting of approximately $50.0 million and shares of our

common stock with an aggregate value of approximately $31.0 million. Additional amounts may be earned upon achievement of future performance goals.

On December 30, 2020, we acquired all of the equity interests in Core Associates for $24.4 million. We paid $19.4 million in cash at closing, inclusive of working capital adjustments, and issued 102,106 common shares valued at $5.0 million. The fair value of the common shares issued in these transactions was determined based on the estimated fair value at the time of the transactions and is included in the purchase price.

On October 1, 2019, we acquired all the equity interests of BankTEL for $115.3 million. We paid $105.8 million in cash at closing, inclusive of working capital adjustments, and issued 462,946 common shares valued at $9.5 million.

Off-Balance Sheet Arrangements

Under our legacy trust model for processing payments, which we are in the process of phasing out, buyers' funds were held in trust accounts that are maintained and operated by a trustee pending distribution. After buyers' funds are deposited in a trust account, we initiate payment through external payment networks whereby the buyers' funds are distributed from the trust to the appropriate supplier. We are not the trustee or beneficiary of the trusts which hold these buyer deposits, accordingly, we do not record these assets and offsetting liability on our consolidated balance sheets. However, we contractually earn interest on funds held for buyers with associated counterparties. The amount of buyer funds held in trust accounts was approximately $64.2 million, $723.1 million and $363.6 million at June 30, 2021, December 31, 2020 and December 31, 2019, respectively. We have largely transitioned away from the trust model for processing payments, and expect the amount of buyer funds held in trust to continue to decrease as those buyers transition to our current payments model.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our overall investment portfolio is comprised of (i) our operating cash and (ii) buyer funds. Our operating cash includes cash received from revenues generated, the sale of common and preferred stock and increased borrowings. Buyer funds are funds that have been collected from buyers, but not yet remitted to the applicable supplier. The funds are held in either company-owned accounts, which are subject to applicable state money transmitter laws, or in trust accounts. We are entitled to any interest earned on the investment of all buyer funds.

Our operating cash may be invested in accordance with our cash investment policy. Under that policy, we invest with the objective of preserving capital while optimizing yield. Permissible investments include U.S. Treasury instruments, U.S. Government Agency securities, commercial paper, investment grade corporate bonds and money market funds. As of June 30, 2021, all operating cash has been invested in interest-bearing demand deposit accounts.

Our buyer funds assets are invested with safety of principal, liquidity, and diversification as the primary objectives. Consistent with those objectives, we also seek to maximize interest income and to minimize the volatility of interest income with emphasis on liquidity. Pursuant to our investment policy and subject to applicable law, buyer funds may be invested in U.S. Treasury securities, U.S. Government Agency securities, money market funds that invest in investment grade securities, or other cash equivalents, including certificates of deposit. As of June 30, 2021, all buyer funds have been invested in interest-bearing demand deposit accounts.

We are exposed to interest-rate risk relating to our investment portfolio, which consists principally of interest-bearing demand deposit accounts. We recognize interest earned from buyer funds assets as revenue. We

generally do not pay interest to buyers. Factors that influence the rate of interest we earn include the short-term market interest rate environment and the weighting of balances by security type. The annualized interest rate earned on our investment of operating cash and funds held for buyers decreased to 0.46% during the first half of fiscal year 2021 from 0.65% during fiscal year 2020 and 1.58% during fiscal year 2019. Based on current investment practices, an increase in the Federal Funds interest rate of 100 basis points would have changed our interest income in the first half of fiscal year 2021 from our investment of operating cash by approximately $1.4 million and our interest on buyer funds assets by approximately $2.7 million based upon the average balances for the first half of fiscal year 2021 of $221.0 million in operating cash investments and $586.0 million in buyer funds investments, respectively. In addition to interest rate risks, we also have exposure to risks associated with changes in laws and regulations that may affect buyer fund balances. For example, a change in regulations that restricts the permissible investment alternatives for buyer funds may reduce our interest earned revenue.

We are also exposed to interest-rate risk relating to existing variable rate bank borrowings. As of June 30, 2021, December 31, 2020 and December 31, 2019, we had outstanding borrowings on variable rate debt of $101.6 million, $100.5 million and $96.1 million, respectively. A 100 basis points increase in the variable rate would have resulted in incremental interest expense of $0.5 million during the six months ended June 30, 2021 and $1.0 million and $961,000 during the years ended December 31, 2020 and 2019, respectively.

Credit Risk

We may be exposed to credit risk in connection with our investments. Cash deposits may at times exceed Federal Deposit Insurance Company, or FDIC, limits. We limit credit risk by diversifying our portfolio, including a requirement that no more than 5% of invested funds may be held in the issues of a single corporation. Additionally, the minimum credit quality of any investment shall be not less than an ‘(A-) or (A3)’ rating equivalent from any single rating services based on ratings by any of Standard and Poor’s Ratings Services, Moody’s Investors Service, or Fitch Investor Services. The maximum maturity of any security in the portfolio shall not exceed 24 months. The weighted average maturity of the portfolio shall not exceed 12 months. In addition, maximum maturities of individual securities are further limited by the security type and cash segment of the investment.

We are also exposed to credit risk related to the timing of payments made from buyer funds collected. We typically remit buyer funds to our buyers’ suppliers in advance of having good or confirmed funds collected from our buyers. Our buyers generally have three days to dispute transactions and if we remit funds in advance of receiving confirmation that no dispute was initiated by our buyer, then we could suffer a credit loss. We mitigate this credit exposure by leveraging our data assets to make credit underwriting decisions about whether to accelerate disbursements, managing exposure limits, and various controls in our operating systems.

We are also exposed to risks associated with our Invoice Accelerator product, in which our supplier customers can accelerate the receipt of payment for outstanding invoices before our buyers initiate the transfer of funds. If those invoices are not approved or the buyer does not transfer the requisite funds then we are exposed to the risk of not being able to recoup our advances to the supplier. We mitigate this risk through data analytics to determine which invoices are available for advance payment and also monitor the credit quality of suppliers.

Liquidity Risk

As part of our buyer funds investment strategy, we use the daily collection of funds from our buyers to satisfy other unrelated buyer funds obligations. We minimize the risk of not having funds collected from a buyer available at the time the buyer’s obligation becomes due by collecting the buyer’s funds in advance of the timing of payment of the buyer’s obligation. As a result of this practice, we have consistently maintained the required level of buyer funds assets to satisfy all of our obligations.

Concentration Risk

A substantial portion of our revenue is derived from interchange fees earned on payment transactions processed from one VCC service provider, Comdata Inc. For the years ended December 31, 2020 and December 31, 2019, interchange fee revenues from this vendor represented approximately 50% and 53% of total revenues, respectively. As of December 31, 2020 and December 31, 2019, 62% and 58% of accounts receivable, net, is comprised of amounts due from this VCC service provider, respectively.

Future regulation or changes by the payment networks could have a substantial impact on our revenue from VCC transactions. If interchange rates decline, whether due to actions by the payment networks, merchant/suppliers availing themselves of lower rates, or future regulation, our total operating revenues, operating results, prospects for future growth and overall business could be materially affected.

The initial term of our current agreement with Comdata expires on December 31, 2023 and automatically renews on a monthly basis thereafter, subject to either party providing 30 days' notice of non-renewal prior to expiration of the initial term or any monthly renewal term. The agreement is subject to earlier termination by either party as a result of the other party's default and subsequent failure to cure within 30 days of receiving notice of default. We may also terminate the agreement if we don't agree with changes that Comdata may propose to the agreement as a result of changes in applicable law or interpretation of applicable law or card network rules that may occur during the agreement term.

Derivative Risk

As of June 30, 2021, December 31, 2020 and December 31, 2019, we had 2,722,166 shares of senior preferred stock. The senior preferred stock may be converted into redeemable preferred stock and convertible common stock. We account for the convertible common stock as a derivative liability and record the derivative liability at fair value each reporting period. The fair value of the derivative liability fluctuates primarily based upon changes in the fair value of our common stock.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue generated, and reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in the notes to our consolidated financial statements included elsewhere in this prospectus, we believe that the following critical accounting policies are most important to understanding and evaluating our reported financial results.

Capitalization of internal-use software — We have significant expenditures associated with the technological maintenance and improvement of our network and technology offerings. These expenditures include both the cost of internal employees, who spend portions of their time on various technological projects, and the use of external temporary labor and consultants. We are required to assess these expenditures and make a determination as to whether the costs should be expensed as incurred or are subject to capitalization. In making these determinations, we consider the stage of the development project, the probability of successful development and if the development is resulting in increased features and functionality. In addition, if we determine that a project qualifies for capitalization, the amount of capitalization is subject to various estimates, including the amount of time spent on the development work and the cost per hour of full-time and temporary labor.

Deferred costs — Deferred costs include deferred sales commissions and implementations costs that are incremental costs of obtaining and fulfilling buyer contracts. We amortize these costs ratably over the estimated period of our relationship with new buyers, which is generally five years. Based on historical experience, we determine the average life of our buyer relationship by taking into consideration our buyer contracts and the estimated technological life of our platform and related significant features.

Stock-based compensation — We use the grant-date fair-value-based measurements for stock-based compensation using the Black-Scholes option-pricing model. We recognize these compensation costs on a straight-line basis over the requisite service period of the award, which is generally the option vesting term of four years, reduced for estimated forfeitures at the date of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. We estimate the forfeiture rate based on the historical experience for annual grant years where the majority of the vesting terms have been satisfied.

The Black-Scholes option-pricing model requires the use of highly subjective assumptions which determine the fair value of stock-based awards. These assumptions include:

Expected term — The expected term represents the period that stock-based awards are expected to be outstanding. The expected term for option grants is determined using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the stock-based awards.

Expected volatility — Since we are privately held and do not have any trading history for our common stock, the expected volatility was estimated based on the average volatility for comparable publicly traded companies over a period equal to the expected term of the stock option grants. The comparable companies were chosen based on their similar size, stage in the lifecycle or area of specialty.

Risk-free interest rate — The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of the option.

Expected dividend yield — We have never paid dividends on our common stock and have no plans to pay dividends on our common stock.

Common Stock and Derivative Instrument Valuation — The valuation of our common stock is important as it is a significant input into the Black-Scholes option-pricing model and therefore impacts our stock compensation expense. In addition, our senior preferred stock has a conversion feature that qualifies as a derivative financial instrument and therefore is required to be recorded at fair value each reporting period, with changes in fair value recorded in the consolidated statements of operations.

In valuing our common stock and derivative instrument, we determine the equity value of our business generally using the income approach and the market comparable approach valuation methods. When applicable due to a recent preferred or common stock offering, the prior sale of company stock method was also utilized.

The income approach estimates value based on the expectation of future cash flows that a company will generate — such as cash earnings, cost savings, tax deductions, and the proceeds from disposition. These future cash flows are discounted to their present values using a discount rate derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or similar lines of business as of each valuation date and is adjusted to reflect the risks inherent in our cash flows. In addition, we also consider an appropriate discount adjustment to recognize the lack of marketability due to being a closely-held entity.

The market comparable approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined which is applied to the subject company's operating results to estimate the value of the subject company. The estimated value is then discounted by a non-marketability factor because stockholders of private companies do not have access to trading markets similar to those enjoyed by stockholders of public companies which impacts liquidity. To determine our peer group of companies, we considered public enterprise

cloud-based application providers and select those that are similar to us in size, stage of lifecycle, and financial leverage.

The resulting equity value is then allocated to each class of stock using an Option Pricing Model, or OPM. The OPM treats common stock and redeemable convertible preferred stock as call options on an equity value, with exercise prices based on the liquidation preference of our redeemable convertible preferred stock. Under this method, our common stock has value only if the funds available for distribution to stockholders exceed the value of the liquidation preference at the time of a liquidity event, such as a merger or sale, assuming we have funds available to make a liquidation preference meaningful and collectible by the stockholders. The common stock is considered to be a call option with a claim at an exercise price equal to the remaining value immediately after the redeemable convertible preferred stock is liquidated.

After the completion of this offering, we will determine the fair value of each share of underlying common stock based on the closing price as reported on the date of grant on the primary stock exchange on which our common stock is traded.

Business Combinations and Valuation of Goodwill and Other Acquired Intangible Assets-We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing intangible assets include, but are not limited to, future expected cash flows from acquired users, acquired technology, and trade names from a market participant perspective, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

We review goodwill for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. We have elected to first assess the qualitative factors to determine whether it is more likely than not that the fair value of our single reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. If we determine that it is more-likely-than-not that its fair value is less than its carrying amount, then the two-step goodwill impairment test will be performed. The first step, identifying a potential impairment, compares the fair value of the reporting unit with its carrying amount. If the carrying amount exceeds its fair value, the second step will be performed; otherwise, no further step is required. The second step, measuring the impairment loss, compares the implied fair value of the goodwill with the carrying amount of the goodwill. Any excess of the goodwill carrying amount over the implied fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value. As of December 31, 2020, no impairment of goodwill has been identified.

Acquired finite-lived intangible assets are amortized over their estimated useful lives, which is generally 3 to 12 years. We evaluate the recoverability of our intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value. We have not recorded any such impairment charge for intangible assets acquired in purchase business combinations during the years presented. However, during the year ended December 31, 2019, we recorded an impairment charge of $7.9 million associated with an internally developed intangible asset.

Income Taxes- We account for income taxes in accordance with FASB Accounting Standards Codification 740, "Income Taxes," or ASC 740. Under ASC 740, we recognize deferred tax assets and liabilities for future tax

consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. We measure deferred tax assets and liabilities using the enacted tax rates expected to apply in the years in which we expect the temporary differences to be recovered or settled. We record a valuation allowance to reduce deferred tax assets for the amount expected to be realized by considering all available positive and negative evidence.

Pursuant to ASC 740, we must consider all available positive and negative evidence regarding the realization of deferred tax assets. ASC 740 provides for four sources of taxable income for realization of deferred tax assets: 1.) taxable income in prior carryback years, 2.) reversals of future taxable temporary differences, 3.) tax planning strategies and 4.) projected future taxable income. As of December 31, 2020, we have no taxable income in prior carryback years, limited future reversals of taxable temporary differences and no prudent and feasible tax planning strategies. The recoverability of our deferred tax assets is dependent upon generating future taxable income.

We have maintained a valuation allowance against the deferred tax assets, having determined it was more likely than not that the deferred tax assets would not be realized. The determination of releasing the valuation allowance is made, in part, pursuant to our assessment as to whether it is more likely than not that we will generate sufficient future taxable income to realize the deferred tax assets. Significant judgement is required in making estimates of our ability to generate future taxable income. As of December 31, 2020, our forecasted future taxable income is not sufficient to support the future realization of the deferred tax assets, and our historical losses operations have produced significant losses.

The application of income tax law is inherently complex. Laws and regulations in this area are often ambiguous. Under ASC 740, the impact of uncertain tax positions taken or expected to be taken on an income tax return must be recognized in the financial statements at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain tax position will not be recognized in the financial statements unless it is more likely than not of being sustained.

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements included elsewhere in this prospectus for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this prospectus.

Emerging Growth Company Status

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. During 2020, we early adopted ASU 2016-02, *Leases* (Accounting Standards Codification Topic 842 as the JOBS Act does not preclude an emerging growth company from early adopting a new or revised accounting standard earlier than the time that such standard applies to private companies. We expect to use the extended transition period for any other new or revised accounting standards during the period in which we remain an emerging growth company.

LETTER FROM MICHAEL PRAEGER, OUR CO-FOUNDER AND CHIEF EXECUTIVE OFFICER

As an entrepreneur, my guiding principle has always been “Fortune Favors the Bold.” My passion in bringing people together to solve complex problems started long before AvidXchange began. My story began in the college dorm rooms of Georgetown University as a sophomore during the summer of 1988. I was motivated to start my own painting business to provide me with a means to pay my rent and living expenses to spend the summer in Washington, DC. This experience in creating a student painting business that grew to employ over 200 college students, operating three shifts around the clock focused on painting both college dormitories and residential homes in Northwest DC, served as my own entrepreneurial “master’s program.” This entrepreneurial experience enabled me to apply my passion to solve customer challenges, experience first-hand the level of work ethic required to build a successful business, as well as learn meaningful leadership lessons that I still rely on today. After graduation from Georgetown, my entrepreneurial passion led me to begin my career in venture capital, which opened my eyes to new business models, emerging new ways of distributing software over the internet, and the impact of applying technology to automate paper-based and manual business processes. This then led to me to run several emerging software companies that were focused on automating key business processes in the areas of tax billing and tax collection for municipalities along with automating the recruiting and hiring processes for skilled technology workers.

The Problem We Set Out to Solve

We founded AvidXchange back in April 2000 to tackle a different type of problem that was frustrating many of my fellow entrepreneurs — eliminating the paper invoice and automating the purchasing and AP process for companies. We observed that many businesses of all sizes were paying most bills by paper check, with complicated manual and paper intensive processes to ingest, review, approve and pay invoices with few software enablement solutions to help. Since then, we’ve been on a mission to transform the way middle market companies pay their bills and free up their AP process from all that paperwork and manual process.

From day one, listening to our customers has driven our business forward and has been the catalyst for our innovation. Starting with our first customer, we set-out to develop purpose-built software and key integrations to the accounting systems supporting middle market companies and key industry verticals. We spent our first 12 years focusing exclusively on automating the AP process and integrating with the large number of different accounting and ERP systems that supported our customers’ verticals in the middle market. At the time, we had a built-in network of suppliers sending us invoices on behalf of our buyers.

Yet, I heard story after story from customers that they were tired of managing their entire AP supplier invoice process electronically — only to have to then cut manual paper checks to pay a majority of their suppliers. Once again, we listened to our customers and the AvidPay Network was born in 2012. With this shift, we added a new payment option to our product offering to help reduce paper checks. Today, our suppliers can choose from a range of electronic payment methods, including VCC or AvidPay Direct (enhanced ACH) to get paid in as little as 24 hours through their preferred payment method while gaining more data, visibility into payments and control over their cash flow.

Why Do We Obsess Over Middle Market Customers?

AvidXchange is fundamentally about helping middle market companies succeed. When we founded AvidXchange, we specifically found that middle market businesses faced significant back office and supply chain complexities that were further burdened by inefficient manual processes. In particular, these companies struggled with legacy manual and paper-based AP processes to support their intricate business rules, multiple legal entities and vertical market nuances that created significantly more complexity in how they manage and pay their bills versus the more simplified process typical for small businesses. At the same time, most middle market businesses cannot afford the expensive upfront licensing and implementation costs inherent with an enterprise software solution.

The middle market struggle is further compounded by a confluence of factors that are accelerating the market adoption of automation solutions, including:

Business continuity. The shift to working from home caused by the COVID-19 pandemic has forced middle market businesses to re-evaluate their payables workflows and replace their physical processes that are no longer viable with cloud-based automation.

Fraud risk. The paper legacy approach is fraught with data privacy and fraud risks, with the costs of failure extending beyond merely a financial impact, but a reputational one.

Cloud-based Software-as-a-Service technology offerings. Business users are increasingly seeking the benefits of cloud-based software solutions that improve efficiency, lower total costs of ownership, and help drive greater data insights.

Millennial effect. As more tech-savvy professionals take increasingly prominent roles in the finance functions across industries, they are demanding use of a digital process for AP just as they have grown to experience in their personal lives.

A Critical Innovation — The AvidPay Network

We created the AvidPay Network with the belief that bill payment automation and electronic payments can bring our constituents more seamlessly together. This was a critical change for our customers and an important evolution of our business. We immediately changed the value proposition we were providing to our suppliers and realized that the supplier receiving payments and remittance data from our AvidPay Network was now a customer who was just as important as our buyers. Our cloud-based software automates the AP value chain to eliminate friction for buyers and suppliers. Buyers are able to manage and pay all of their suppliers through our platform, allowing them to improve controls on spending, reduce data entry errors and the risk of fraud, and better manage supplier relationships. Suppliers are also benefitting from the millions of annually processed invoices and payments that allow us to offer more attractive and innovative supply chain financing solutions. We have continuously expanded our payment methods from VCCs and ACH to data-rich solutions such as AvidPay Direct, and we are committed to investing in new payment rails (e.g., real time payments) as they emerge to better serve our customers.

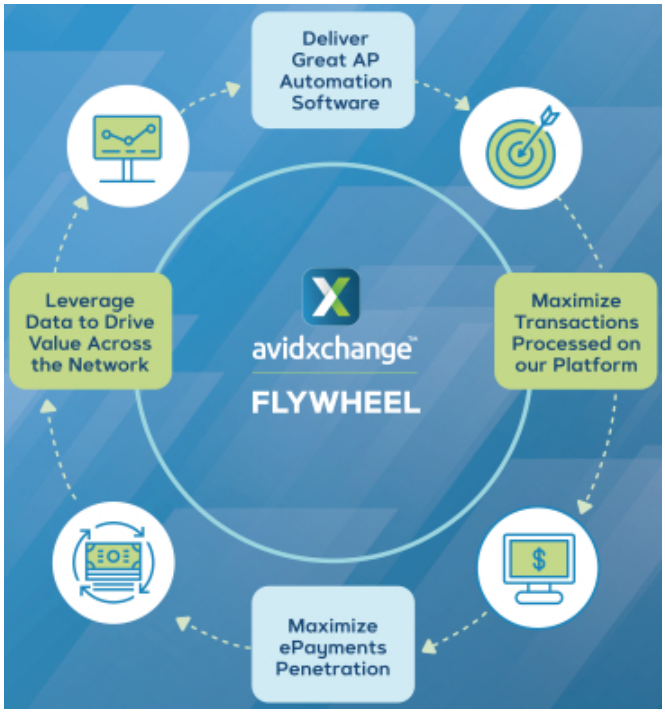
Our growing two-sided network of buyers and suppliers creates a powerful flywheel effect that allows us to leverage unique data insights to strengthen our value proposition to all constituents and serves as the foundation of our dynamic business. The four "gears" of our AvidXchange Business Flywheel include:

Gear #1: Deliver Great AP Automation Software

Gear #2: Maximize Transaction Volume Under Management with Seamless Integrations

Gear #3: Convert Supplier Paper Checks to ePayments via The AvidPay Network

Gear #4: Increase Value with Supplier Financing and Data Services



Buyers are able to manage and pay all of their suppliers through our platform, which gives us visibility on transaction volumes. Suppliers are also benefitting from the millions of annually processed invoices and payments that allow us to offer more attractive and innovative supply chain financing solutions. Approximately 30% of our existing customers use both AvidInvoice and AvidPay.

Largely driven by our innovations in payments, along with our continued focus on providing a strong customer experience, we have built a network of more than 7,000 buyers using our software and have paid over 700,000 suppliers over the last five years who have signed up for the simple idea that eliminating the paper invoice and paper check can help make their businesses run more efficiently. I am humbled by the trust that our customers place in us to help with these critical business processes and the settlement of billions of dollars of payments running through our platform. In the process, together with them, we have eliminated 190 million paper invoices — enough to go around the world more than once.

Our Opportunity and The Journey Ahead

Our mission is to build a company that transforms how middle market companies pay their bills. Becoming a public company is just another milestone along our journey of building a great business. In building the AvidXchange business we have today, we have been fortunate to attract many of the leading software investors and industry thought leaders at each stage of our growth. These investors also believe in the significant market opportunity in front of us along with their confidence in our strategies to continue building and scaling our business to achieve the next stage of our growth.

We are also proud that we have attracted blue-chip industry leading strategic partners that believe in AvidXchange — our solutions, innovation, and future strategies. These include payment networks such as Mastercard; leading software companies including MRI Software, RealPage and SAP Concur; along with terrific bank partners including Bank of America, KeyBank, and Fifth Third Bank. Through partnerships that bring horizontal reach, vertical expertise, and unique capabilities, we have managed to create a wide and deepening competitive moat in our core markets.

Our confidence in navigating our future is rooted in executing our AvidXchange business flywheel which serves as our roadmap for future growth and scalability. Our ability to continue to apply our innovation and execution strategies to each of the four gears holds the key to our ability to continually increase our customers' value proposition driving accelerated growth for AvidXchange as our flywheel begins to turn faster and faster.

In unlocking the next stage of our growth journey, we remain passionate about customer success while continually innovating to "change the game" for our customers, which will enable us to lead both our customers and our industry to the next advances in shifting what is still an antiquated process for many companies today. We are excited by the opportunity to help our customers transform their AP and payment processes, shedding the antiquated paper-based processes weighing them down. By helping customers through this digital transformation process and providing them with best practices, visibility and controls, along with analytical insights into their spending and cash flow, we can have a significant impact on how they run their businesses. We are continuing to develop new analytic offerings to help our buyers and suppliers operate more efficiently, and we believe that we are only at the beginning of mining the insights buried in our customers' data. As we continue to expand our offerings, we are aiming to become an ever more central part of the office of the CFO.

Resilience in Navigating the Covid-19 Pandemic

I would be remiss if I did not mention my pride in how we have navigated the impacts of the COVID-19 pandemic over the last 18 months. Along with everyone else, as we moved over 1,500 AvidXers to "work from home," we had no idea what the future would hold. What the last year has shown us is that AvidXers are steadfast in their desire to support our customers and our middle market customers are resilient. We always believed and evangelized that our solutions would have a meaningful role in helping companies with their business continuity planning, and we believe that the memories of this pandemic will serve as a catalyst for an adoption shift to software-enabled payments. Few CFOs, controllers, and finance leaders feel comfortable with the risks of sending their AP team home with corporate check stock and specialized laser printers to cut corporate payments from their kitchen tables.

Our Culture and the DNA of AvidXchange

As I tell our AvidXers every day, our greatest advantage is our people. We are entrepreneurs who love to innovate and win, with a passion for serving our customers. We take personal ownership of our everyday work and we recognize that we only "win as a team," which supports our collaborative culture.

We view every customer and AvidXer teammate meeting, conversation, and interaction as a powerful place of convergence — bringing together the diverse talents, skills, ideas, ways of thinking, backgrounds and life stories of our teammates and customers to drive performance and deliver "game changing" solutions to our customers that enable them to make the transformation from paper-based AP and payment processes to electronic invoice management and electronic payments. This is our secret sauce.

Across our organization, more than 40% of our teammates are women or ethnically/racially diverse and about the same proportion of all leadership roles are held by women, with 20.5% of leadership roles held by underrepresented groups. In addition, 42.8% of all technology roles are held by underrepresented groups and 24.3% are held by women. At our Board of Directors level, a third of our directors are diverse, including two women. We are dedicated to making further progress on our commitment to diversity, inclusion, and belonging — we hold ourselves accountable for the future we want to create.

My AvidXchange Team and Future Shareholders

A message to my fellow talented AvidXers; it is amazing to see what we have collectively achieved over the last 20 years in partnering with our customers to transform how they pay their bills. We have truly helped our customers better run their businesses and gain greater visibility and insights into their expenses and cash flow. We all should feel extremely proud at what we have built, however, the next phase of our journey in becoming the de-facto standard AP and payables solution for middle market companies is just beginning.

I have tremendous confidence in our collective capabilities and I am energized to tackle the challenges ahead of us. Within our core middle market segment, the majority of companies in the United States are still using legacy software or a paper-based approach for their AP needs. On the payments front, there is still a trillion plus worth of checks that are poised to be disrupted. The greenfield opportunity ahead of us is massive.

And to our new potential shareholders, we welcome you. We believe that we have the opportunity to build a truly great company with long term durable growth. We are excited to continue our mission of leveraging our unique competitive advantages to help middle market companies successfully navigate the paper to electronic transformation process of how they pay their bills — thereby leading the digital transformation for our customers and the industry.

We are energized for our future and hope you join us.

OUR BUSINESS

Mission

Our mission is to transform how middle market businesses receive, manage and pay their bills.

Overview

We are a leading provider of AP automation software and payment solutions for middle market businesses and their suppliers. Our SaaS-based, end-to-end software and payment platform digitizes and automates the AP workflows for more than 7,000 businesses (our buyers) and we have made payments to more than 700,000 supplier customers of our buyers (suppliers) over the past five years. While acquiring new and retaining existing relationships with buyers and suppliers are important to our business, the growth of our business is ultimately dependent upon the number of transactions we process, as well as our total payment volume. We developed our technology platform through years of working to solve our buyers' unique middle market workflow challenges. Leveraging our deep domain expertise, we purpose-built a powerful two-sided network that connects buyers and suppliers, drives digital transformation, increases efficiency and accuracy in AP workflows, accelerates payments, enables insight into critical analytics, and lowers operating costs for our buyers.

The majority of businesses continue to operate paper-intensive back offices, particularly in their AP workflows. According to a study by the Association of Finance Professionals, 42% of B2B payment volumes in the United States are executed with paper checks. These manual payment methods are accompanied by complicated and labor-intensive steps to process invoices that are slow, expensive and vulnerable to error and fraud.

While solutions have been developed to address this friction, they are predominantly suited for larger enterprises and SMBs. Larger enterprises can purchase expensive and highly sophisticated tools because they have the financial resources and talent base to support these systems. Meanwhile, SMBs more often utilize one-size-fits-all solutions that address simplistic or single-step workflows in less sophisticated business environments.

The middle market, however, remains underserved. We define middle market businesses primarily as companies with between $5 million and $1 billion in annual revenue. They have high invoice throughput, complex AP workflows and general ledger coding, that are too sophisticated for the solutions typically utilized by SMBs. However, middle market businesses also operate at a smaller scale than the typical enterprise, which makes the more complicated enterprise solutions cost-prohibitive and difficult to implement. Additionally, the technology landscape for the middle market is highly fragmented and siloed, requiring a flexible technology stack that integrates with multiple software providers to automate workflows.

We built our business to solve this gap for the middle market and believe we have become a uniquely strategic platform for our customers' CFOs, treasurers and finance teams by digitally transforming how they receive, manage and pay their bills. Supported by deep integrations to our customers' middle market oriented accounting and information systems, our platform automates the end-to-end AP workflows for our buyers and enhances the payment experience for our suppliers through the following products and features:

- **AP Automation Software:** We have developed a SaaS-based solution automating and digitizing the capture, review, approval and payment of invoices for our buyers. Our omni-channel ingestion engine provides unique, vertical-specific front-end software tools that streamline AP workflows for our buyers. We digitally capture invoices from suppliers and apply the buyer's specific business rules to enable them to begin processing the invoice, extract and utilize transaction data from the invoice to enhance and configure the approval workflows, and manage the entire AP process through the payment of the invoice.
- **The AvidPay Network:** Our two-sided payments network connects our buyers with their suppliers, enabling invoice payments on behalf of a buyer and according to the supplier's business rules, payment

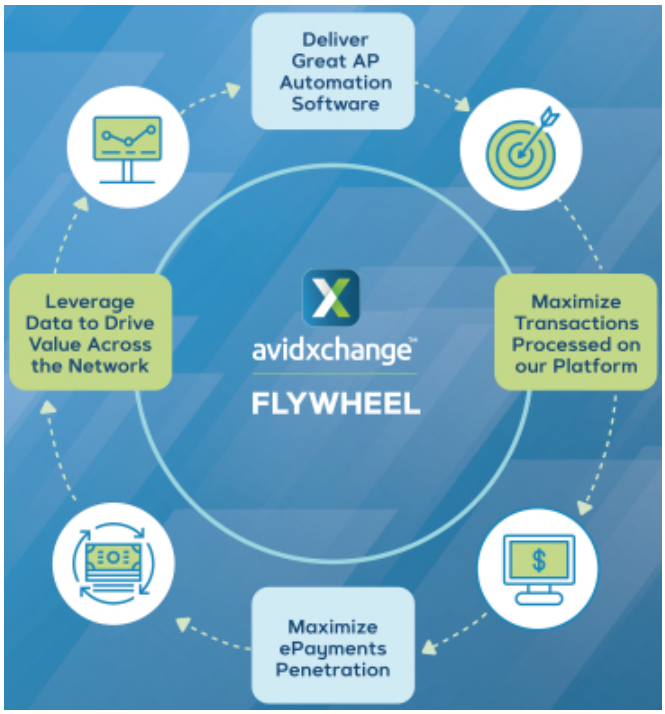
preferences and remittance data. We support a variety of payment methods depending on the supplier's preference, including VCC, enhanced ACH (our AvidPay Direct) and physical check, while delivering rich remittance data to streamline the reconciliation process.

- **Cash Flow Manager:** We provide cash management solutions to our supplier network, including tools that provide a comprehensive view of invoices and an accelerator feature (our Invoice Accelerator). These additional features, and others in our product pipeline, allow us to both monetize and increase engagement on our two-sided payments network.

As indicated above, we serve over 7,000 buyers and have made payments to over 700,000 suppliers over the past five years. We do not have significant customer concentration in our business, with no single customer contributing more than 6% of 2020 revenue and with our top 10 customers contributing less than 15% of revenue in 2020 as well as the first six months of 2020 and 2021. Our customers operate across a variety of verticals in which we have deep domain expertise, including real estate, HOAs, construction, financial services (including banks and credit unions), healthcare facilities, social services, education, and media. In 2020, we processed approximately 53 million transactions representing over $145 billion in spend under management across our platform and, of that, moved $38 billion in total payment volume from our buyers to their suppliers. Spend under management represents the sum of (i) the aggregate dollar amount of payments processed by us, plus (ii) the aggregate dollar amount represented by the total number of invoices processed by us, in each case, during the specified period. As described in more detail in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," we generate revenue from each transaction processed on a per transaction basis and earn interchange revenue from a portion of the total payment volume.

Our two-sided AvidPay Network of buyers and suppliers drives a powerful flywheel. We believe that by delivering a world-class AP automation experience, we attract more buyers and increase the number of transactions processed through our system. We also leverage our direct connections to our supplier network to increase penetration of electronic payments, which attracts more suppliers to our network. We capture more data from these additional transactions and e-payments that we use to continuously improve our AP automation experience, drawing more buyers, suppliers and, as a result, more transactions to our platform, which continues to fuel our organic growth. As we add more buyers to the AvidPay Network, both buyers and their suppliers

benefit from our current network density which drives electronic payment adoption. In addition, new buyers bring new suppliers, thereby enabling us to continuously add more suppliers to the AvidPay Network and accelerating the flywheel of growth depicted below.



We sell our solutions through a hybrid go-to-market strategy that includes direct and indirect channels. Our direct sales force leverages their deep domain expertise in select verticals and over 120 referral relationships with integrated software providers, financial institutions and other partners to identify and attract buyers that would benefit from our AP software solutions and the AvidPay Network. Our indirect channel includes reseller partners and other strategic partnerships such as Mastercard, through MasterCard's B2B Hub, which includes Fifth Third Bank and Bank of America, and other financial institutions, such as KeyBank, and third-party software providers such as MRI Software, RealPage and SAP Concur. Our referral and indirect channel partnerships provide us greater reach across the market to access a variety of buyers.

We have achieved significant growth through our recurring revenue business model, which gives us visibility into future periods and which is leading to increasing gross margins as we grow our revenue base. We generated revenue of $149.6 million in 2019 and $185.9 million in 2020, representing year-over-year growth of 24.3%. Our gross profit was $62.6 million in 2019 and $85.4 million in 2020, resulting in gross margin of 41.9% in 2019 and 45.9% in 2020. Our Non-GAAP gross profit was $78.6 million in 2019 and $102.3 million in 2020, resulting in Non-GAAP gross margin in 52.5% in 2019 and 55.0% in 2020. Our net loss was $93.5 million in 2019 and $101.2 million in 2020, and we have generated a net loss of more than $484.0 million since inception. See the section titled "Summary Consolidated Financial and Other Data — Key Performance Indicators and Non-GAAP Measures" for a discussion of the limitations of Adjusted EBITDA, Non-GAAP gross profit and Non-GAAP gross margin and reconciliations of these non-GAAP measures to the most comparable GAAP measures for the periods presented.

Our Industry

Our industry is a significant and growing market, which is defined by the following key factors and trends:

- ***Legacy B2B Payments are complicated and inefficient:*** Unlike the world of consumer payments, B2B payments require a set of complex workflows, accounting system integrations and processes centered on the purchase order or invoice. These involve rigorous payment approval processes and a payment generally initiated from and integrated to various accounting systems. Approximately 42% of U.S. B2B payment volume is still paid using paper checks which may require some form of manual intervention, taking time and resources to resolve. The labor and direct costs associated with these manual processes are expensive and time intensive, creating significant challenges and inefficiencies to those that are not able to digitize and automate these workflows.
- ***Middle market businesses face unique challenges:*** Middle market businesses face unique challenges with respect to their AP processes. The middle market features hundreds of accounting systems and integrations that support various vertical and sub-industries, resulting in a multitude of complex and highly specific business, accounting and compliance requirements. Furthermore, costs related to these complex AP workflows are a significant component of middle market companies' administrative expenses. These businesses are increasingly required to turn to automated cloud-based AP automation and B2B payment solutions to unlock substantial cost savings and create more operational efficiencies within their organizations.
- ***Middle market businesses and their suppliers are largely ignored by existing solutions:*** We believe middle market businesses and their suppliers are vastly underserved by existing financial software solutions. While a few key providers serve each of the larger enterprise buyers and the SMB buyers segment, middle market businesses are largely served by a highly fragmented market of vertical focused ERP and software solutions. This fragmentation has led to hundreds of accounting systems available in the middle market today. Additionally, we believe that close to half of the market representing suppliers of our buyers is currently underserved by available offerings.
- ***Generational shift in technology adoption:*** As the next generation of accounting and finance leaders hail from an era of digital consumer finance transformation, there will be an increasing demand for digitization, data and technological efficiency added to standard business workflows. Today, the average newly hired CFO is over 49 years old, but we believe that the average CFO will be a digitally native millennial by the 2030s. Furthermore, the growing importance of data requires businesses to adopt platforms that provide real-time visibility, analytics and insights to inform better, more informed decision making. This next generation of leaders are driving the demand for technological advances in their companies and leading the outreach for solutions such as AvidXchange.

The COVID-19 pandemic highlighted and accelerated the need for dynamic, cloud-based solutions that are able to be utilized anytime and anywhere. The critical need for business continuity was even more pronounced during the shift to remote work environments and through the U.S. mail disruption. Businesses need to be able to receive invoices, pay bills and seamlessly run their businesses no matter what external factors may occur. Digital solutions offer a more secure, reliable, and flexible solution to legacy manual processes.

Our Market Opportunity

The B2B payments market is rapidly evolving and represents a significant opportunity for digital transformation. According to a 2018 Mastercard report, North American companies make approximately $25 trillion of B2B payments annually. Despite their intrinsic process inefficiencies and high costs, paper checks still comprise 42% of all B2B payments in the United States. In response to this large volume of inefficient processes, the market is undergoing a transformation. A recent study from PYMNTS.com found that 46% of AP professionals would like to implement digital AP automation solutions while a separate MarketsandMarkets study expects the AP automation market to grow 11% annually by 2024.

We believe these market inefficiencies and current trends present a large and growing opportunity for our business. We believe based on our analysis that our current addressable market includes approximately 435,000 U.S. middle market businesses, and represents a significant and underserved revenue opportunity for future growth. We define this opportunity set as businesses with primarily between $5 million and $1 billion in annual revenue or those that manage and aggregate large volumes of AP within our defined verticals. As companies continue to automate complex AP workflows and replace paper checks with alternative electronic payment methods such as VCCs and proprietary electronic payment methods, we estimate more than $20 billion in addressable annual revenue opportunities across both AP automation solutions and B2B payment transactions based on our average revenue per core customer (that is, those customers who subscribe to our services other than only to our Create-a-Check product) during the year ended December 31, 2020.

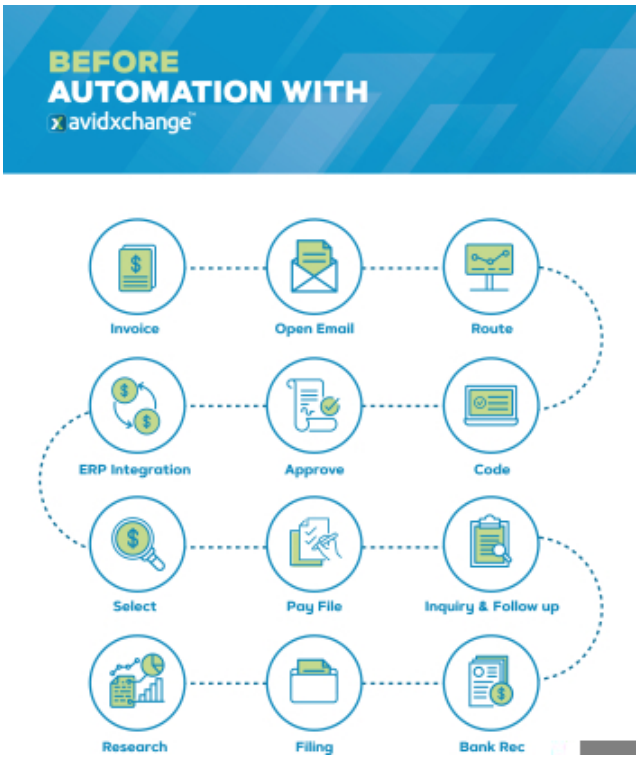
In addition to providing B2B payments, we believe we can become a strategic cornerstone of our suppliers' finance organizations to better manage expenses and cash flow. We believe that there is a large unmet need in supplier invoice finance, with close to half of the market underserved. Our solutions help suppliers accelerate invoices for early payment, manage supplier payment preferences, and forecast future cash flows. We believe that the total addressable market opportunity for these solutions represents more than $20 billion in additional whitespace opportunity, bringing our total addressable market to north of $40 billion.

Transaction Lifecycle

Below is an example of the typical AP invoice management workflows as well as payment execution workflows for middle market businesses. These processes tend to be manual, time-intensive, cumbersome, and expensive relative to the value our solutions can offer customers.

Typical AP Workflows Before AvidXchange

A typical middle market buyer that has not yet moved to AvidXchange has to deal with a complicated and paper-intensive process of receiving and processing invoices from their suppliers.



- A middle market buyer receives an invoice via paper mail or via e-mail
- An AP employee opens the mail and reviews the invoice — the employee will manually look for a purchase order (amongst thousands of other purchase orders) in order to match the invoice and purchase order
- The buyer manually makes multiple copies of each invoice for approval routing and enters the invoice details into the accounting system to begin tracking the review and approval routing process
- The invoice is physically delivered to various other employees for review and approval — this can take several days depending on when these other employees can review the invoice and the delivery method of such (paper or electronic)
- Once approved, the invoice is updated in the accounting system and posted to the general ledger in preparation for payment
- The invoice is then filed and stored by the buyer

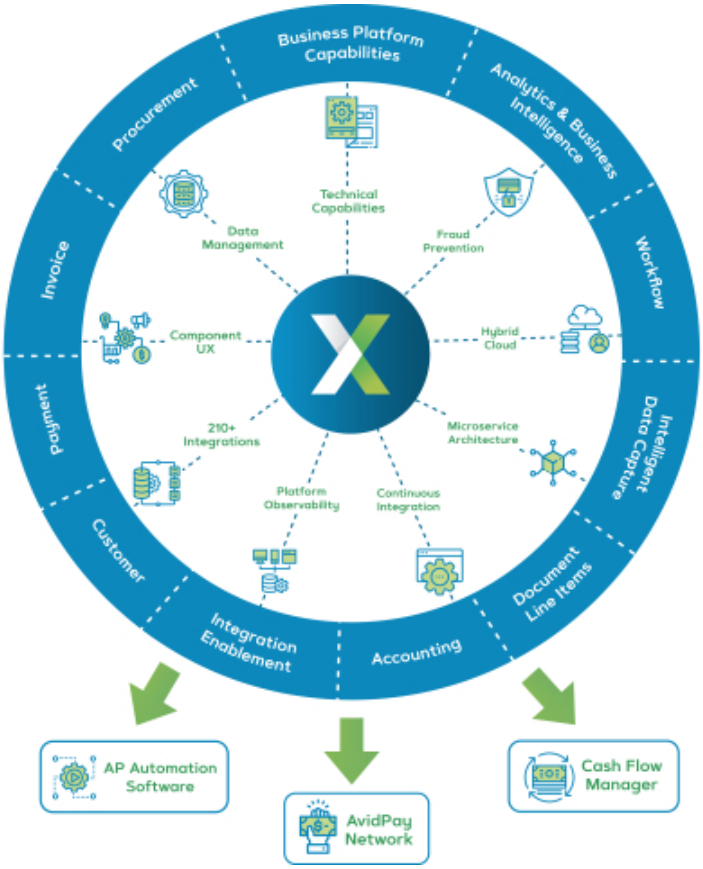
Typical Payment Execution Workflows Before AvidXchange

Once the invoice has been approved and moved through the system as described above, a separate, equally paper-heavy process of selecting and paying approved invoices is launched.

- Once a buyer is ready to execute payment of an invoice to their supplier they go into their accounting system and select which invoice to pay
- They then print, prepare and secure the necessary approvals to mail the check or deliver electronically (typically via wire or ACH)
- Once the check has been mailed or sent to the supplier, they then wait for payment receipt confirmation and address any questions or inquiries the supplier might have
- Once payment confirmation has been made and all inquiries fielded the buyer then reconciles the transaction on their general ledger
- Similarly, the supplier will reconcile their accounts receivables hence why the remittance data is so valuable

Our Solution and Key Strengths

We transform the way AP works for the middle market. Our platform was purpose-built for the middle market since we wrote our first line of code, based on our desire to deal with the business process complexities of our initial customers. Our intuitive user interfaces are an entry point to a broader user experience emphasizing visibility and control. The SaaS-based technical underlayer drives digital transformation and provides the scalability to grow with our buyers. At the same time, we deliver innovative solutions to our buyers, giving them access to the advanced features needed to transform their AP processes. In addition to horizontal offerings, we have a range of sophisticated vertical specific software offerings, including AvidInvoice, AvidBuy, AvidPay, AvidUtility, BankTEL Ascend, Avid for NetSuite, Strongroom Payables Lockbox, Timberscan and Titanium among other offerings. In 2020, we processed approximately 53 million transactions with over $145 billion in spend under management across our platform.



Product Overview

- **AP Automation Software:** Our SaaS-based AP automation products simplify and streamline the end-to-end payables workflows beginning with the ingestion of the invoice by the buyer, continuing through the approval and review stages and ending with the payment of the invoice. Our AP automation software provides vertical-specific platforms that are designed to address the intricacies of the business challenges facing each of our core verticals. Throughout this process, our solutions integrate into and synchronize with accounting systems to ensure reporting and reconciliation occur timely and accurately.
- **The AvidPay Network:** One of our core innovations is our two-sided payments network connecting our buyers with their suppliers. We support a variety of fast and efficient payment methods for our suppliers, including electronic payments by VCC, and ACH, and check, and deliver robust remittance data to streamline the reconciliation process with the supplier's accounting systems.
- **Cash Flow Manager:** We provide cash management solutions to our supplier network that include tools providing a comprehensive view of invoices and an accelerator feature. For example, we offer Cash Flow Manager, which provides suppliers with visibility and access to their outstanding invoices, and Invoice Accelerator, which allows eligible invoices to be paid prior to their due date.

The net result of these various products is a much more streamlined and efficient AP process for our buyers, with over 20 steps or inputs reduced to just a few (represented by the blue boxes in the chart below). Processes automated by AvidXchange are in grey with the X in the corner.

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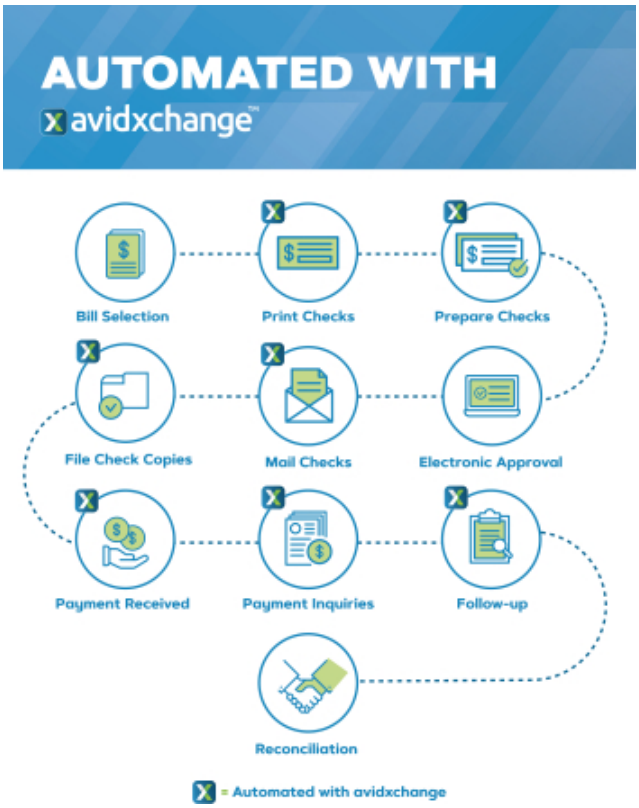
Typical AP Workflows After AvidXchange

Typical Payment Execution After AvidXchange



Our products are supported by the following technical and business platform capabilities.

Technical Platform Capabilities

- **Cloud Based**: Our technology infrastructure is built upon a hybrid cloud, which we are currently migrating from private to public hosting. This supports a scalable architecture that underpins our growth strategy.
- **Velocity of Innovation**: We are continuing to develop a microservices architecture as well as capabilities around continuous integration and delivery. This allows us to compress development cycles and release multiple feature updates per quarter versus quarterly or even annual cycles observed among legacy providers.
- **Flexibility**: We offer over 210 integrations with different accounting systems, ensuring our customers have the flexibility to integrate with the fragmented universe of software solutions that defines the middle market technology landscape.

Business Platform Capabilities

- **Procurement and Order Management**: Allows buyers to order and ensure appropriate delivery of purchased items, including requisition, purchase order, receipt management, and other related features.
- **Invoice**: Provides capabilities to ingest, standardize, centralize, and publish invoices.

- **Payment**: Provides straight through processing for payments to advance the customer experience by bridging the gap between front-end customer touchpoints and back-end payment execution while reducing customer cost.
- **Customer**: Provides capabilities to unify and make customer entities and their related entities visible, manageable, and searchable. This enables other platform domains to associate transactions, interactions, and other relevant metadata to the AvidXchange unified customer record for operations, analysis, and customer experiences.
- **Integration Enablement**: Centralized, configurable and extensible engine allowing the critical, bi-directional flow of data between customers' financial systems, partners, and the broader AvidXchange ecosystem of services.
- **Accounting**: Allows management of common accounting objects such as codes, dimensions, legal entities, budgets, and other accounting elements essential to procurement and payment.
- **Document Line Items**: Allows AvidXchange buyers to properly account for purchases by tracking individual items and their costs in requisitions, purchase orders, invoices, and receipts.
- **Intelligent Data Capture**: Combines character recognition technology, AI based data extraction and stored customer business rules to automatically insert ingested invoices into customer approval workflows. This expedites document delivery and processing and automates manual processes that burden our customers.
- **Workflow**: Provides business automation capabilities and allows AvidXchange buyers the ability to create configurable business rules and sequences of operations for processing of objects found in the AvidXchange ecosystem.
- **Analytics & Business Intelligence**: Enables AI/ML capabilities throughout AvidXchange's platforms and products, reducing operational costs through the power of automation at scale.

Benefits to our Buyers

- **Accelerate Digital Transformation:** We enable middle market buyers to fully digitize their mission-critical AP workflows from invoice ingestion to payment. For example, by applying business rules configurable to each company to document ingestion, our intelligent data capture automates acceptance of invoices and seamlessly inserts them into the AP workflows and approval process. By automating these processes, our platform reduces human-error, speeds approvals and ensures businesses have more transparency on their cash flow.
- **Enhanced Visibility and Control:** We empower our buyers to control each step of their AP workflows through flexible software that can be self-tailored to fit their unique business and process logic. This ensures that each of our buyers can impose the appropriate level of reviews and approvals to support the required internal controls of their customers.
- **Reduced Cost Burden:** Eliminating manual reviews and intervention allows our buyers to realize significant savings. We estimate the total cost of processing a paper invoice is approximately $19.00 across the paper invoice and paper check payment. We believe that automating these processes reduces that cost by over 60%, while also improving the accuracy of reporting and reconciliation.
- **Advanced Risk Management**: Our software platform and data enables risk mitigation for our buyers and suppliers. According to the 2019 AFP Payments Fraud and Control Survey, 82% of organizations reported fraud incidents in 2018, and 43% experienced direct financial loss as a result. Our SaaS automation software coupled with our depth of buyer business logic better empowers our buyers to detect and prevent fraudulent attacks through paper and digital means. In addition, in order to ensure we can move money on our buyers' behalf safely, securely and with transparency, we have become a licensed money transmitter in the United States.

- **Manage Supplier Relationships**: We enable buyers to manage and maintain strong supplier relationships. In addition to enabling payments to be made on time, we maintain supplier payment preferences that buyers need in order to make payments. By digitizing this information to facilitate payments made on our network, we streamline buyer and supplier engagement, helping buyers build long-term supplier relationships that drives business growth.

Benefits to our Suppliers

- **Send invoices electronically:** Enabling the digital transmittal of invoices saves our suppliers the time and cost associated with mailing paper invoices.
- **Receive payments faster:** Suppliers who elect to receive payment via our VCC or AvidPay Direct product can expect delivery of each payment and related remittance information in as little as 24 hours. These rapid payment schemes enable suppliers to effectively manage their cash flows.
- **Data rich remittances:** Along with the payment, we also deliver robust data files regarding the transaction, which enable suppliers to quickly and accurately update their back-end systems and facilitate their cash application and reconciliation process with limited manual data entry.

Go-To-Market

We have made significant investments in our sales and marketing organization, and we employ a hybrid go-to-market strategy utilizing both direct and indirect channels. Our go-to-market organization consists of over 600 employees supporting buyers and suppliers in our direct sales, marketing and relationship management teams and is a cornerstone of creating and maintaining trusted customer relationships.

We sell our solutions to buyers through both a direct sales force and indirectly through strategic channel partnerships with banks and financial institutions as well as software and technology business partners. We attract suppliers to the AvidPay Network by establishing a simple, easy-to-use network that helps integrate various buyers through a standard invoice and pay network.

Direct sales: Our buyer direct sales organization is aligned within key industry verticals where we have developed a specialized industry and product domain expertise, including: real estate, HOAs, construction, financial services (including banks and credit unions), healthcare facilities, social services, education, and media. The buyer-focused sales team takes a targeted approach to assess and attract clients that would benefit from our AP software solutions and the AvidPay Network. Our direct sales team manages our network of over 120 referral relationships with integrated software providers, financial institutions and other partners that refer AvidXchange's solutions and services to their customer networks. Our target businesses generally have greater than $5 million in annual revenue and/or process at least 200 invoices or more than 100 payments per month.

Indirect channels: Our buyer indirect sales channel includes reseller partners and other strategic partnerships. Bank of America and Fifth Third Bank, through Mastercard's branded "Mastercard B2B Hub," and KeyBank resell AvidXchange's software and services to their customers. Our strategic software and technology partners include brands such as MRI Software, RealPage, and SAP Concur, in addition to other non-strategic partners. These partnerships allow us to increase wallet share in existing markets and expand into adjacent markets.

We also have an extensive sales force of over 90 employees dedicated to executing our proprietary supplier engagement process and onboarding the vast number of suppliers that interact with our solutions and network. Our automated processes quickly detect anytime a payment is made to an out-of-network supplier, after which our dedicated teams quickly work to engage and onboard interested parties. Our active focus on supplier retention and enhancement of supplier-focused automated solutions continues to expand the overall network.

Our go-to-market team is core to our growth and continues to evolve with the rapidly evolving market and our own internal development of products. We continuously monitor key metrics that measure our sales team and

channel sales success, productivity, and efficiency. We maintain long-term customer satisfaction through our relationship management and customer care organization, who provide customer support through multiple avenues of communication including email, phone, chat, and forums.

Our marketing is focused on our unique ability to serve the middle market, our easy to integrate solution, the value we provide to our customers, and our continued product innovation. Our targeted marketing to the middle market includes both digital and traditional brand campaigns, targeted advertisements, social, thought leadership pieces, trade shows, and webinars.

We intend to continue to invest in our sales and marketing capabilities to capitalize on our market opportunity.

Why We Win

Our customers choose us for the tangible value proposition our solutions offer. We believe we have several competitive advantages that drive our ability to leverage our first mover market position:

- **Built to solve the unique business challenges of the middle market:** Since our inception, our solution has been purpose-built for the middle market. Our platform addresses enterprise level challenges, but at the scale, price and in the language of the middle market.
- **Digitize the entire AP workflow:** We apply data and SaaS-based software automation to the entirety of the AP workflow. While some tools require the buyer to first handle invoice ingestion, we focus on transforming the buyer experience by owning, and enhancing, each point of the value chain. Our platform will handle invoice ingestion, whether through paper or electronic means, and replicate that ownership and automation through to payment.
- **Comprehensive, end-to-end AP Automation and payments platform:** Our comprehensive solution provides a single-vendor approach to eliminate paper, streamline workflows and ensure timely and accurate reconciliation. We have spent years building a software and payments platform coupled with hundreds of integrations to vertical-specific middle market accounting and information systems. We believe this provides us with a unique competitive advantage to automate AP workflows, streamline invoice payment and continue to grow our two-sided network.
- **Scaled, two-sided network of buyers and suppliers powers a flywheel effect:** We provide the infrastructure layer connecting our buyers with their suppliers. As buyers approve and pay more invoices through our platform, we connect them to their suppliers and add more suppliers to our network, which drives an expansion of the flywheel effect that fuels our growth. As a result of this ongoing flywheel, we have built a high level of supplier density that allows us to monetize payments almost immediately after a buyer joins our platform.
- **Diverse and deep integration layer:** We offer more than 210 integrations with different accounting systems that allow our clients to curate a technology stack tailored to the nuances of their size, scale and vertical. Our “built inside” integrations, many of which are flexible API-based integrations, facilitate increasingly seamless exchanges of data, driving enhanced user experiences and utility and providing a feature set and level of customization historically reserved only for enterprises.
- **Unparalleled data capabilities:** Our buyers and suppliers benefit from the more than 190 million invoices we have ingested and processed since inception. From the beginning, we recognized the feedback value of data and as such our product development and operations benefit from two decades of transactions. We believe we ingest invoices more accurately, manage risk more insightfully and assess credit more thoughtfully in part due to a knowledge base that continues to grow every day.
- **“Win as a team” culture:** Our culture is our DNA. It’s what brings us together and makes us who we are. We believe our culture gives us a unique competitive advantage. Our strength lies in leveraging the unique differences our employees bring to the workplace. We value diverse talents, skills, ideas, ways

of thinking, backgrounds and life stories – all of which drive our innovation and performance. As entrepreneurs seeking innovative solutions to serve our customers, we want every employee to feel a strong sense of purpose and belonging. Therefore, we strive to create a workplace where every employee feels comfortable and empowered to bring their full, authentic self to work every day. As we continue to grow the business, we also intentionally focus on the key drivers of employee experience and engagement: wellbeing, growth and development, and rewards and recognition. Engaged employees are imperative to achieve strong company performance and excellent customer experience.

Growth Strategy

We are dedicated to continuing to differentiate ourselves as the leader in AP automation software and payment solutions for middle market businesses through our multi-pronged approach. Fundamentally, the growth of our business is dependent upon the number of transactions we process, as well as our total payment volume. Key elements of our growth strategy include the following:

Win new buyers and their suppliers. With approximately 435,000 middle market companies in the United States we believe the middle market opportunity remains largely underpenetrated. As the number of middle market companies continues to increase and their AP and payment complexity grows, we anticipate demand for our products by new customers to increase. We will continue to invest heavily in our direct and indirect sales channels to increase awareness of our platform, drive sales opportunities, and convert more of our pipeline into customers. We will also continue to grow and scale and the number of strategic partnerships we have, providing more opportunities to acquire new customers from our software and bank channels as well as our referral partnerships. In 2020, approximately two-thirds of our direct new buyer sales included both the invoice and pay component of our AP software solutions.

Grow with existing buyers and suppliers. We expect to continue to grow with our existing buyer base of over 7,000 businesses. As our buyer base continues to grow and mature, we expect them to continue to increase invoice and payment transaction volume across the AvidXchange platform. In addition, we plan to continue to cross-sell solutions to our existing buyers.

Increase conversion of paper checks to electronic payments. As our buyers continue to mature and increase their overall payment transaction volume, we believe there is significant opportunity to increase the penetration of electronic payments as paper checks still comprised 42% of all B2B payments in the United States in 2020. The reliance on highly manual invoice management processes and paper check-based payments results in wasted time and money that serve as great candidates for automation. As additional buyers and suppliers join our proprietary AvidPay Network, we will continue to build functionality and drive conversion of manual to electronic payments. Our growing supplier density will continue to drive higher monetization rates leading to increased e-payment adoption.

Continue to innovate and enhance new products. We will continue leveraging the rich data and business insights we have accumulated across buyer and supplier transactions to add new innovations and capabilities. We will continue to expand horizontal product functionality to benefit our clients. Key areas of continued product innovation include creating products to support larger buyers that require more advanced procurement and spend management capabilities, growing functionality within the AvidPay Network, focusing on our operational scalability to enhance our ability to effectively manage critical transactions, and increasing automation in our platform. Our goal is to create more end-to-end solutions that integrate purchasing and payments workflows. In addition to enhancing products for our buyer customers, we will also continue to use our access to rich data to build out more robust offerings for suppliers, including financing solutions to serve the significant opportunity there.

Selectively pursue strategic M&A. We will supplement our organic growth by pursuing strategic M&A to expand into new verticals and horizontal capabilities, capture unmonetized or under-monetized spend, and

enhance and expand products and capabilities. We have a proven track record of successfully acquiring and executing M&A to drive revenue growth, efficiency leverage, and scalability across the organization.

Enter new verticals. We believe there is significant untapped opportunity in the middle market to expand into new and adjacent verticals. We will continue to invest in our vertical sales teams across different geographies to execute in-house development to build vertical domain capabilities, increase our number of bank and software partnerships, and expand the number of next-generation API and "built inside" integrations. We plan to do this both organically and through potential acquisitions. We recently expanded into the Education sector and our recent acquisition of Core Associates enabled us to become one of the leading AP providers in the construction market.

International expansion. We plan on expanding internationally in the near to mid-term with an initial focus on Canada, the United Kingdom, and Europe. We will leverage our existing business partner relationships we have already in place in the United States to begin building our presence worldwide.

Human Capital, Culture, Social Responsibility and Community Initiatives

At AvidXchange, our employees are the core of who we are. We're all entrepreneurs who love to innovate and win with a passion for serving our customers. We take personal ownership of our everyday work, and we recognize that we only win as a team. While we're proud to stand out, we also know that to shine brightly as a company, the light we create needs to build from the inside out – from person to person, and team to team.

While we are a technology company by trade, at our core, we are a people company, and that means not only taking care of each other, but those in the communities in which we work and live. In 2005, we formed the AvidXchange Foundation. Initially, we set out to help elementary school children impacted by Hurricane Katrina. From then on, the AvidXchange Foundation has been dedicated to making a difference in the lives of young people where we work and live.

As a technology company, we have a responsibility to give back to the community the best way we know. For AvidXchange, that means finding solutions to problems through a technology lens to empower future generations to be well equipped to partake in today's digital economy, which will be even more critical tomorrow. We recognize that barriers to technology education and careers start early in a student's life with having access to the right resources throughout their education, which is why we launched Tech Rising – an initiative spearheaded by the AvidXchange Foundation committed to removing technology barriers and bridging the digital divide to create economic mobility for youth and young adults.

But we don't limit our efforts or those of our employees to a singular mission. Corporate giving of all kinds is a part of AvidXchange's DNA, and we enable employees who are passionate about giving back to the community – however is most meaningful to them – with paid volunteer time off. We understand that engaging with our communities and striving to improve the quality of life for our employees and neighbors is more than an opportunity – it's our responsibility.

We are committed to sharing our resources and time in support of philanthropic efforts. In demonstration of this commitment, on June 24, 2021, our board of directors approved the reservation of 414,324 shares of our common stock (representing approximately 1% of our issued and outstanding common stock and common stock equivalents as of June 24, 2021) for future issuance to fund our philanthropic endeavors, including possible issuance to a philanthropic partner in connection with the establishment of a donor-advised fund, over a ten-year period. We intend to issue the first contribution of 10% of the pledged shares shortly after the execution of an agreement with a philanthropic partner. Thereafter, we intend to provide annual ongoing grants of 10% of the pledged shares for a period of nine subsequent years, subject in each case to the approval of our board of directors.

As of June 30, 2021, we had over 1,500 full-time, U.S. based employees. We also engage temporary employees and consultants as needed to support our operations. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages and we consider our relations with our employees to be good.

Competition

We believe the overall market for AP software and payments solutions is highly fragmented, competitive and evolving and is marked by rapid change and consolidation due to technological innovations and continued adoption by businesses. Although we expect businesses to continue to adopt AP and payment automation solutions, we often find that we are selling our products and services to potential customers that have use a variety of separate solutions or internally developed policies and procedures, and we must be able to convince internal stakeholders that our products and solutions are superior to their existing processes or third-party solutions.

Our current competitors range from fintech companies, such as Bill.com and Coupa Software, and financial institutions to smaller, niche providers of software and services, as well as point solutions provided by ERP vendors. We compete with companies that offer comprehensive solutions focused on the entire AP and payment processes and companies that focus only on select portions of these processes such as invoice and bill presentment, document and workflow management, AP and payment processing or accounts receivable. Solutions are also often specifically tailored to industry vertical or customer size making it difficult to expand into new verticals or attract larger or smaller customer types.

Accounting and ERP software providers, financial institutions, payment processing, and other service providers, a number of which we partner with in offering our solutions, may currently offer or develop solutions, acquire third-party solutions or competitors, or enter into strategic relationships that would enable them to expand their solutions to compete more effectively with our products and services. These parties may have access to larger, installed customer bases and may be able to effectively bundle and cross sell competitive solutions with their other services, which may enable them to compete more effectively or provide them with greater pricing and operating flexibility.

Companies that currently focus on providing solutions to enterprise businesses or SMBs may seek to expand the offering of their solutions to midmarket customers which would be more directly competitive with the products and services that we offer. New entrants not currently considered to be competitors may also enter the market through acquisitions, partnerships, or strategic relationships.

We currently compete on several factors, including:

- product and service features, functionality and quality and system stability;
- integrations with leading accounting and banking systems;
- our value added services provided through various strategic partnership;
- pricing and incentives;
- supplier network;
- ability to automate existing processes; and
- customer onboarding time and effort.

We believe that we compare favorably with our competitors on the basis of these factors. We expect the middle market AP software and B2B payment solutions market to continue to evolve and grow, as greater numbers of middle market and larger businesses digitize their back offices. We believe that we are well-positioned to help them.

Regulatory Environment

We operate in a complex and evolving regulatory environment. The manner in which existing laws and regulations are applied or new laws and regulations are implemented in this environment is often unclear and unpredictable, in particular as such laws and regulations relate to our business in the United States and internationally to the extent we might in the future elect to expand our services outside the United States.

Most states and certain territories in the United States require a license to engage in certain money transmission or payment services. We have procured and maintain money transmitter licenses, or the statutory equivalent, in all of the U.S. jurisdictions that currently require them for our business and actively work to comply with new license requirements as they arise. These licenses enable us to provide commercial payment services to businesses through AvidXchange, Inc. "for the benefit of customer" bank accounts that are restricted for such purposes and subject us, among other things, to record-keeping requirements, reporting requirements, bonding requirements, limitations on the investment of customer funds, and examination by state regulatory agencies.

We are also registered as a Money Services Business with the U.S. Department of Treasury's Financial Crimes Enforcement Network, or FinCEN, and are subject to the BSA, and certain obligations contained therein, including, among other things, certain record-keeping and reporting requirements, and examinations by FinCEN.

The BSA is the primary compendium of U.S. laws and regulations regarding AML and countering the financing of terrorism. As required under the BSA, we have implemented and are continuing to expand an AML program designed to prevent our platform from being used to facilitate money laundering, terrorist financing, and other financial crimes. Our program is also designed to prevent our products from being used to facilitate business in certain countries, or with certain persons or entities, that are targets of economic or trade sanctions that OFAC and various foreign authorities administer or enforce. Our AML and sanctions compliance programs include policies, procedures, reporting protocols, and internal controls, require the designation of a BSA and AML compliance officer to oversee the programs, and are designed to address our legal and regulatory requirements and to assist in managing risk associated with sanctions, compliance, money laundering, and terrorist financing.

Although we do not provide consumer services or products, we do collect and use a wide variety of information for various purposes in our business, including to help ensure the integrity of our services and to provide features and functionality to our customers. Our customers' data is stored in our platform, and we must monitor and, as applicable, comply with a wide variety of laws and regulations regarding the data stored and processed on our platform as well as the operation of our business. This may present legal challenges to our business and operations, such as rights of privacy or intellectual property rights related to the content loaded onto our platform.

This aspect of our business, including the collection, use, disclosure, and protection of the information we acquire in connection with our customers' use of our services, may be subject to certain laws and regulations in the United States. In particular, data privacy and security with respect to the collection, processing, and retention of personal data or PII continues to be the focus of legislation and regulation. In recent years, there have been a number of well-publicized data breaches involving the unauthorized use and disclosure of individuals' PII. Many U.S. states have responded to these incidents by enacting laws requiring holders of PII to maintain safeguards and to take certain actions in response to a data breach, such as providing prompt notification of the breach to affected individuals and state officials or amending existing laws to expand compliance obligations. Federal laws are also under consideration that may create additional compliance obligations and penalties. Accordingly, we publish our privacy policies and terms of service, which describe our practices concerning the use, transmission, and disclosure of information.

In addition, several foreign countries and governmental bodies, including within the European Union, have laws and regulations dealing with the collection, use, disclosure, and protection of information that are more restrictive than those in the United States. While we believe that the products and services that we currently offer in the

United States do not subject us to such laws or regulations in foreign jurisdictions, such laws and regulations may be modified or subject to new or different interpretations, new laws and regulations may be enacted, or we may modify or expand our products or services in the future, or acquire a company operating internationally, which may subject us to such laws and regulations.

Data privacy and security with respect to the collection, processing, and retention of PII continues to be the focus of domestic and worldwide legislation and regulation. In recent years, there have been a number of well-publicized data breaches involving the unauthorized use and disclosure of individuals' PII. Many U.S. states have responded to these incidents by enacting laws requiring holders of personal information to maintain safeguards and to take certain actions in response to a data breach, such as providing prompt notification of the breach to affected individuals and state officials or amending existing laws to expand compliance obligations. Federal laws are also under consideration that may create additional compliance obligations and penalties.

Various regulatory agencies in the United States and in foreign jurisdictions continue to examine a wide variety of issues which may be applicable to us and may impact our business. These issues include identity theft, account management guidelines, privacy, disclosure rules, cybersecurity, and marketing. As our business continues to develop and expand, we continue to monitor the additional rules and regulations that may become relevant or applicable to our business.

Any actual or perceived failure to comply with legal and regulatory requirements may result in, among other things, revocation of required licenses or registrations, loss of approved status, private litigation, regulatory or governmental investigations, administrative enforcement actions, sanctions, civil and criminal liability, and constraints on our ability to continue to operate. For an additional discussion on governmental regulation affecting our business, please see the risk factors related to regulation of our payments business and regulation in the areas of privacy and data use, under the section titled "Risk Factors — Risks Related to our Business and Industry."

Intellectual Property

We seek to protect our intellectual property rights by relying upon a combination of contractual measures as well as trademark, copyright, and trade secret laws.

We rely on trade secrets and confidential information to develop and maintain our competitive position. It is our practice to enter into confidentiality and invention assignment agreements (or similar agreements) with our employees, consultants, and contractors involved in the development of intellectual property on our behalf. We also enter into confidentiality agreements with other third parties in order to limit access to, and disclosure and use of, our confidential information and proprietary information. We further control the use of our proprietary technology and intellectual property through provisions in our terms of service.

As of June 30, 2021, we had 33 trademark applications and registrations for certain of our logos. We will pursue additional trademark registrations to the extent we believe it would be beneficial and cost effective. We also own several domain names, including www.avidxchange.com.

Patents have not historically been a significant part of our intellectual property strategy. We may however pursue patent protection in the future to the extent we believe it would be beneficial and cost effective.

From time to time we may also use or incorporate certain intellectual property licensed from third parties, including under certain open-source licenses. Even if any such third-party technology was not available to us on commercially reasonable terms, we believe that alternative technologies would be available as needed.

Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented, or challenged. Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation based on allegations of patent infringement or other violations of intellectual property rights.

We believe that competitors will try to develop products that are similar to ours and that may infringe our intellectual property rights. Our competitors or other third parties may also claim that our solutions infringe upon their intellectual property rights. In particular, some companies in our industry have extensive patent portfolios and are large and established and have greater resources than we do. From time to time, third parties have in the past and may in the future assert claims of infringement, misappropriation, and other violations of intellectual property rights against us or our customers or partners, with whom our agreements may obligate us to indemnify against these claims. Successful claims of infringement by a third party could prevent us from offering certain products or features, require us to develop alternate, non-infringing technology, which could require significant time and during which we could be unable to continue to offer our affected products, require us to obtain a license, which may not be available on reasonable terms or at all, or force us to pay substantial damages, royalties, or other fees. Moreover, our products may incorporate software components licensed to the general public under open-source software licenses. Open-source licenses may grant licensees broad permissions to use, copy, modify, and redistribute our platform. As a result, open-source development and license practices can limit the value of our software copyright assets.

For additional information about our intellectual property and associated risks, see the section titled “Risk Factors — Risks Related to our Business and Industry.”

Facilities

We lease our approximately 201,000 square foot built to suit corporate headquarters in Charlotte, North Carolina pursuant to a lease with an initial term that expires in 2032. We also lease approximately 60,000 square feet of office space adjacent to our headquarters to support operations and provide flex space.

We have additional offices in Sandy, Utah, Houston, Texas, Birmingham, Alabama, and Columbus, Mississippi and we have coworking space in Somerset, New Jersey and Marshfield, Massachusetts. We may further expand our facilities capacity as our employee base grows and we have acquired approximately 9.7 acres of land adjacent to our current quarters for future expansion. We believe that we will be able to obtain additional space on commercially reasonable terms.

Legal Proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, including commercial, intellectual property, employment, class action, whistleblower, and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. We are not currently a party to any legal proceedings that we believe to be material to our business or financial condition. The results of any future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors upon the completion of this offering:

Name	Age	Position
Executive Officers		
Michael Praeger	53	President and Chief Executive Officer, Board Member
Joel Wilhite	51	Chief Financial Officer, Senior Vice President
Daniel Drees	53	Chief Growth Officer, Senior Vice President
Angelic Gibson	44	Chief Information Officer, Senior Vice President
Todd Cunningham	55	Chief People Officer, Senior Vice President
Ryan Stahl	46	General Counsel and Secretary, Senior Vice President
Non-Employee Directors		
Matthew Harris	48	Board Member, Lead Independent Director
James (Jim) Hausman	64	Board Member
John C. (Hans) Morris	62	Board Member
Nigel Morris	62	Board Member
Wendy Murdock	68	Board Member
James Anderson(1)	54	Board Member
Brad Feld(1)	55	Board Member
Robert (Bo) Stanley(1)	46	Board Member
Lance Drummond	66	Director Nominee*
James Michael McGuire	62	Director Nominee*
Teresa Mackintosh	49	Director Nominee*

(1) Messrs. Anderson, Feld, and Stanley will resign as directors immediately prior to the effectiveness of the registration statement on Form S-1 of which this prospectus forms a part.

* Independent within the listing requirements and rules of Nasdaq. It is expected that this individual will become a director immediately upon completion of this offering.

Executive Officers

Michael Praeger. Michael Praeger is cofounder of AvidXchange and has served as our Chief Executive Officer since April 2000, our President since December 2010, and as Chairman of our board of directors since April 2000. Mr. Praeger has spent the last 28 years managing technology and web services-related companies. Prior to establishing AvidXchange, Mr. Praeger co-founded PlanetResume.com, a technology career enhancement and recruiting site that successfully completed its merger with CareerShop.com in November 1999. Prior to that, Mr. Praeger co-founded and served as Chief Executive Officer of InfoLink Partners, a software company specializing in automating the tax billing and collection functions for municipalities along with corporate escheat recovery services. Mr. Praeger received a BSBA degree in Finance from Georgetown University. We believe Mr. Praeger is qualified to serve on our board of directors due to his extensive knowledge of our company, as well as his significant operational and strategic expertise.

Joel Wilhite. Joel Wilhite joined us in February 2017 as our Chief Financial Officer. Mr. Wilhite brings decades of diverse financial leadership experience to his role. Before joining us, Mr. Wilhite held the position of Chief Financial Officer at Quantros, Inc., a SaaS company that offers an enterprise-wide suite of applications designed to help hospitals better manage the quality and safety of patient care. Prior to Quantros, Inc., Mr. Wilhite was the

Senior Vice President of Finance for Benefitfocus.com, Inc. (NASDAQ: BNFT), a leading SaaS provider of benefits administration software and solutions. Prior to Benefitfocus, Mr. Wilhite served in various roles at Blackbaud, Inc. (NASDAQ: BLKB), most recently as the Chief Financial Officer for Blackbaud, Inc.'s international division. Mr. Wilhite began his career as an auditor at KPMG. He received his BS degree with honors in Accounting from the University of South Carolina and is a Certified Public Accountant.

Daniel Drees. Dan Drees joined us in April 2018 as our Chief Growth Officer. Mr. Drees is a seasoned financial technology executive and industry veteran with more than 25 years of experience generating growth at Fortune 500 companies and financial institutions such as General Electric Company (NYSE: GE), Bank of America (NYSE: BAC), Ally Financial Inc. (NYSE: ALLY), and Capital One (NYSE: COF). Most recently, he led the fraud and risk solutions business at Fiserv, Inc. (NASDAQ: FISV) from July 2017 through March 2018, where he focused on enabling financial institutions and their clients to reduce the cost and complexity associated with fraud and compliance through process automation and data analytics. Mr. Drees received his BS degree in Mechanical Engineering from Iowa State University.

Angelic Gibson. Angelic Gibson joined us in October 2019 as our Chief Information Officer. Ms. Gibson has spent over 20 years in information technology, with experience in building and managing SaaS platforms, enterprise technology systems, as well as management practices supporting databases, networks, telecommunications, and infrastructure. She has built and supported business intelligence platforms, has extensive cloud computing strategic insight, and has experience balancing operational efficiencies with business development and growth. Before joining us, Ms. Gibson served as Senior Vice President of Information Technology at TKXS Inc. from April 2013 to October 2018. Ms. Gibson received her BS degree in Management Information Systems from American InterContinental University.

Todd Cunningham. Todd Cunningham joined us in August 2014 and has served as our Chief People Officer since March 2020, and previously served as Senior Vice President of Human Capital and Talent Management. Mr. Cunningham has more than 26 years in Human Resources at public and private companies. His experience covers the full range of Human Resources responsibilities. Before joining us, Mr. Cunningham held senior positions at Bank of America focusing on talent management, development, and organizational effectiveness, where he served in various capacities, including: Senior Vice President of Talent & Development Executive, Global Corporate & Investment Banking; Vice President of Associate Readiness Change Executive — Merrill Lynch Transition; and Senior Vice President of Talent & Development Executive, Consumer & Small Business Banking Division, among others. Mr. Cunningham received a BSBA degree in Human Resources Management from The Ohio State University.

Ryan Stahl. Ryan Stahl joined us in May 2015 and has served as our General Counsel and Secretary since November 2017, and previously served as Deputy General Counsel. As our General Counsel and Secretary, Mr. Stahl began his legal career in the corporate and securities practice at Sidley Austin, LLP, focusing primarily on mergers and acquisitions and capital markets offerings. He subsequently held multiple in-house corporate positions in the financial services and technology industries, most recently at Mercury Payment Systems Inc., a privately held payment processor and technology services provider. Mr. Stahl holds a BS degree from the University of Dayton and a JD degree from the University of Michigan Law School.

Non-Employee Directors

Matthew Harris. Matt Harris has served as a member of our board of directors since July 2015. Mr. Harris joined Bain Capital Ventures to lead the New York City office, where he currently serves as a Partner. Mr. Harris focuses on business services companies, with a particular interest in financial services. Mr. Harris has served as a member of the board of directors of BTRS Holdings Inc. (f/k/a Factor Systems, Inc. (dba Billtrust)) (NASDAQ: BTRS), a provider of cloud-based software and integrated payment processing solution, since January 2021, and prior to this, he served as director of Factor Systems, Inc. (d/b/a Billtrust) since November 2012. Mr. Harris has also served as a member of the board of directors of Flywire Corporation (NASDAQ: FLYW), a global payments enablement and software company, since January 2015. Prior to joining Bain Capital Ventures, Mr. Harris

founded Village Ventures, Inc., an early stage venture capital firm focused on the media and financial services sectors, and served as Managing Director from January 2000 to September 2012. Mr. Harris received a B.A. degree in Political Economy from Williams College. We believe Mr. Harris is qualified to sit on our board of directors due to his extensive experience as an investor and board member of a variety of fintech companies.

James (Jim) Hausman. Jim Hausman has served as a member of our board of directors since July 2002. Mr. Hausman previously served as our Interim Chief Financial Officer from April 2014 to June 2015. Mr. Hausman is a Certified Public Accountant and has 18 years of experience as the chief financial officer for a public, and several private, telecommunications companies. Mr. Hausman began his career at Price Waterhouse, which later became PricewaterhouseCoopers. He has a BS degree in Accounting from the University of Kentucky. We believe Mr. Hausman is qualified to serve on our board of directors due to his extensive experience as chief financial officer of a public company, and due to his extensive knowledge of our company.

John C. (Hans) Morris. Hans Morris has served as a member of our board of directors since July 2015. Mr. Morris is managing partner of Nyca Partners LLC, a venture capital firm exclusively focused on applying innovation into the global financial system. Mr. Morris is also the chairman of the board of directors of Lending Club Corporation (NYSE: LC), a peer-to-peer lending company, and and a director of Payoneer Inc. (NASDAQ: FTOCU), an online payments company providing money transfer and digital payments services, as well as several private companies. From 2010 until founding Nyca Partners LLC in 2014, Mr. Morris was Managing Director at General Atlantic LLC, a global growth equity firm. He also served as President of Visa Inc. from 2007 to 2009, while it completed its reorganization and its initial public offering in 2008, and spent 27 years at Citigroup and its predecessor companies in executive roles, including serving as CFO and head of operations and technology for Citi's institutional businesses from 2002-2007. Mr. Morris received a BA degree in Government and Urban Studies from Dartmouth College. We believe Mr. Morris is qualified to sit on our board of directors due to his experience as an investor and as an officer of an international finance company.

Nigel Morris. Nigel Morris has served as a member of our board of directors since December 2015. Mr. Morris has been the co-founder and managing partner of QED Investors LLC, a fintech venture capital platform focused on disruptive, high-growth financial services companies since 2008. Prior to QED Investors LLC, Mr. Morris co-founded Capital One Financial Services in 1994, where he also served as President and Chief Operating Officer until 2004. Mr. Morris previously sat on the board of directors of GreenSky, Inc. (NASDAQ: GSKY) from January 2014 to June 2019 and currently sits on the boards of several different privately held companies. Mr. Morris received a BSC degree in Psychology from the University of East London and an MBA degree from London Business School. We believe Mr. Morris is qualified to sit on our board of directors due to his experience as an investor in fintech companies and as the co-founder of a financial services company.

Wendy Murdock. Wendy Murdock has served as a member of our board of directors since September 2019. Ms. Murdock has over 30 years of experience as a manager and director in the global financial services industry. Ms. Murdock served as the Chief Product Officer of Mastercard Worldwide from 2005 to 2009, where she was responsible for innovation, development, go-to-market strategy and commercialization of all Mastercard products targeted at consumers, corporations/governments, and merchants. She subsequently served from 2009 to 2012 as Mastercard Worldwide's Chief Payment Systems Integrity Officer with responsibility for leading the company's anti-fraud, information, and cyber security programs. Ms. Murdock serves as a member of the board of directors of Iron Mountain Incorporated (NYSE: IRM), a storage and information management services company, and previously served from 2013 to 2016 on the board of Recall Holdings Limited (a public unlisted company), a digital and physical information management services company. She has also served as member of the board of directors for USAA Federal Savings Bank since December 2013 and USAA Savings Bank since April 2016. Since 2016, Ms. Murdock has served on the board of La Caisse de dépôt et placement du Québec, a large institutional pension fund. Ms. Murdock received a BA degree in French Canadian Studies from McGill University and an MBA degree from the University of Western Ontario. We believe Ms. Murdock is qualified to serve on our board of directors due to her extensive experience as a senior finance executive, including as the chief product officer of one of the world's largest financial services companies.

James Anderson. James Anderson has served as a member of our board of directors and as a member of our M&A and Governance and Compensation committee since June 2020. Mr. Anderson joined Mastercard in May 2007, where he is currently Executive Vice President of Commercial & B2B Solutions since April 2018 and a member of its management committee since April 2019. From May 2015 to April 2018, Mr. Anderson served as Executive Vice President of Digital Payment Products at Mastercard, leading Mastercard Digital Enablement Service, Masterpass, and the API platform initiatives. He has spent his career at the intersection of mobile, payment, and internet technologies in product development, business development, and general management roles. Since March 2019, he has also served on the board of Mastercard Transaction Services (US) LLC, a subsidiary of Mastercard. Mr. Anderson received his bachelor's degree in politics, philosophy and economics from the University of Oxford and a Master of Business Administration from Columbia University. Mr. Anderson will resign from his position on our board of directors, immediately prior to the effectiveness of the registration statement on Form S-1 of which this prospectus forms a part.

Brad Feld. Brad Feld has served as a member of our board of directors since July 2015 and a member of the audit committee since September 2015. Mr. Feld is a founding partner of Foundry Group, which was founded in September 2007, and currently serves as Managing Director. Mr. Feld also co-founded Techstars in August 2006 and currently serves on its board of directors. Mr. Feld has been a board member of, advisor to and investor in well-known technology companies including Fitbit, Inc. (NYSE: FIT), Zynga Inc. (Nasdaq: ZNGA), SendGrid, Inc. (formerly NYSE: SEND) (which since has been acquired by Twilio Inc. (NYSE: TWLO)), Rally Software Development Corp (formerly NYSE: RALY) (which since has been acquired by CA, Inc. (formerly Nasdaq: CA)), and Raindance Communications (formerly Nasdaq: RNDC) (which since has been acquired by West Corporation). Mr. Feld has been the Chairman of the board of directors of Crucible Acquisition Corporation (NYSE: CRU) since September 2020. Currently, Mr. Feld also serves on the board of, among other companies, Formlabs Inc. since July 2016 and Havenly, Inc. since March 2020. Mr. Feld holds a Bachelor of Science and a Master of Science in management science from the Massachusetts Institute of Technology. Mr. Feld will resign from his position on our board of directors, immediately prior to the effectiveness of the registration statement on Form S-1 of which this prospectus forms a part.

Robert (Bo) Stanley. Bo Stanley has served as a member of our board of directors and as a member of our Audit and M&A committee since November 2020. In April 2011, Mr. Stanley joined Sixth Street Partners, where he is currently a partner. He also serves as President of Sixth Street Specialty Lending, Inc. (NYSE: TSLX) since April 2014 and is Co-Head of Sixth Street Growth since June 2018, where he focuses on originating transactions in software, payment systems, data infrastructure, and business services sectors. Prior to joining Sixth Street, Mr. Stanley was with Wells Fargo Capital Finance. Mr. Stanley also serves on the board of Legends Hospitality, LLC since January 2021 and served on the board of AFS Technologies, Inc. from June 2017 to August 2020. Mr. Stanley holds a Bachelor of Science in Business Administration with a concentration in Business Administration from the University of Maine. Mr. Stanley will resign from his position on our board of directors, immediately prior to the effectiveness of the registration statement on Form S-1 of which this prospectus forms a part.

Director Nominees

Teresa Mackintosh has agreed to serve as a member of our board of directors and her appointment is contingent upon the closing of this offering. Ms. Mackintosh has served as the Chief Executive Officer of Trintech, a computer software company, since February 2016. With more than 25 years of experience in the accounting, tax and finance functions of global companies. Prior to joining Trintech, Ms. Mackintosh served as Chief Executive Officer of Wolters Kluwer Tax and Accounting US from October 2013 to January 2016. Ms. Mackintosh received a BBA degree and an MBA from the University of Michigan and is a former Certified Public Accountant. We believe Ms. Mackintosh is qualified to serve on our board of directors due to her executive officer experience and oversight of accounting and software companies.

Lance Drummond has agreed to serve as a member of our board of directors and his appointment is contingent upon the closing of this offering. Mr. Drummond is an executive-level business leader with multi-industry and Mr. Drummond retired from TD Canada Trust, a commercial bank, in January 2015, where he was Executive Vice President of Operations and Technology since 2011. Prior to joining TD Canada Trust, from 2009 to 2011, Mr. Drummond was Executive Vice President of Human Resources and Shared Services at Fiserv, Inc., a global fintech and payments company, where he oversaw the company's shared services, including Fiserv's Global Services employees in India and Costa Rica. Mr. Drummond sits on several boards of directors, including serving as a member of the Public Board of Governors of the Financial Industry Regulatory Agency (FINRA), a member of the board of directors and Chair of the Compensation and Human Capital Committee at Federal Home Loan Mortgage Corporation (Freddie Mac), and a member of the board of directors of United Community Banks, Inc. (NASDAQ: UCBI). Mr. Drummond earned a BS degree in Business Management from Boston University, an MBA degree from the Simon Business School at the University of Rochester, and an MS degree in Management Science from MIT. We believe Mr. Drummond is qualified to serve on our board of directors due to his extensive experience in the operations and technology space and public company board experience.

J. Michael McGuire has agreed to serve as a member of our board of directors and his appointment is contingent upon the closing of this offering. Mr. McGuire served as the Chief Executive Officer of Grant Thornton LLP, an accounting firm, from January 2015 through February 2019, and as Chief Executive Officer Emeritus from March 2019 until February 2020, when he retired. Prior to joining Grant Thornton, he led various teams for 20 years at Arthur Andersen, a former accounting firm. Mr. McGuire currently sits on the board of directors of Akoustis Technologies, Inc. (NASDAQ: AKTS), an acoustic wave technology manufacturer, and has previously served on a number of non-profit boards, including those in business, universities and education, technology, arts, and community. Mr. McGuire received his BS degree in Business Administration, Accounting and Management Information Systems from Bowling Green State University and is a certified Public Accountant. We believe Mr. McGuire is qualified to serve on our board of directors due to his auditing expertise with 25 years of experience as an audit partner.

Board of Directors Composition

Our business and affairs are managed under the direction of our board of directors. After the closing of this offering, we expect that our board of directors will consist of nine members. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws. Each of our current directors, except for James Anderson, Brad Feld, and Robert (Bo) Stanley, will continue to serve as a director until the election and qualification of his or her successor, or until his or her earlier death, resignation or removal. Messrs. Anderson, Feld, and Stanley will resign as directors immediately prior to the effectiveness of the registration statement on Form S-1 of which this prospectus forms a part.

Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our current directors will be divided among the three classes as follows:

- the Class I directors will be Messrs. Hausman and Drummond and Ms. Murdock and their terms will expire at the annual meeting of stockholders to be held in 2022;
- the Class II directors will be Messrs. Morris, McGuire and Morris, and their terms will expire at the annual meeting of stockholders to be held in 2023; and
- the Class III directors will be Messrs. Praeger and Harris and Ms. Mackintosh, and their terms will expire at the annual meeting of stockholders to be held in 2024.

At each annual meeting of stockholders, upon the expiration of the term of a class of directors, the successor to each such director in the class will be elected to serve from the time of election and qualification until the third

annual meeting following his or her election and until his or her successor is duly elected and qualified, in accordance with our amended and restated certificate of incorporation. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

Director Independence

Upon the closing of this offering, our common stock will be listed on the Nasdaq Global Select Market, or Nasdaq. Under the rules of Nasdaq, independent directors must comprise a majority of a listed company's board of directors within one year of the completion of its initial public offering. In addition, the rules of Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation and corporate governance and nominating committees be independent. Audit committee members and human capital and compensation committee members must also satisfy the independence criteria set forth in Rule 10A-3 and Rule 10C-1, respectively, under the Exchange Act. Under the rules of Nasdaq, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director with that listed company.

To be considered to be independent for purposes of Rule 10A-3 and under the rules of Nasdaq, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board of directors committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

To be considered independent for purposes of Rule 10C-1 and under the rules of Nasdaq, the board of directors must affirmatively determine that each member of the human capital and compensation committee is independent, including a consideration of all factors specifically relevant to determining whether the director has a relationship to the company which is material to that director's ability to be independent from management in connection with the duties of a human capital and compensation committee member, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the company to such director; and (ii) whether such director is affiliated with the company, a subsidiary of the company or an affiliate of a subsidiary of the company.

Our board of directors undertook a review of its composition, the composition of its committees and the independence of our directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships and stock ownership, our board of directors has determined that each of Messrs. Drummond, Harris, Hausman, McGuire, Morris and Morris and Mses. Mackintosh and Murdock do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules of the SEC and the listing standards of Nasdaq. Mr. Praeger is not independent under Nasdaq's independence standards.

In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled "Certain Relationships and Related-Party Transactions." There are no family relationships among any of our directors or executive officers.

Board of Directors Leadership Structure

The board of directors has no set policy with respect to the separation of the offices of Chairman of the Board and Chief Executive Officer. Currently, Mr. Praeger serves as Chairman of the Board and Chief Executive Officer. Mr. Harris serves as our lead independent director. The board of directors believes that this overall structure of a Chairman of the Board and Chief Executive Officer, combined with a lead independent director, results in an effective balancing of responsibilities, experience and independent perspectives that meets the current corporate governance needs and oversight responsibilities of the board of directors.

Role of the Board and Risk Committee in Risk Oversight

One of the key functions of our board of directors is to oversee our risk management process. The risk management committee, comprising of independent directors, assists the board of directors in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. The risk management committee has the overall responsibility of monitoring and approving our risk policies and associated practices. It is also responsible for reviewing and approving risk disclosure statements in public documents or disclosures.

In particular, our board of directors has overall responsibility for monitoring and assessing strategic risk exposure and our risk committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee monitors compliance with financial disclosure and also more general legal and regulatory requirements. Our human capital and compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Board of Directors Committees

Our board of directors has an audit committee, a human capital and compensation committee, a nominating and corporate governance committee and risk management committee, each of which has the composition and the responsibilities described below. Upon the closing of this offering, copies of the charters for each committee will be available on the investor relations portion of our website at www.avidxchange.com. Members serve on these committees until their resignation or removal. The inclusion of our website in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Audit Committee

Following the closing of this offering, our audit committee will consist of five members, each of whom will meet the requirements for independence under the listing standards of Nasdaq and SEC rules and regulations. Mr. Hausman will be the chair of our audit committee and serve as the “audit committee financial expert” as such term is defined under the SEC rules implementing SOX Section 407. Following the closing of this offering, our audit committee will be responsible for, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- obtaining a formal written statement from the independent registered public accounting firm delineating all relationships between us and such firm and actively engaging in dialogue with such firm with respect to any disclosed relationships;
- helping to ensure the independence and overseeing performance of the independent registered public accounting firm;
- reviewing and discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing with management and the independent registered public accounting firm our interim and year-end operating results;

- reviewing our financial statements and our critical accounting policies and estimates;
- reviewing the adequacy and effectiveness of our internal controls and disclosure controls and procedures;
- developing procedures for employees to submit concerns anonymously about questionable accounting, internal accounting controls, or audit matters;
- overseeing our policies on regulatory compliance;
- overseeing compliance with our code of business conduct and ethics;
- reviewing related-party transactions; and
- pre-approving all audit and all permissible non-audit services (other than de minimis non-audit services) to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, to be effective prior to the closing of this offering, which will satisfy the applicable rules of the SEC and the listing standards of Nasdaq and will be available on our website at www.avidxchange.com.

Human Capital and Compensation Committee

Following the closing of this offering, our human capital and compensation committee will consist of five members, each of whom will meet the requirements for independence under the listing standards of Nasdaq and SEC rules and regulations. In addition, each member of our human capital and compensation committee will also be a non-employee director, as defined pursuant to Rule 16b-3 of the Exchange Act. Mr. Harris will be the chair of our human capital and compensation committee. Following the closing of this offering, the human capital and compensation committee will be responsible for, among other things:

- reviewing, approving and determining, or making recommendations to our board of directors regarding, the compensation of our executive officers, including our Chief Executive Officer, who may not be present on deliberations of his compensation;
- administering our equity compensation plans and agreements with our executive officers;
- reviewing, approving and administering incentive compensation and equity compensation plans;
- reviewing and approving our overall compensation philosophy; and
- making recommendations regarding non-employee director compensation to our full board of directors.

Our human capital and compensation committee will operate under a written charter, to be effective prior to the closing of this offering, which will satisfy the applicable rules of the SEC and the listing standards of and will be available on our website at www.avidxchange.com.

Nominating and Corporate Governance Committee

Following the closing of this offering, our nominating and corporate governance committee will consist of four members, each of whom will meet the requirements for independence under the listing standards of and SEC rules and regulations. Mr. Harris will be the chair of our nominating and corporate governance committee. Following the closing of this offering, the nominating and corporate governance committee will be responsible for, among other things:

- identifying, evaluating and selecting, or making recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- overseeing the evaluation and the performance of our board of directors and of individual directors;
- considering and making recommendations to our board of directors regarding the composition of our board of directors and its committees;

- overseeing our corporate governance practices;
- contributing to succession planning; and
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters.

Our nominating and corporate governance committee will operate under a written charter, to be effective prior to the closing of this offering, which will satisfy the applicable rules of the SEC and the listing standards of Nasdaq and will be available on our website at www.avidxchange.com.

Risk Management Committee

The primary objectives of the risk management committee are to assist the board of directors i) in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks; and ii) to monitor and approve our enterprise risk management framework and associated practices. Our risk management committee will operate under a written charter, to be effective prior to the closing of this offering, which will be available on our website at www.avidxchange.com.

Compensation Committee Interlocks and Insider Participation

None of the members of our human capital and compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee (or other board of directors committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any entity that has one or more executive officers serving on our board of directors or compensation committee. Certain members of our human capital and compensation committee are affiliated with entities that purchased our preferred stock. Please see "Certain Relationships and Related-Party Transactions — Sales of Securities" for more information.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Following the closing of this offering, the code of business conduct and ethics will be available on our website at www.avidxchange.com. We intend to disclose future amendments to such code, or any waivers of its requirements, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions or our directors on our website identified above. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Non-Employee Director Compensation

Historically, we have neither had a formal compensation policy for our non-employee directors, nor have we had a formal policy of reimbursing expenses incurred by our non-employee directors in connection with their board service. However, we have from time to time reimbursed our non-employee directors for certain travel, lodging and other reasonable expenses incurred in connection with their attendance at board of directors or committee meetings and occasionally granted stock options to certain of our non-employee directors. Except to the limited extent described in "Executive Compensation – Director Compensation" below, we did not provide our non-employee directors, in their capacities as such, with any cash, equity or other compensation in fiscal 2020. In , 2021, our board of directors approved an outside director compensation policy that will become effective upon the closing of this offering. Under this policy, we will pay our directors who are not our employees both equity and cash compensation for service on the board of directors.

Cash Compensation

Our non-employee directors will receive an annual cash retainer for service on the board of directors and an additional annual cash retainer for service on each committee on which the director is a member, which will be paid quarterly in arrears. The chairman of each committee will receive higher annual cash retainers for such service. The fees paid to non-employee directors for service on the board of directors and for service on each committee of the board of directors on which the director is a member are as follows:

	Member Annual Cash Retainer	Chairperson Annual Cash Retainer	Lead Independent Director Annual Cash Retainer
Board of Directors	$	$	$
Audit Committee			
Human capital and compensation committee			
Nominating and Corporate Governance Committee			
Risk Management Committee			

Equity Compensation

Initial Grant

Each new non-employee director who joins our board of directors after our initial public offering will automatically receive a RSU award for common stock having a value of $ based on the fair market value of the underlying common stock on the date of grant under our , with the $ being prorated based on the number of months from the date of appointment until the next annual meeting of our stockholders. Each initial grant will vest on the earlier of (i) the date of the following annual meeting of our stockholders (or the date immediately prior to the next annual meeting of our stockholders if the non-employee director's service as a director ends at such meeting due to the director's failure to be re-elected or the director not standing for re-election) or (ii) the one year anniversary measured from the date of grant, each subject to continued service as a director through each applicable vesting date.

Annual Grant

On the date of each annual meeting of our stockholders, each continuing non-employee director will automatically receive a RSU award for common stock having a value of $ based on the fair market value of the underlying common stock on the date of grant under our 2021 Plan. Each annual grant will vest on the earlier of (i) the date of the following annual meeting of our stockholders (or the date immediately prior to the next annual meeting of our stockholders if the non-employee director's service as a director ends at such meeting due to the director's failure to be re-elected or the director not standing for re-election) or (ii) the one year anniversary measured from the date of grant, each subject to continued service as a director through each applicable vesting date.

The calculation of the number of shares of RSUs granted under the non-employee director compensation policy will be the closing price of our common stock as reported by Nasdaq on the date of grant.

Vesting Acceleration

In the event of a change in control (as defined in our 2021 Plan), any unvested portion of an equity award granted under the policy will fully vest immediately prior to the closing of such change of control, subject to the non-employee director's continuous service with us on the effective date of the change of control.

Compensation Philosophy

The outside director compensation program is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors' interests with those of our stockholders.

Director and Officer Indemnification Agreements

We have entered, and intend to continue to enter, into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our amended and restated bylaws. These agreements, among other things, require us to indemnify our directors and executive officers for certain expenses, including attorneys' fees, judgments, penalties, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services as one of our directors or executive officers or as a director or executive officer of any other company or enterprise to which the person provides services at our request.

EXECUTIVE COMPENSATION

Overview

This section discusses the principles underlying the material components of our executive compensation program for our executive officers who are named in the "Summary Compensation Table" and the factors relevant to an analysis of these policies and decisions. These "named executive officers" for the year ended December 31, 2020 are:

Name	Title
Michael Praeger	Chief Executive Officer and Chairman
Joel Wilhite	Chief Financial Officer
Dan Drees	Chief Growth Officer

Each of the key elements of our executive compensation program is discussed in more detail below. Our compensation programs are designed to be flexible and complementary and to collectively serve the principles and objectives of our executive compensation and benefits program. Our employees are all employed by AvidXchange, Inc., but following our reorganization, all equity awards have been assumed by and all new equity awards will be issued by AvidXchange Holdings, Inc.

Compensation Tables

Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for the year ended December 31, 2020.

Name and Principal Position	Salary(1)	Option Awards(2)	Stock Awards(3)	Non-Equity Incentive Plan Compensation(4)	All Other Compensation(5)	Total
Michael Praeger Chief Executive Officer	$ 404,077	$ 899,990	$ 765,003	$ 319,594	$ 13,900	$ 2,402,564
Joel Wilhite Chief Financial Officer	$ 328,577	$ 499,995	$ 424,974	$ 186,355	$ 41,821	$ 1,481,722
Dan Drees Chief Growth Officer	$ 326,154	$ 349,987	$ 297,494	$ 240,674	$ 10,648	$ 1,224,957

(1) This amount reflects the actual salary earned by each of our named executive officers during the year ended December 31, 2020.
(2) The amounts in this column represent the aggregate grant date fair value of awards granted to each named executive officer, computed in accordance with the Financial Accounting Standards Board's Accounting Standards Codification, or ASC, Topic 718.
(3) The amounts reported represent the grant date fair value of the RSUs awarded to the named executive officer in the fiscal year ended December 31, 2020, as calculated in accordance with ASC Topic 718.
(4) The amounts reported in the Non-Equity Incentive Plan Compensation column reflect bonuses earned by our NEOs under the annual bonus plan for the fiscal year ended December 31, 2020 as well as a sales incentive bonus paid to Mr. Drees.
(5) This amount reflects (a) our matching contributions made to the 401(k) retirement savings plan with respect to each named executive officer ($11,400 for Mr. Praeger, $10, 581 for Mr. Wilhite and $8,148 for Mr. Drees), (b) a $2,500 reimbursement for financial and tax planning services expenses for each NEO) and (c) a $2,395 per month housing and travel reimbursement for Mr. Wilhite (total of $28,740 for the year).

Outstanding Equity Awards

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Unearned Shares, Units or Other Rights That Have Not Vested	Market or Payout Value of Unearned Shares, Units or Other Rights Have Not Vested ($)
Michael Praeger	6/1/2016	24,289(1)	0	$ 8.98	6/1/2021	—	—
	3/29/2017	8,593(1)	0	$ 13.97	3/29/2022	—	—
	3/5/2018	4,752(2)	2,160	$ 14.14	3/5/2023	—	—
	4/27/2018	4,790(2)	2,396	$ 14.14	4/27/2023	—	—
	3/20/2019	5,106(2)	6,567	$ 16.66	3/20/2024	—	—
	6/19/2019	2,736(2)	4,562	$ 16.66	6/19/2024	—	—
	10/1/2020	0(3)	48,231	$ 41.66	10/1/2030	18,363(4)	$ 889,504
Joel Wilhite	3/29/2017	46,621(1)	0	$ 12.70	3/29/2027	—	—
	3/5/2018	15,902(2)	7,229	$ 12.85	3/5/2028	—	—
	3/20/2019	4,221(2)	5,429	$ 15.14	3/20/2029	—	—
	10/1/2020	0(3)	26,795	$ 41.66	10/1/2030	10,201(4)	$ 494,136
Dan Drees	6/14/2018	25,000(2)	15,000	$ 12.85	6/14/2028	—	—
	3/20/2019	4,221(2)	5,429	$ 15.14	3/20/2029	—	—
	10/1/2020	0(3)	18,756	$ 41.66	10/1/2030	7,141(4)	$ 345,910

(1) Options vest over three years of service from the Grant Date specified above, with 33.33% of the options vesting after one year and an additional 1/36th of the options vesting monthly thereafter.

(2) Options vest over four years of service from the Grant Date specified above, with 25% of the options vesting after one year and an additional 1/48th of the options vesting monthly thereafter. The options are subject to vesting acceleration under certain circumstances as described under "Employment Agreements" below.

(3) Options vest over four years of service from a vesting commencement date of 2/15/2020, with 25% of the options vesting after one year of service from the vesting commencement date and the remainder vesting in equal quarterly increments thereafter over the following three years. The options are subject to vesting acceleration under certain circumstances as described under "Employment Agreements" below.

(4) RSUs will vest upon the satisfaction of both a service-based vesting condition and a liquidity event-related performance vesting condition. The liquidity event-related performance vesting condition will be satisfied on the earlier of (i) a sale event for us or (ii) this offering. Once the performance condition is satisfied the RSUs will vest over four years of service with a vesting commencement date of 2/15/2020, with 25% of the RSUs vesting after one year of service from the vesting commencement date and the remainder vesting in equal quarterly increments thereafter over the following three years.

Narrative to the Summary Compensation Table

Base Salary

Annual base salaries compensate our executive officers for fulfilling the requirements of their respective positions and provide them with a level of cash income predictability and stability with respect to a portion of their total compensation. Generally, our named executive officers' initial base salaries were established through arm's-length negotiation at the time the individual was hired, taking into account his or her qualifications, experience and prior salary level. Thereafter, the base salaries of our executive officers, including the named executive officers, are reviewed periodically by our board of directors and our CEO, and adjustments are made as deemed appropriate.

2020 Non-Equity Incentive Plan Compensation

The amounts reported in the Non-Equity Incentive Plan Compensation column reflect bonuses earned by our NEOs under the annual bonus plan for the fiscal year ended December 31, 2020 as well as a sales incentive bonus paid to Mr. Drees. For the year ended December 31, 2020, the target annual bonuses for Mr. Praeger, Wilhite and Drees were equal to 70%, 50% and 25%, respectively, of their eligible base salary earnings. The performance metrics for the annual bonus plan for the year ended December 31, 2020 consisted of: (i) financial metrics (60% of the total bonus) based on revenue and margin, (ii) qualitative individual performance goals (20% of the total bonus) and (iii) qualitative business initiatives (20% of the total bonus). In 2021, our board of directors evaluated the 2020 performance against these established performance goals. For financial metrics, we achieved 100% of target (60% of the total target bonus) and for the business initiatives, we achieved 122% (24.4% of the total target bonus). Messrs. Praeger, Wilhite and Drees achieved their individual goals at a rate of 140%, 142.5% and 145% (28%, 28.5% and 29% of the total target bonus), respectively, resulting in the attainment percentages shown in the table below.

In addition to his annual bonus, Mr. Drees was entitled to receive a variable sales bonus based on his achievement of sales metrics, with a target amount of $148,500. Based on his achievement of such goals, he earned a sales bonus of $147,797 for the year ended December 31, 2020.

Name	Eligible Base Earnings	Target Bonus Percentage	Attainment Percentage	Non-Equity Incentive Plan Compensation
Michael Praeger	$ 404,077	70%	112.4%	$ 319,594
Joel Wilhite	$ 328,577	50%	112.9%	$ 186,355
Dan Drees(1)	$ 326,154	25%	113.4%	$ 92,877

(1) Mr. Drees also received a sales bonus of $147,797, and combined with his annual bonus, received an aggregate of $240,674 for the year ended December 31, 2020.

We also adopted a 2020 Long-Term Incentive Plan, or our 2020 LTIP, that was designed to provide a cash incentive for eligible executives, including our named executive officers, pursuant to which the executives could earn cash bonuses if we achieved certain revenue and gross margin targets. Amount earned under the 2020 LTIP would become payable over an eighteen month period beginning on December 31, 2020 or if earlier, the date on which maximum plan attainment occurred. The target levels for 2020 were not achieved and accordingly, no amounts are payable pursuant to the 2020 LTIP and the plan was terminated.

Equity Compensation

From time to time, we grant equity awards, in the form of stock options and RSUs, to our named executive officers, which are generally subject to time vesting conditions based on each of our named executive officer's continued service with us and, in the case of the RSUs, the satisfaction of a liquidity event condition. Each of our named executive officers currently holds outstanding stock options to purchase shares of our common stock and outstanding RSU awards, as set forth in the "Outstanding Equity Awards Table" above. The material terms regarding each equity award in the "Outstanding Equity Awards Table," including the vesting schedule and treatment upon a change of control, are described in the corresponding footnotes.

401(k) Plan

We have established a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. Under the 401(k) plan, eligible employees may elect to reduce their current compensation by up to the prescribed annual limit, and contribute these amounts to the 401(k) plan. This plan provides for matching contributions made by us of 100% of the first 3% and 50% of the next 2% of an employee's 401(k) plan elective deferrals.

Deferred Compensation Plan

We have established a non-qualified deferred compensation plan for our "highly compensated" employees, including our named executive officers. Under the deferred compensation plan, employees may elect to reduce future, taxable current compensation by electing to defer all eligible compensation including base salary, cash bonus, and/or commissions on a semi-annual basis. We do not make matching contributions on the participants' deferrals pursuant to the non-qualified deferred compensation plan.

All Other Compensation

Additional benefits received by our employees, including our named executive officers, include medical and dental benefits, flexible spending accounts, short-term and long-term disability insurance and accidental death and dismemberment insurance. These benefits are provided to our named executive officers on the same general terms as they are provided to all of our full-time U.S. employees. We also offer basic life insurance coverage to our employees, and offer executive life insurance to certain key executives, including our named executive officers.

We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices in the competitive market.

We do not view perquisites or other personal benefits as a significant component of our executive compensation program. As noted above in the Summary Compensation Table, we provide each NEO with a $2,500 annual reimbursement for financial and tax planning services expenses and a $2,395 per month housing and travel reimbursement for Mr. Wilhite. In the future, we may provide perquisites or other personal benefits in limited circumstances, such as where we believe it is appropriate to assist an individual executive officer in the performance of his or her duties, to make our executive officers more efficient and effective, and for recruitment, motivation and retention purposes. All future practices with respect to perquisites or other personal benefits for our named executive officers will be approved and are subject to periodic review by the compensation committee of our board of directors.

Employment Agreements

Mr. Praeger's Employment Agreement

Mr. Praeger entered into an employment agreement with us on May 21, 2015 to serve as our Chief Executive Officer and the parties amended the agreement on March 9, 2017. Mr. Praeger's employment agreement provides for an initial base salary of $250,206, subject to merit increases if determined by the compensation committee of our board of directors. The employment agreement provides that if Mr. Praeger's employment with us is terminated without cause, due to his death or disability, or because he resigns for "good reason" (as described below), he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of twelve months of base salary, (b) a single lump sum payment equal to (i) three, multiplied by (ii) 150% of the sum of the employer portion of the monthly group premiums for the life, disability, accident, and group healthcare insurance plans in which he was participating immediately prior to the termination, (c) if the termination occurs 24 months following a change in control, then he will receive a lump sum payment of his target bonus (assuming targets are met), (d) the amount, if any, to which he is entitled pursuant to a long term bonus plan, and (e) all outstanding stock options awarded to him shall automatically and immediately vest. For this purpose "good reason" means resignation by Mr. Praeger generally due to any of the following that occur without his written consent: (i) any material reduction of his base salary (other than a general reduction that affects all comparable employees at his level as permitted under the employment agreement), (ii) ongoing assignment of duties materially inconsistent with his duties under the employment agreement, material diminution in his authority, duties or responsibilities, or the material alteration of his reporting relationship, (iii) failure to secure consent of a successor to substantially all of our business or

assets to the terms and conditions of the employment agreement, (iv) a change in the geographic location at which he must perform services to a facility or location of 50 miles or more from his current primary office location, (v) breach by us of our obligations under the employment agreement or any related agreement, (vi) material reduction in the aggregate benefits and compensation available to him, including paid time off, welfare benefits, incentive compensation, life insurance, healthcare and disability plans, or (vii) following a change of control, required travel for a period greater than six months on business for us that is materially greater than his typical travel obligations immediately prior to the change of control. Mr. Praeger has also entered into a proprietary information, inventions, non-competition and non-solicitation agreement with us in connection with his employment, which he must comply with in order to receive any severance benefits.

Mr. Wilhite's Employment Agreement

Mr. Wilhite entered into an employment agreement with us on January 5, 2017 to serve as our Chief Financial Officer and the parties amended the agreement on March 9, 2017 and supplemented the agreement on October 30, 2017. Mr. Wilhite's employment agreement provides for an initial base salary of $280,000 for 2017 (and base salaries of $295,000 for 2018 and $310,000 for 2019), subject to merit increases if determined by the compensation committee of our board of directors. The employment agreement provides that if Mr. Wilhite's employment with us is terminated without cause, due to his death or disability, or because he resigns for "good reason" (as described below), he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of six months of base salary, (b) a single lump sum payment equal to (i) three, multiplied by (ii) 150% of the sum of the employer portion of the monthly group premiums for the life, disability, accident, and group healthcare insurance plans in which he was participating immediately prior to the termination, (c) if the termination occurs 24 months following, a change in control, then he will receive a prorated lump sum payment of his target bonus (assuming targets are met), (d) the amount, if any, to which he is entitled pursuant to a long term bonus plan, and (e) all outstanding stock options awarded to him shall automatically and immediately vest. For this purpose "good reason" means resignation by Mr. Wilhite generally due to any of the following that occur without his written consent: (i) any material reduction of his base salary (other than a general reduction that affects all comparable employees at his level as permitted under the employment agreement), (ii) ongoing assignment of duties materially inconsistent with his duties under the employment agreement, material diminution in his authority, duties or responsibilities, or the material alteration of his reporting relationship, (iii) failure to secure consent of a successor to substantially all of our business or assets to the terms and conditions of the employment agreement, (iv) a change in the geographic location at which he must perform services to a facility or location of 50 miles or more from his current primary office location, (v) breach by us of our obligations under the employment agreement or any related agreement, (vi) material reduction in the aggregate benefits and compensation available to him, including paid time off, welfare benefits, incentive compensation, life insurance, healthcare and disability plans, or (vii) following a change of control, required travel for a period greater than six months on business for us that is materially greater than his typical travel obligations immediately prior to the change of control. We also reimburse Mr. Wilhite for $2,395 of his housing and travel expenses each month. Mr. Wilhite has also entered into a proprietary information, inventions, non-competition and non-solicitation agreement with us in connection with his employment, which he must comply with in order to receive any severance benefits.

Mr. Drees' Employment Agreement

Mr. Drees entered into an employment agreement with us on March 16, 2018 for to serve as our Senior Vice President and Chief Growth Officer. Mr. Drees' employment agreement provides for an initial base salary of $290,000 (and base salaries of $310,000 for 2019 and $330,000 for 2020), subject to merit increases if determined by the compensation committee of our board of directors. The employment agreement provides that if Mr. Drees' employment with us is terminated without cause, due to his death or disability, or because he resigns for "good reason" (as described below), he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of six months of base salary, (b) a single lump sum payment equal to (i) three, multiplied by (ii) 150% of the sum of the employer

portion of the monthly group premiums for the life, disability, accident, and group healthcare insurance plans in which he was participating immediately prior to the termination, (c) the amount, if any, to which he is entitled pursuant to a long term bonus plan, and (d) all outstanding stock options awarded to him shall automatically and immediately vest. Notwithstanding the foregoing, Mr. Drees will not be entitled to any severance due to a resignation for "good reason" which occurs within 12 months after a change of control, and for purposes of the agreement, "good reason" means resignation by Mr. Drees generally due to any of the following that occur without his written consent: (i) any material reduction of his initial base salary (other than a general reduction that affects all comparable employees of AvidXchange or as permitted under the employment agreement), (ii) ongoing assignment of duties materially inconsistent with his duties under the employment agreement, material diminution in his authority, duties or responsibilities, or the material alteration of his reporting relationship, (iii) failure to secure consent of a successor to substantially all of our business or assets to the terms and conditions of the employment agreement, (iv) a change in the geographic location at which he must perform services to a facility or location of 50 miles or more from his current primary office location, (v) breach by us of our obligations under the employment agreement or any related agreement, (vi) material reduction in the aggregate benefits and compensation available to him, including paid time off, welfare benefits, incentive compensation, life insurance, healthcare and disability plans, or (vii) following a change of control, required travel for a period greater than six months on business for us that is materially greater than his typical obligations immediately prior to the change of control. Mr. Drees has also entered into a proprietary information, inventions, non-competition and non-solicitation agreement with us in connection with his employment, which he must comply with in order to receive any severance benefits.

New Employment Agreements

Michael Praeger. On August 26, 2021, Mr. Praeger entered into a new employment agreement with us that replaced his prior employment agreement. The new agreement does not have a fixed term and Mr. Praeger will continue to serve as our Chief Executive Officer and President. The new employment agreement provides for an initial base salary of $485,000 per year, which is subject to review and adjustment by the compensation committee of our board of directors. Mr. Praeger is eligible to receive an annual bonus each fiscal year pursuant to terms specified by the compensation committee, with a target bonus of 85% of his annual base salary. Mr. Praeger is also entitled to receive reimbursement from us for up to $5,000 per year for financial and tax planning services.

If Mr. Praeger's employment with us is terminated without cause, due to his death or disability, or he resigns for "good reason" (as described below), other than during the period beginning three months before or eighteen months after a change in control (which is a transaction that constitutes a "transfer of control" for purposes of our 2020 Plan), he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of base salary for twelve months, (b) reimbursement for COBRA premiums during the severance period, (c) full acceleration of vesting for all outstanding stock options awarded to him prior to August 26, 2021 that vest subject solely to continued service, and (d) 12 months of acceleration of all other outstanding stock options and other equity awards that vest subject solely to continued service.

If Mr. Praeger's employment with us is terminated without cause, due to his death or disability, or because he resigns for good reason during the period beginning three months before or eighteen months after a change in control, he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of base salary for eighteen months, (b) a pro rata targeted annual bonus assuming achievement of 100% of target, payable when annual bonuses are paid to other officers for the year in which the termination occurred, (c) reimbursement for COBRA premiums during the transaction severance period, (d) full acceleration of vesting for all outstanding stock options awarded to him prior to August 26, 2021 that vest subject solely to continued service, and (e) full acceleration of all other outstanding stock options and other equity awards that vest subject solely to continued service.

For purposes of the new employment agreement with Mr. Praeger, "good reason" means a resignation by Mr. Praeger due to any of the following that occur without his express written consent: (i) a material diminution in his title, authority, duties or responsibilities, (ii) a material reduction in his annual base salary as in effect on the date of the new agreement (or as it may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary reduction for substantially all other officers; (iii) requiring him to be based anywhere located more than 50 miles from his current primary office location, except for required travel on our business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to our headquarters for specified periods of time) or a relocation (whether now or in the immediate future); provided, however, that a requirement that he return to the office following a period pursuant to which he was permitted to "work from home" shall not be treated as a change in his current primary office location so long as his primary office location in connection with a requirement to "return to the office" is either (x) within 50 miles of the location prior to him being permitted to work from home, or (y) is within 50 miles of his primary residence; or (iv) the failure by a successor to us to assume the new employment agreement.

Joel Wilhite. On August 25, 2021, Mr. Wilhite entered into a new employment agreement with us that replaced his prior employment agreement. The new agreement does not have a fixed term and Mr. Wilhite will continue to serve as our Chief Financial Officer and Senior Vice President. The new employment agreement provides for an initial base salary of $380,000 per year, which is subject to review and adjustment by the compensation committee of our board of directors. Mr. Wilhite is eligible to receive an annual bonus each fiscal year pursuant to terms specified by the compensation committee, with a target bonus of 65% of his annual base salary. Mr. Wilhite is also entitled to receive reimbursement from us for (i) up to $5,000 per year for financial and tax planning services, and (ii) monthly out of pocket living and travel expenses in the net amount of $2,395 (subject to gross up adjustment for taxes) for his apartment, utilities and travel expenses (until further notice by us).

If Mr. Wilhite's employment with us is terminated without cause, or due to his death or disability, other than during the period beginning three months before or eighteen months after a change in control (which is a transaction that constitutes a "transfer of control" for purposes of our 2020 Plan), he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of base salary for six months, (b) reimbursement for COBRA premiums during the severance period, (c) full acceleration of vesting for all outstanding stock options awarded to him prior to August 25, 2021 that vest subject solely to continued service, and (d) 12 months of acceleration of all other outstanding stock options and other equity awards that vest subject solely to continued service.

If Mr. Wilhite's employment with us is terminated without cause, due to his death or disability, or because he resigns for good reason during the period beginning three months before or eighteen months after a change in control, he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of base salary for twelve months, (b) a pro rata targeted annual bonus assuming achievement of 100% of target, payable when annual bonuses are paid to other officers for the year in which the termination occurred, (c) reimbursement for COBRA premiums during the transaction severance period, (d) full acceleration of vesting for all outstanding stock options awarded to him prior to August 25, 2021 that vest subject solely to continued service, and (e) full acceleration of all other outstanding stock options and other equity awards that vest subject solely to continued service.

For purposes of the new employment agreement with Mr. Wilhite, "good reason" means a resignation by Mr. Wilhite due to any of the following that occur without his express written consent: (i) a material reduction in his annual base salary as in effect on the date of the new agreement (or as it may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary reduction for substantially all other officers; (ii) requiring him to be based anywhere located more than 50 miles from his current primary office location, except for required travel on our business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to our headquarters for specified periods of time) or a relocation (whether now or in the immediate future); provided, however, that a requirement that he return to

the office following a period pursuant to which he was permitted to "work from home" shall not be treated as a change in his current primary office location so long as his primary office location in connection with a requirement to "return to the office" is either (x) within 50 miles of the location prior to him being permitted to work from home, or (y) is within 50 miles of his primary residence; or (iii) the failure by a successor to us to assume the new employment agreement.

Dan Drees. On August 26, 2021, Mr. Drees entered into a new employment agreement with us that replaced his prior employment agreement. The new agreement does not have a fixed term and Mr. Drees will continue to serve as our Chief Growth Officer and Senior Vice President. The new employment agreement provides for an initial base salary of $365,000 per year, which is subject to review and adjustment by the compensation committee of our board of directors. Mr. Drees is eligible to receive (i) a targeted annual bonus each fiscal year pursuant to terms specified by the compensation committee, with a target bonus of 40% of his annual base salary, and (ii) an annual variable sales bonus, with a target amount of 60% of his annual base salary. Mr. Drees is also entitled to receive reimbursement from us for up to $5,000 per year for financial and tax planning services.

If Mr. Drees' employment with us is terminated without cause, or due to his death or disability, other than during the period beginning three months before or eighteen months after a change in control (which is a transaction that constitutes a "transfer of control" for purposes of our 2020 Plan), he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of base salary for six months, (b) reimbursement for COBRA premiums during the severance period, (c) full acceleration of vesting for all outstanding stock options awarded to him prior to August 26, 2021 that vest subject solely to continued service, and (d) 12 months of acceleration of all other outstanding stock options and other equity awards that vest subject solely to continued service.

If Mr. Drees' employment with us is terminated without cause, due to his death or disability, or because he resigns for good reason during the period beginning three months before or eighteen months after a change in control, he will receive the following severance benefits, subject to his execution of an effective release of claims against us and our affiliates: (a) continued payment of base salary for twelve months, (b) a pro rata targeted annual bonus assuming achievement of 100% of target, payable when annual bonuses are paid to other officers for the year in which the termination occurred, (c) reimbursement for COBRA premiums during the transaction severance period, (d) full acceleration of vesting for all outstanding stock options awarded to him prior to August 26, 2021 that vest subject solely to continued service, and (e) full acceleration of all other outstanding stock options and other equity awards that vest subject solely to continued service.

For purposes of the new employment agreement with Mr. Drees, "good reason" means a resignation by Mr. Drees due to any of the following that occur without his express written consent: (i) a material reduction in his annual base salary as in effect on the date of the new agreement (or as it may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary reduction for substantially all other officers; (ii) a material modification to his current remote work arrangement, except for required travel on our business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to our headquarters for specified periods of time) or a relocation (whether now or in the immediate future); provided, however, that a requirement that he return to the office following a period pursuant to which he was permitted to "work from home" shall not be treated as a change in his current primary office location so long as his primary office location in connection with a requirement to "return to the office" is either (x) within 50 miles of the location prior to him being permitted to work from home, or (y) is within 50 miles of his primary residence; or (iii) the failure by a successor to us to assume the new employment agreement.

Director Compensation

The following table sets forth information concerning the compensation of our non-employee directors during the year ended December 31, 2020:

Name	Option Awards(1)	Total
James (Jim) Hausman	$ 91,453	$ 91,453
Wendy Murdock	$101,249	$101,249

(1) The amounts in this column represent the aggregate grant date fair value of awards granted to each director, computed in accordance with the Financial Accounting Standards Board's ASC Topic 718.

Narrative Disclosure to Director Compensation Table

Currently, our non-employee directors are Matthew Harris, James (Jim) Hausman, Hans Morris, Nigel Morris, Wendy Murdock, James Anderson, Brad Feld and Bo Stanley. Our non-employee directors did not receive compensation for their service on our board of directors during the fiscal year ended December 31, 2020, except that Mr. Hausman and Ms. Murdock received stock option grants. As of December 31, 2020, Mr. Hausman did not have any outstanding options to purchase shares and Ms. Murdock had outstanding options to purchase an aggregate of 5,426 shares.

Incentive Award Plans

2021 Long-Term Incentive Plan

In order to incentivize our employees following the closing of this offering, our board of directors has adopted, and our stockholders have approved, our 2021 Plan, the material terms of which are summarized below. The purpose of the 2021 Plan is to attract and retain the best available personnel to ensure the our success and accomplish our goals, to incentivize our employees, directors, and consultants with long-term equity-based compensation to align their interests with the interests of our stockholders and to promote the success of our business. Our 2021 Plan will become effective immediately prior to the effective date of this offering, or the IPO Date and thereafter, no further grants will be made under our 2020 Plan (as defined below).

Awards. Our 2021 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Code, or ISOs, to our employees and employees of our parent and subsidiary corporations, and for the grant of options which do not qualify as ISOs, or NSOs, share appreciation rights, restricted or unrestricted share awards, RSUs, deferred share units, or DSUs, and dividend equivalent rights to our employees, directors and consultants and any of our affiliates' employees, directors and consultants.

Authorized Shares. Initially, the maximum number of shares of our common stock that may be issued under our 2021 Plan after it becomes effective will not exceed shares of our common stock, which is the sum of (i) new shares, plus (ii) any shares of our common stock subject to outstanding options or other awards granted under our 2010 Plan, 2017 Plan or 2020 Plan that, on or after our 2021 Plan becomes effective, terminate or expire prior to exercise or settlement; are not issued because the award is settled in cash; are forfeited because of the failure to vest; or are reacquired or withheld (or not issued) to satisfy a tax withholding obligation or the purchase or exercise price. The number of shares of our common stock that will be reserved for issuance under the 2021 Plan will automatically increase on January 1 of each year for a period of up to ten years, beginning on the first January 1 following the IPO Date and continuing through January 1, 2031, by the lesser of (i) % of the total number of shares of our common stock outstanding on December 31 of the immediately preceding year or (ii) shares, provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii). The maximum number of shares of our common stock that may be issued on the exercise of ISOs under our 2021 Plan is shares. Shares issuable pursuant to the 2021 Plan may be authorized, but unissued, or reacquired shares of our common stock.

Shares subject to awards granted under our 2021 Plan that expire or terminate without being exercised in full will not reduce the number of shares available for issuance under our 2021 Plan to the extent such awards were not exercised. Shares withheld under an award to satisfy the exercise, strike or purchase price of an award or to satisfy a tax-withholding obligation will not reduce the number of shares that will be available for issuance under our 2021 Plan. If any shares of our common stock issued pursuant to an award are forfeited back to or repurchased or reacquired by us (i) because of a failure to meet a contingency or condition required for the vesting of such shares, (ii) to pay the exercise price of an award or (c) to satisfy a tax withholding obligation in connection with an award, the shares that are forfeited or repurchased or reacquired will revert to and again become available for issuance under our 2021 Plan.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2021 Plan. Our board of directors may delegate to one or more of our officers the authority to grant awards (to eligible persons other than themselves) based on forms approved by the administrator. Subject to the provisions of our 2021 Plan, the administrator has the power to administer our 2021 Plan and make all determinations deemed necessary or advisable for administering the 2021 Plan, including, but not limited to, the power to determine the fair market value of our common stock, select the service providers to whom awards may be granted, determine the number of shares covered by each award, approve forms of award agreements for use under the 2021 Plan, determine the terms and conditions of awards (including, but not limited to, the exercise price, the time or times at which the awards may be exercised, any vesting acceleration or waiver or forfeiture restrictions, and any restriction or limitation regarding any award or the shares relating thereto), and construe and interpret the terms of our 2021 Plan and awards granted under thereunder.

Options. The administrator will determine the exercise price for ISOs and NSOs, subject to the terms and conditions of our 2021 Plan, except that the exercise price of an option generally will not be less than 100% of the fair market value of our common stock on the date of grant. Options granted under our 2021 Plan will vest at the rate specified in the award agreement as determined by the administrator.

The administrator will determine the term of options granted under our 2021 Plan, up to a maximum of 10 years. Unless the terms of an optionholder's award agreement, or other written agreement between us and the recipient, provide otherwise, if an optionholder's service relationship with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. This period may be extended in the event that exercise of the option is prohibited by applicable securities laws. If an optionholder's service relationship with us or any of our affiliates ceases due to disability or death, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months following the cessation of service. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of an option will be determined by the administrator and may include (i) cash or check; (ii) the tender of shares of our common stock previously owned by the optionholder; (iii) a net exercise of the option; (iv) a broker-assisted cashless exercise; (v) any combination of the foregoing methods; or (vi) any other form of legal consideration approved by the administrator.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an employee during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our parent or subsidiary corporations (a 10% stockholder) unless (i) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant; and (ii) the term of the ISO does not exceed five years from the date of grant.

Share Appreciation Rights. Share appreciation rights permit the participant to receive the appreciation in the fair market value of our common stock between the date of grant and the exercise date. The administrator will determine the purchase price or strike price for a share appreciation right, which will not be less than 100% of the fair market value of our common stock on the date of grant. A share appreciation right granted under our 2021 Plan will vest at the rate specified in the share appreciation right agreement as will be determined by the administrator. Upon exercise, the participant will be entitled to receive shares of our common stock or cash (or any combination thereof) in an amount equal to the product of (i) the number of shares for which the share appreciation right is being exercised, multiplied by (ii) the excess of the fair market value of our common stock on the date of exercise over the exercise price per share.

The administrator will determine the term of share appreciation rights granted under our 2021 Plan, up to a maximum of 10 years. If a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability, or death, the participant may generally exercise any vested share appreciation right for a period of three months following the cessation of service. This period may be further extended in the event that exercise of the share appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, the participant or a beneficiary may generally exercise any vested share appreciation right for a period of 12 months. In the event of a termination for cause, share appreciation rights generally terminate upon the termination date. In no event may a share appreciation right be exercised beyond the expiration of its term.

RSUs. RSUs are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock and may be granted with or without the requirement for payment of cash or other consideration. The administrator may set vesting criteria based upon the achievement of divisional or company-wide, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion. An RSU may be settled by cash, delivery of shares, or a combination thereof. Except as otherwise provided in the applicable award agreement, or other written agreement between us and the recipient, RSUs that have not vested will be forfeited once the participant's continuous service ends for any reason.

Restricted Share Awards. Restricted share awards are grants of shares of our common stock that vest in accordance with the terms and conditions established by the administrator. Our 2021 Plan also permits the administrator to award shares which are fully vested to eligible service providers. Such share awards may be granted with or without the requirement for payment of cash or other consideration. The administrator will determine the terms and conditions of restricted share awards, including vesting and forfeiture terms. Participants holding restricted shares generally will have voting rights with respect to such shares upon grant without regard to vesting. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

DSUs. The administrator may permit members of our board of directors or highly compensated employees to elect to forego the receipt of cash or other compensation (including shares deliverable upon the vesting of RSUs) to have us credit DSUs (to an internal 2021 Plan account) with a fair market value of the shares or other compensation which is deferred, and may also grant DSUs to eligible service providers which are not related to a deferral of compensation. Unless otherwise provided in an award agreement, DSUs will be fully vested and will be paid to the participant (in the form of one share of our common stock for each DSU) in five substantially equal annual installments at the end of each of the five calendar years after the date that the participant terminates service with us and our affiliates. However, if permitted by the administrator, the participant such time or times elected by such participant in his or her DSU election form.

Dividend Equivalents. The administrator may grant dividend equivalent awards to participants who have awards pursuant to the 2021 Plan (other than options and share appreciation rights) which give the holders thereof the right to receive payments equivalent to cash dividends declared during the term of the dividend equivalent right

with respect to the number of shares subject to such award and will be subject to such terms and conditions as determined by the administrator.

Non-Transferability of Awards. Unless the administrator provides otherwise, awards granted under the 2021 Plan will not be transferable except by will or the laws of descent and distribution. To the extent that the administrator provides in the award agreement, an NSO, a share appreciation right (which is settled in shares or restricted shares may be transferred to an immediate family member, a trust or other entity in which the award will be passed to the participant's beneficiaries or by gift to a charitable institution. In addition, to the extent permitted in the award agreement, an option (both ISOs and NSOs), a share appreciation right (which is settled in shares) or restricted shares may transferred pursuant to a domestic relations order.

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, stock dividend, combination, recapitalization or reclassification of shares of our common stock, merger, consolidation, change in organization form, or any other increase or decrease in the number of issued shares of our common stock effected without receipt or payment of consideration by us, appropriate adjustments will be made to: (i) the class and maximum number of shares reserved for issuance under our 2021 Plan; (ii) the class and maximum number of shares by which the share reserve may increase automatically each year; (iii) the class and maximum number of shares that may be issued on the exercise of ISOs; and (iv) the class and number of shares and exercise price, if applicable, of all outstanding awards granted under our 2021 Plan.

Change in Control. In the event of a change in control (as defined in our 2021 Plan), subject to the terms of a participant's award agreement or other employment-related agreement with us or one of our affiliates, any awards outstanding under our 2021 Plan may be assumed or substituted for by any surviving or acquiring entity (or its parent or subsidiary). Instead of having outstanding awards assumed or substituted for, the administrator may, without obtaining the consent of any participant, take one or more of the following actions with respect to the outstanding awards (i) accelerated the vesting of some or all of the shares subject to the awards, (ii) provide for the payment of cash or other consideration to participants in exchange for the cancellation of the outstanding awards (based on the fair market value, on the date of the change in control, of the award being cancelled), (iii) terminate all or some of the awards upon the consummation of the change in control without payment of any consideration, or (iv) make such other modifications, adjustments or amendments to the outstanding awards or the 2021 Plan as the administrator deems necessary or appropriate.

Plan Amendment or Termination. Our board of directors will have the authority to amend or terminate our 2021 Plan at any time, *provided* that such action does not materially impair the existing rights of any participant without such participant's written consent. We will also obtain the approval of our stockholders for amendments, including an amendment to increase the total number of shares issuable under our 2021 Plan, to the extent required by applicable law and listing requirements. No ISOs may be granted after the tenth anniversary of the date that our board of directors adopts our 2021 Plan. No awards may be granted under our 2021 Plan while it is suspended or after it is terminated.

Recoupment. Unless otherwise provided in an award agreement, awards granted under the 2021 Plan are subject to recoupment if (i) the grant, vesting or payment of an award was based on an achievement of a financial result that was subsequently the subject of a material financial restatement, (ii) the participant either benefitted from a calculation that later proves to be materially inaccurate or engaged in fraud or misconduct that partially caused the need for a material financial restatement, (iii) a lower granting, vesting or payment of an award would have occurred based on the foregoing items (i) or (ii), or (iv) as required by applicable law or listing requirements. In general, this means the administrator may, to the extent permitted by applicable law, require reimbursement or forfeiture to us of the value of the awards granted under the 2021 Plan (whether cash-based or equity-based) to such participant received, to the extent that such value exceeds what the participant would have received based on an applicable restated performance measure or target. We will recoup such compensation to the extent required under the applicable rules, regulations and listing standards. In addition, awards granted pursuant to the

2021 Plan and shares issued pursuant to such awards are subject to termination, rescission or recapture in the event that the participant materially violated an agreement with us or one of our affiliates, solicited any non-administrative employee to terminate his or her employment with us or one of our affiliates during the participant's service with us or within six months after termination of the participant's service with us, or the participant engaged in activities which were competitive or materially prejudicial to us during his or her service with us.

2021 Employee Stock Purchase Plan

Our board of directors has adopted, and our stockholders have approved, our ESPP, the material terms of which are summarized below. Our ESPP will be effective immediately prior to the IPO Date. The purpose of our ESPP is to retain the services of our employees, to secure and retain the services of new employees and to provide incentives for such persons to exert maximum efforts for the success of us and our affiliates. Our ESPP includes two components. One component is designed to allow eligible U.S. employees to purchase our common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the United States while complying with applicable foreign laws.

Share Reserve. Subject to adjustment upon certain changes in our capitalization, the maximum number of shares of our common stock that will be available for issuance under the ESPP will be shares. The number of shares of our common stock that will be reserved for issuance under the ESPP will automatically increase on January 1 of each year for a period of up to ten years, beginning on the first January 1 following the IPO Date and continuing through January 1, 2031, by the lesser of (i) % of the total number of shares of our common stock outstanding on December 31 of the immediately preceding year or (ii) shares, provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii). Shares issuable pursuant to the ESPP may be authorized, but unissued, or reacquired shares of our common stock.

Administration. Our board of directors will administer our ESPP and may delegate its authority to administer our ESPP to a committee thereof, including our compensation committee. Subject to the terms of the ESPP, the administrator will have full and exclusive discretionary authority to construe and interpret the terms of the ESPP and establish such procedures that it deems necessary or advisable for the administration of the ESPP. Every finding, decision, and determination made by the administrator will be final and binding upon all parties.

Offerings. Our ESPP will be implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of our common stock on specified dates during such offerings. Under our ESPP, the administrator will be permitted to specify offerings with durations of not more than 27 months and to specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for employees participating in the offering.

Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, will be eligible to participate in our ESPP and to purchase, with accumulated payroll deductions, up to shares (or such lesser number specified by the administrator prior to the commencement of the offering) in each offering, provided that the number of shares purchased in an offering may not exceed 15% (or such lesser percentage specified by the administrator prior to the commencement of the offering) of the employee's compensation (as defined in our ESPP) during the offering. On each purchase date, common stock will be purchased for the accounts of employees participating in our ESPP at a price per share determined by the administrator, which will not be less than the lesser of (i) 85% of the fair market value of a share of our common stock on the first day of an offering; or (ii) 85% of the fair market value of a share of our common stock on the purchase date.

Limitations. Employees may have to satisfy one or more of the following service requirements before participating in our ESPP, as determined by the administrator: (i) being customarily employed for more than 20 hours per week; (ii) being customarily employed for more than five months per calendar year; or (iii) continuous employment with us or one of our affiliates for a period of time prior to the start of an offering (not to exceed two years). No employee will be permitted to purchase shares under our ESPP at a rate in excess of $25,000 worth of our common stock (based on the fair market value per share of our common stock on the date a purchase right under our ESPP is granted) for each calendar year such purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under our ESPP if immediately after such rights are granted, such employee has voting power of five percent or more of our outstanding capital stock (or the capital stock of any of our affiliates).

Non-Transferability. During a participant's lifetime, purchase rights granted under the ESPP are exercisable only by a participant.

Changes to Capital Structure. Our ESPP provides that in the event that there is any change with respect to our common stock without the receipt of consideration by us through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718, excluding the conversion of any of our convertible securities, the administrator will make appropriate adjustments to: (i) the class(es) and maximum number of shares reserved under our ESPP; (ii) the class(es) and maximum number of shares by which the share reserve may increase automatically each year; (iii) the class(es) and number of shares subject to, and purchase price applicable to, outstanding offerings and purchase rights; and (iv) the class(es) and number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions. Our ESPP provides that in the event of a corporate transaction (as defined in the ESPP), any then-outstanding rights to purchase our common stock under our ESPP may be assumed, continued, or substituted for by any surviving or acquiring corporation (or its parent company). If the surviving or acquiring corporation (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within 10 business days (or such other period specified by the administrator) before such corporate transaction, and such purchase rights will terminate immediately after such purchase.

Amendment or Termination. The administrator has the authority to amend or terminate our ESPP, except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent (unless such amendment or termination is necessary to comply with applicable law or listing requirements or obtain or maintain favorable tax, listing or regulatory treatment). We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

Other Equity Incentive Plans

2010 Stock Option Plan

Our board of directors and our stockholders previously approved the adoption of our 2010 Stock Option Plan, or our 2010 Plan, the material terms of which are summarized below. There are no shares available for future grant under our 2010 Plan. However, our 2010 Plan continues to govern outstanding options granted thereunder. As of June 30, 2021, options to purchase 197,315 shares of our common stock granted pursuant to the 2010 Plan remained outstanding with a weighted-average exercise price of $7.57 per share.

Awards. Our 2010 Plan provided for the grant of ISOs and NSOs, provided that ISOs may only be granted to our employees or employees of our parent and subsidiary corporations.

Authorized Shares. There are no shares available for future grant under our 2010 Plan. Shares subject to outstanding options granted under our 2010 Plan that expire or terminate without being exercised in full will not become available for grant under the 2010 Plan.

Plan Administration. Our board of directors, or a duly appointed committee thereof, administers our 2010 Plan. Under our 2010 Plan, the administrator has the authority to resolve all questions of interpretation of the 2010 Plan or any award granted thereunder and to determine award recipients and the provisions of each award, including the period of exercisability and the vesting schedule applicable to an award.

Stock Options. The administrator will determine the exercise price for ISOs and NSOs, subject to the terms and conditions of our 2010 Plan, except that the exercise price of an ISO generally will not be less than 100% of the fair market value of our common stock on the date of grant (or 110% of such fair market value for an ISO granted to a 10% stockholder). Options granted under our 2010 Plan will vest at the rate specified in the award agreement as determined by the administrator.

The administrator will determine the term of options granted under our 2010 Plan up to a maximum of 10 years for an ISO (or 5 years for an ISO granted to a 10% stockholder). Unless the terms of an optionholder's award agreement, or other written agreement between us and the recipient, provide otherwise, if an optionholder's employment with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the termination of employment. This period may be extended in the event that exercise of the option is prohibited by applicable securities laws. If an optionholder's employment with us or any of our affiliates ceases due to disability or death, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months following the termination of employment. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of an option may include cash, by check, cash equivalent or any other manner as may be permitted by the administrator.

Non-Transferability of Awards. Except as otherwise provided in an award agreement, options granted under the 2010 Plan will not be transferable except by will or the laws of descent and distribution.

Changes to Capital Structure. In the event of a stock dividend, stock split, reverse stock split, combination, reclassification or similar change in our capital structure, the administrator will make appropriate adjustments to (i) the class and maximum number of shares subject to our 2010 Plan, and (ii) the class and number of shares and exercise price of all outstanding options granted thereunder.

Transfer of Control. In the event of a transfer of control (as defined in our 2010 Plan), except as otherwise provided in an award agreement, any unexercisable portion of an option which would have become exercisable within 12 months following the date of the transfer of control will become exercisable as of a date prior to the transfer of control. Options will terminate as of the transfer of control unless the option is assumed or substituted for by the successor corporation (or parent thereof).

Plan Amendment or Termination. The administrator has the authority to amend, suspend, or terminate our 2010 Plan or an outstanding option at any time, provided that no amendment may materially adversely affect the existing rights of any participant without such participant's consent unless the amendment is required to enable an ISO to qualify as an ISO.

2017 Amendment and Restatement of the Stock Option Plan

Our board of directors and our stockholders previously approved the adoption of our 2017 Amendment and Restatement of the 2010 Stock Option Plan, or our 2017 Plan, the material terms of which are summarized

below. There are no shares available for future grant under our 2017 Plan. However, our 2017 Plan continues to govern outstanding options granted thereunder. As of June 30, 2021, options to purchase 508,136 shares of our common stock granted pursuant to the 2017 Plan remained outstanding with a weighted-average exercise price of $14.64 per share.

Awards. Our 2017 Plan provided for the grant of ISOs and NSOs, provided that ISOs may only be granted to our employees or employees of our parent and subsidiary corporations.

Authorized Shares. There are no shares available for future grant under our 2017 Plan. Shares subject to outstanding options granted under our 2017 Plan that expire or terminate without being exercised in full will not become available for grant under the 2017 Plan.

Plan Administration. Our board of directors, or a duly appointed committee thereof, administers our 2017 Plan. Under our 2017 Plan, the administrator has the authority to resolve all questions of interpretation of the 2017 Plan or any award granted thereunder and to determine award recipients and the provisions of each award, including the period of exercisability and the vesting schedule applicable to an award.

Stock Options. The administrator will determine the exercise price for ISOs and NSOs, subject to the terms and conditions of our 2017 Plan, except that the exercise price of an ISO generally will not be less than 100% of the fair market value of our common stock on the date of grant (or 110% of such fair market value for an ISO granted to a 10% stockholder). Options granted under our 2017 Plan will vest at the rate specified in the award agreement as determined by the administrator.

The administrator will determine the term of options granted under our 2017 Plan up to a maximum of 10 years for an ISO (or 5 years for an ISO granted to a 10% stockholder). Unless the terms of an optionholder's award agreement, or other written agreement between us and the recipient, provide otherwise, if an optionholder's employment with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the termination of employment. This period may be extended in the event that exercise of the option is prohibited by applicable securities laws. If an optionholder's employment with us or any of our affiliates ceases due to disability or death, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months following the termination of employment. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of an option may include cash, by check, cash equivalent or any other manner as may be permitted by the administrator.

Non-Transferability of Awards. Except as otherwise provided in an award agreement, options granted under the 2017 Plan will not be transferable except by will or the laws of descent and distribution.

Changes to Capital Structure. In the event of a dividend, stock split, reverse stock split, combination, reclassification or similar change in our capital structure, the administrator will make appropriate adjustments to (i) the class and maximum number of shares subject to our 2017 Plan, and (ii) the class and number of shares and exercise price of all outstanding options granted thereunder.

Transfer of Control. Except as otherwise provided in an award agreement, in the event of a transfer of control (as defined in our 2017 Plan) and the optionholder's termination of employment without cause (as defined in the 2017 Plan) or for good reason (as defined in the 2017 Plan), any unexercisable portion of an option outstanding on the date of the transfer of control will become exercisable as of a date prior to the transfer of control.

Plan Amendment or Termination. The administrator has the authority to amend, suspend, or terminate our 2010 Plan or an outstanding option at any time, provided that no amendment may materially adversely affect the existing rights of any participant without such participant's consent unless the amendment is required to enable an ISO to qualify as an ISO.

2020 Equity Incentive Plan

Our board of directors and our stockholders previously approved the adoption of our 2020 Plan, the material terms of which are summarized below. There are no shares available for future grant under our 2020 Plan. However, our 2020 Plan continues to govern outstanding options granted thereunder. As of June 30, 2021, options to purchase 715,657 shares of our common stock granted pursuant to our 2020 Plan remained outstanding with a weighted-average exercise price of $46.55 per share.

Awards. Our 2020 Plan provides for the grant of ISOs to our employees and employees of our parent and subsidiary corporations, and for the grant of NSOs, stock appreciation rights, restricted stock awards, RSUs, other stock awards, and cash bonus awards to our employees, directors and consultants and any of our affiliates' employees, directors and consultants.

Authorized Shares. Prior to the effective date of this offering, the maximum number of shares of our common stock that could be issued under our 2020 Plan was 2,502,017 shares, plus the number of shares subject to an award granted under the 2017 Plan which expired, was forfeited, otherwise terminated or was settled in cash after the date on which our board of directors adopted our 2020 Plan. As described above, after our 2021 Plan becomes effective, no additional awards will be made pursuant to our 2020 Plan and shares subject to outstanding awards granted under our 2020 Plan that expire or terminate without being exercised in full will not become available for grant under our 2020 Plan.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors administers our 2020 Plan. Our board of directors may delegate to one or more of our officers the authority to grant awards (to eligible persons other than themselves) within parameters specified by the administrator. Subject to the provisions of our 2020 Plan, the administrator has the power to administer our 2020 Plan and make all determinations deemed necessary or advisable for administering our 2020 Plan, including, but not limited to, the power to determine the fair market value of our common stock, select the service providers to whom awards may be granted, determine the number of shares covered by each award, approve forms of award agreements for use under our 2020 Plan, determine the terms and conditions of awards (including, but not limited to, the exercise price, the time or times at which the awards may be exercised, any vesting acceleration or waiver or forfeiture restrictions, and any restriction or limitation regarding any award or the shares relating thereto), and construe and interpret the terms of our 2020 Plan and awards granted under thereunder.

Stock Options. The administrator will determine the exercise price for ISOs and NSOs, subject to the terms and conditions of our 2020 Plan, except that the exercise price of an option generally will not be less than 100% of the fair market value of our common stock on the date of grant (or 110% of such fair market value for an ISO granted to a 10% stockholder). Options granted under our 2020 Plan will vest at the rate specified in the award agreement as determined by the administrator.

The administrator will determine the term of options granted under our 2020 Plan up to a maximum of 10 years (or 5 years for an ISO granted to a 10% stockholder). Unless the terms of an optionholder's award agreement provide otherwise, if an optionholder's employment or service with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the termination of employment. If an optionholder's employment or service with us or any of our affiliates ceases due to disability or death, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months following the termination of employment. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of an option may include (i) cash; (ii) check; (iii) to the extent permitted under applicable laws, delivery of a promissory note; (iv) cancellation of indebtedness; (v) other previously owned shares of our common stock that have a fair market

value on the date of surrender equal to the aggregate exercise price of the shares as to which the option is exercised; (vi) a cashless exercise; (vii) such other consideration and method of payment permitted under applicable laws; or (viii) any combination of the foregoing methods.

Stock Appreciation Rights. Stock appreciation rights permit the participant to receive the appreciation in the fair market value of our common stock between the date of grant and the exercise date and such awards may be granted in tandem with an NSO. A stock appreciation right granted under our 2020 Plan will vest at the rate specified in the share appreciation right agreement as will be determined by the administrator. Upon exercise, the participant will be entitled to receive shares of our common stock or cash (or any combination thereof) in an amount equal to the product of (i) the number of shares for which the stock appreciation right is being exercised, multiplied by (ii) the excess of the fair market value of our common stock on the date of exercise over the fair market value of our common stock on the date of grant. The administrator will determine the term of share appreciation rights granted under our 2020 Plan, up to a maximum of 10 years.

Restricted Stock. Restricted stock awards are shares acquired upon a right to purchase shares of our common stock pursuant to our 2020 Plan. The administrator will determine the terms and conditions of restricted stock awards, including the permissible consideration to purchase the restricted stock as well as any vesting and forfeiture terms. Participants holding restricted stock generally will have voting rights with respect to such shares without regard to vesting.

RSUs. RSUs are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. The administrator will establish the terms and conditions of the RSU award, including the vesting and payment applicable to the RSU. Vesting may be based on continued service or the achievement of individual and/or corporate performance goals, or any combination thereof. A vested RSU may be settled by cash, delivery of shares, or a combination thereof.

Other Stock Awards. The administrator is permitted to grant other awards based in whole or in part by reference to our common stock, including, without limitation, performance-based stock awards and stock bonus awards of fully vested shares of our common stock. The administrator may establish the number of shares subject to the stock award and all other terms and conditions of such award.

Cash Bonuses. The administrator may award a cash bonus to any participant, which may be subject to a performance period, performance, goals or such other terms as determined by the administrator.

Non-Transferability of Awards. Awards granted under our 2020 Plan will not be transferable except by will or the laws of descent or distribution.

Changes to Capital Structure. In the event of a stock split, reverse stock split, stock dividend, combination, consolidation, reclassification or subdivision of shares of our common stock or any other increase or decrease in the number of issued shares of our common stock effected without our receipt of consideration, the administrator will make appropriate adjustments to the class and number of shares (i) available for future grant under our 2020 Plan and subject to outstanding awards, (ii) the exercise price per share of each outstanding option and (iii) the repurchase price applicable to shares issued pursuant to any award.

Transfer of Control. In the event of a transfer of control (as defined in our 2020 Plan), the transaction agreement may provide, without limitation, for the assumption or substitution of outstanding awards and unvested shares by the surviving corporation (or its parent), for the replacement of outstanding awards or unvested shares with a cash incentive program which preserves the value of such awards or shares, for acceleration of vesting, for the cancellation of outstanding awards with or without consideration (or the repurchase of unvested shares at the original price) and in all cases, no consent of the participant is required. In the event that the acquiror or its parent or subsidiary does not assume or otherwise substitute for an outstanding award, such award will become vested in full immediately prior to the transfer of control.

Plan Amendment or Termination. The administrator has the authority to amend, suspend, or terminate our 2020 Plan at any time, provided that no amendment may materially adversely affect the existing rights of any participant without such participant's consent unless the amendment is required to enable an ISO to qualify as an ISO. We will also obtain stockholder approval of amendments of our 2020 Plan in such a manner and to such a degree as required.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We describe below transactions and series of related transactions since January 1, 2018 or currently proposed to which we were a party or will be a party in which:

- the amounts exceeded or will exceed $120,000; and
- any of our directors, director nominees executive officers or beneficial holders of more than 5% of any class of our voting capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

Other than as described below, there have not been, or are there currently proposed, any transactions or series of related transactions with such persons to which we have been or will be a party other than compensation arrangements, which are described where required under “Executive Compensation.”

FT Partners Engagement Letter

In August 2010, AvidXchange engaged Financial Technology Partners LP and its affiliates, or FT Partners, an investment banking firm controlled by Steven McLaughlin, a former member of our board of directors and a beneficial holder of more than 5% of our outstanding voting capital stock, on an exclusive basis to provide capital advisory and related services and FT Partners served in that capacity through February 2021. We paid FT Partners approximately $19,227,000, $15,410,000, and $0 in fees and expenses primarily in connection with the issuance of preferred and common stock during the years ended December 31, 2020, 2019 and 2018, respectively.

In February 2021, AvidXchange amended and restated its engagement letter with FT Partners in exchange for a payment of approximately $50 million. Concurrently, FT Partners subscribed to purchase 1,020,159 shares of our common stock at a purchase price of $49.012 per share. In connection with the amended and restated engagement letter, AvidXchange also agreed to pay FT Partners a fee equal to 1% of the gross proceeds from this offering (including any additional proceeds that AvidXchange may receive if the underwriters exercise their option to purchase additional shares of common stock), in exchange for FT Partners agreeing to act as an IPO advisor as we prepared for this offering. In the event AvidXchange completes one or more follow-on public offerings, FT Partners is also entitled to 1% of the first $500 million of cumulative aggregate gross proceeds on any such follow-on offerings (including any additional proceeds that AvidXchange may receive if the underwriters exercise any option to purchase additional shares of common stock), and FT Partners will act as our advisor in such follow-on offerings. After the first $500 million of proceeds, FT Partners shall have no further right to provide or to be paid for financial advisory services related to the offering of our shares. Any such additional services would be subject to a separate engagement letter. FT Partners will continue to have a right to receive a fee of 1.75% of the deal proceeds in connection with a sale of AvidXchange until December 31, 2059, so long as Mr. McLaughlin is employed by FT Partners. Mr. McLaughlin resigned from our board of directors upon the effective date of the amended engagement letter.

2020 Series F Preferred Stock and Common Stock Capital Raises

Throughout 2020, we issued and sold an aggregate of 2,040,316 shares of our series F preferred stock and 4,497,005 shares of common stock to new and existing investors, in each case at a purchase price of $49.012 per share, for gross proceeds of approximately $320,407,177. We paid FT Partners approximately $19,227,000 in fees and expenses in connection with the 2020 series F preferred and common stock financings.

The investors in our 2020 series F preferred and common stock financings included a holder of more than 5% of our voting capital stock and entities affiliated with our directors. The following table sets forth the aggregate number of shares of series F stock and shares of common stock issued to these related parties in our 2020 financings:

	Shares of Series Preferred Stock	Shares of Common Stock	Total Purchase Price
5% Stockholder and Director Affiliation:			
Mastercard Investment Holdings, Inc.(1)(2)	163,226	40,806	$10,000,016
Director Affiliation:			
Entities affiliated with Sixth Street Partners and Mr. Bo Stanley(3)	81,612	20,404	$ 5,000,008

(1) Consists of shares purchased by Mastercard Investment Holdings, Inc., an indirect wholly owned subsidiary of Mastercard Incorporated. Mr. Richard Crum, a former member of our board of directors, also served as Senior Vice President, Product Development, Commercial Products of Mastercard during the time of this convertible stock and common stock financing. Mr. James Anderson, a current member of our board of directors, currently serves as executive vice president of commercial products of Mastercard. We expect Mr. Anderson to resign from our board at or prior to the effectiveness of the registration statement of which this prospectus is part.

(2) In connection with, and in consideration of, the closing of the investment by Mastercard Investment Holdings, we amended our agreement with Mastercard to, among other items, extend the term of the agreement by two years, to develop certain product and marketing strategies, to expand the scope of certain services provided under the arrangement.

(3) Mr. Robert “Bo” Stanley, a current member of our board of directors, is a partner at Sixth Street Partners. We expect Mr. Stanley to resign from our board at or prior to the effectiveness of the registration statement of which this prospectus is part.

2020 Tender Offer and Redemption

As described above, during 2020, we issued and sold shares of our series F stock and common stock. In October 2020, we used approximately $194 million of the net proceeds from these sales to repurchase an aggregate of 4,228,641 shares representing 4,258,685 of common stock shares and vested options from existing stockholders and optionholders, including certain executive officers and directors. All shares of our series A, series B, series C, Series D, and junior preferred stock, certain shares of our series E preferred stock that were issued to the former equity holders of a previously acquired company, all shares of common stock (except for those issued in the 2020 capital raises), and vested and outstanding stock options were eligible to participate in the tender offer. All holders of eligible shares and options were entitled to participate in the tender offer on a pro rata basis, although current employees were only allowed to sell up to 15% of their shares and vested options in the tender and former employees were subject to a similar limitation for options that vested between June 30, 2019 and August 31, 2020. The tender offer price of $45.57 represented the price of $49.012 per share of common stock paid by the various purchasers in 2020 capital raises less estimated expenses, including fees paid to FT Partners. For optionholders that tendered vested options, the purchase price was further reduced by the applicable exercise price.

2019 Series F Preferred Stock Capital Raise

In December 2019, we issued and sold an aggregate of 2,652,412 shares of our series F preferred stock, or series F stock, at a purchase price of $49.012 per share for aggregate consideration of $130 million. We paid FT Partners approximately $7.8 million in fees and expenses in connection with this series F preferred stock financing.

The participants in this series F preferred stock financing became a beneficial owner of more than 5% of our voting capital stock. The following table sets forth the aggregate number of shares of series F preferred stock issued to these related parties in this convertible preferred stock financing:

	Shares of Preferred Stock	Total Purchase Price
5% Stockholders:		
Entities advised by Capital Research and Management Company(1)	2,652,412	$ 130,000,017

(1) Consists of (a) 2,159,548 shares of series F preferred stock held by SMALLCAP World Fund, Inc. and (b) 492,864 shares of series F preferred stock held by American Funds Insurance Series – Global Small Capitalization Fund.

2019 Credit Facility and Senior Preferred Financings

In October 2019, we entered into a senior secured credit facility with Sixth Street Partners and its affiliates and KeyBank National Association. The credit facility is primarily comprised of a $95 million term loan facility, a $20 million revolving credit facility, a $18.5 million interest payable delayed draw term loan commitment, and a $30 million delayed draw term loan commitment. We incurred $1.9 million in lender origination fees. Proceeds from the closing of the credit facility were used to pay principal and interest outstanding under our prior credit facility with Sixth Street Partners and its affiliates and KeyBank National Association that we entered into in October 2016. We accrued interest under our credit facility of approximately $10.5 million and $9.3 million for the years ended December 31, 2020 and December 31, 2019, respectively.

In October 2019, Sixth Street Partners and its affiliates also purchased 2,722,166 shares of senior preferred stock for $47.7561 per share and an aggregate purchase price of $130 million. In connection with the senior preferred financing, we provided Sixth Street Partners with the right to appoint an individual to our serve on our board of directors and Sixth Street appointed Mr. Robert (Bo) Stanley to serve on our board. We paid FT Partners approximately $7.6 million in fees and expenses in connection with the senior preferred stock financing.

	Shares of Senior Preferred Stock	Total Purchase Price
Director Affiliation:		
Entities affiliated with Sixth Street Partners and Mr. Bo Stanley (1)	2,722,166	$ 130,000,000.00

(1) Mr. Robert “Bo” Stanley, a current member of our board of directors, is a partner at Sixth Street Partners. We currently expect Mr. Stanley to resign from our board at or prior to the effectiveness of the registration statement of which this prospectus is a part.

In September 2019, we entered into a redemption agreement with affiliates of Sixth Street Partners, to repurchase 278,371 shares of our series E preferred stock. The total proceeds paid in connection with the redemption was approximately $12.7 million.

Software and Consulting Services

We incurred approximately $455,000, $289,000 and $233,000 in software and consulting expenses to Rhythm Systems, for which Mr. Praeger’s wife serves as the co-founder and managing partner, for the years ended December 31, 2020, December 31, 2019 and December 31, 2018, respectively.

Staffing and Non-Advisory Financial Services

We incurred approximately $142,300 in fees related to the provision of staffing and non-advisory financial services by Sherpa LLC for the year ended December 31, 2020. Mr. McGuire’s wife is a non-controlling member of Sherpa LLC.

Related Party Referral/Reseller Agreements

In May 2017, we entered into an agreement, or the Strategic Alliance Agreement, with Mastercard whereby Mastercard agreed to offer our payment processing services to card issuers in the United States and to pay us fixed fees related to the resale of our services by the card issuers to their commercial customers. An affiliate of Mastercard is a holder of more than 5% of our capital stock; and Mr. James Anderson, a current member of our board of directors, currently serves as executive vice present of commercial products of Mastercard. The Strategic Alliance Agreement is amended by the parties from time to time to reflect agreed upon commercial terms.

Mastercard paid us amounts related to the Strategic Alliance Agreement of approximately $955,000, $290,000 and $0 for the years ended December 31, 2020, December 31, 2019 and December 31, 2018, respectively.

In May 2016, we entered into a reseller agreement, or the Reseller Agreement, with BTRS Holdings Inc. (f/k/a Factor Systems, Inc. (dba Billtrust). Billtrust is a portfolio company of Bain Capital Ventures, one of our 5% or greater stockholders and Mr. Matt Harris, a current member of our board of directors, is affiliated with Bain Capital Ventures. Under the terms of the Reseller Agreement, Billtrust may resell AvidXchange's automated payment services to its customers, paying AvidXchange a share of the fees generated from such sales and retaining the rest. In December 2020, the parties agreed to terminate the Reseller Agreement and entered into a referral agreement whereby Billtrust may refer customers to us for services.

Billtrust paid us amounts related to the Reseller Agreement of approximately $87,000, $81,000, and $58,000 for the years ended December 31, 2020, December 31, 2019 and December 31, 2018, respectively. In August 2019, we entered into a separate Business Payment Network Payables Provider Agreement with Billtrust and we paid Billtrust $109,000 and $77,000 for the years ended December 31, 2020 and December 31, 2019.

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, business associates and related persons and entities. The directed share program will not limit the ability of our directors, officers and their family members, or holders of more than 5% of our common stock, to purchase more than $120,000 in value of our common stock. We do not currently know the extent to which these related persons and entities will participate in our directed share program, if at all, or to the extent they will purchase more than $120,000 in value of our common stock.

Amended and Restated Investors' Rights Agreement

In July 2021, we entered into our Eighth Amended and Restated Investor Rights Agreement, or IRA, with certain of our stockholders, which included the entities affiliated with Michael Praeger, Bain Capital Ventures, Mastercard, Caisse de dépôt et placement du Québec, Temasek, Sixth Street Partners and Capital Group, each of which (other than Sixth Street Partners) is a holder of more than 5% of our voting capital stock. Other stockholders party to the IRA include entities affiliated with Mr. Feld, Hans Morris, Nigel Morris and Mr. Hausman, former director Steve McLaughlin, and each of our current directors except for Mr. Stanley and Mr. Harris. In addition, each of Messrs. Harris, Anderson and Stanley and Ms. Murdock have been appointed by holders of more than 5% of our stock. Such rights to appoint directors will terminate upon the consummation of this offering. The stockholders party to the IRA are entitled to rights with respect to the registration of their shares following the effectiveness of the registration statement of which this prospectus forms a part. For a description of these registration rights, see the section titled "Description of Capital Stock — Registration Rights."

Corporate Reorganization

On July 9, 2021, we consummated a reorganization by forming AvidXchange Holdings, Inc., which was incorporated in Delaware on January 27, 2021, and AvidXchange Merger Sub, Inc., or Merger Sub, as a wholly owned subsidiary of AvidXchange Holdings, Inc. We merged AvidXchange, Inc. with and into Merger Sub, with AvidXchange, Inc. as the surviving entity, by issuing identical shares in a 1:1 ratio of our capital stock to the stockholders of AvidXchange, Inc. in exchange for their equity interests in AvidXchange, Inc. After the merger, all of the stockholders of AvidXchange, Inc. became stockholders of AvidXchange Holdings, Inc. and AvidXchange, Inc. became a wholly owned subsidiary of AvidXchange Holdings, Inc. In addition, AvidXchange Holdings, Inc. assumed each of the 2000 Plan, the 2010 Plan, the 2017 Plan and the 2020 Plan and the outstanding equity awards outstanding under each such equity incentive plan.

Indemnification Agreements

Our amended and restated certificate of incorporation that will be in effect immediately following the completion of this offering will contain provisions limiting the liability of our directors, and our amended and restated bylaws that will be in effect immediately following the completion of this offering will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect immediately following the completion of this offering will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them. For more information regarding these agreements, see the section titled “Description of Capital Stock — Limitations on Liability and Indemnification of Officers and Directors.”

Policies and Procedures for Transactions with Related Persons

In connection with this offering, we have adopted a policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock or other voting capital stock and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our audit committee or other independent body of our board of directors. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any class of our common stock or other voting capital stock or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $120,000 and such person would have a direct or indirect interest, must be presented to our audit committee or other independent body of our board for review, consideration and approval. In approving or rejecting any such proposal, our audit committee or other independent body of our board is to consider the relevant facts of the transaction, including the risks, costs and benefits to us and whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our shares as of August 19, 2021 by:

- each of our named executive officers;
- each of our directors and director nominees;
- all of our directors and executive officers as a group; and
- each person or entity known by us to own beneficially more than 5% of our common stock and common stock equivalents (by number or by voting power) or other voting stock.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership before the offering is based on 41,450,306 shares of common stock outstanding as of August 19, 2021, assuming (i) the automatic conversion of all outstanding shares of convertible preferred stock into shares of common stock upon completion of this offering, and (ii) assuming no conversion of the convertible common stock to common stock. Applicable percentage ownership after the offering is based on (i) shares of common stock and (ii) shares of common stock outstanding immediately after the completion of this offering, assuming no exercise by the underwriters of their option to purchase additional shares of common stock. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to options held by the person that are currently exercisable, or exercisable or would vest based on service-based vesting conditions within 60 days of August 19, 2021. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Before Offering	After Offering
Greater than 5% Stockholders:			
Michael Praeger and affiliated entities (1)	3,528,552	8.50%	
Entities affiliated with Bain Capital Ventures(2)	5,845,810	14.11%	
Mastercard Investment Holdings, Inc.(3)	3,098,774	7.48%	
Caisse de dépôt et placement du Québec(4)	2,894,742	6.99%	
Ossa Investments Pte. Ltd.(5)	2,865,793	6.92%	
Entities advised by Capital Research and Management Company(6)	2,652,412	6.40%	
Entities affiliated with Steve McLaughlin(7)	2,389,789	5.77%	
Directors and Named Executive Officers:			
Michael Praeger(1)	3,528,552	8.50%	
Joel Wilhite(8)	87,447	*	
Dan Drees(9)	49,275	*	
Matthew Harris	—	—	
James Hausman(10)	702,882	1.70%	
John C. Morris(11)	255,030	*	
Nigel Morris(12)	310,704	*	
Wendy Murdock(13)	7,385	*	
James Anderson	—	—	
Brad Feld(14)	1,258,241	3.04%	
Robert (Bo) Stanley	—	—	
All directors, director nominees and named executive officers as a group (11 persons)	6,199,516	14.82%	

* Represents beneficial ownership of less than 1% of the outstanding common stock.

(1) Consists of (a)(i) 1,872,524 shares of common stock, (ii) 113,286 shares of common stock issuable upon the deemed conversion of shares of series A preferred stock, (iii) 120,226 shares of common stock issuable upon the deemed conversion of shares of series B preferred stock, (iv) 185,962 shares of common stock issuable upon the deemed conversion of shares of series C preferred stock, (v) 29,325 shares of common stock issuable upon the deemed conversion of shares of series D preferred stock, (vii) 50,956 shares subject to stock options issuable upon the exercise of options exercisable within 60 days after August 19, 2021, and (viii) 6,886 shares of common stock issuable upon the settlement of RSUs exercisable within 60 days after August 19, 2021, held in each case by Mr. Praeger, individually; (b)(i) 14,244 shares of common stock, (ii) 43,183 shares of common stock issuable upon the deemed conversion of shares of series A preferred stock, (iii) 56,833 shares of common stock issuable upon the deemed conversion of shares of series B preferred stock, (iv) 43,564 shares of common stock issuable upon the deemed conversion of shares of series C preferred stock, and (v) 7,331 shares of common stock issuable upon the deemed conversion of shares of series D preferred stock held in each case by Mr. Praeger and his wife as joint tenants with right of survivorship; (c) 472,163 shares of common stock held by Green and Gold 2014 GRAT; (d) 332,069 shares of common stock held by Green and Gold 2015 GRAT; and (e) 180,000 shares of common stock held by MP Charitable Trust. The address for each of the individuals and entities identified above is 1210 AvidXchange Lane, Charlotte, North Carolina 28206.

(2) Consists of (a) 1,807,597 shares of common stock issuable upon the deemed conversion of shares of the series E preferred stock held by Bain Capital Venture Fund 2014, L.P., or Venture Fund 2014, (b) 2,437,790 shares of common stock issuable upon the deemed conversion of shares of the series E preferred stock held by Bain Capital Venture Coinvestment Fund, L.P, or Venture Coinvestment Fund, (c) 1,113,487 shares of common stock issuable upon the deemed conversion of shares of the series E preferred stock held by BCV AX Investors, L.P, or BCV AX, (d) 460,899 shares of common stock issuable upon the deemed

conversion of shares of the series E preferred stock held by BCIP Venture Associates, or BCIP VA, and (e) 26,037 shares of common stock issuable upon the deemed conversion of shares of the series E preferred stock held by BCIP Ventures Associates – B, or BCIP VA-B, and, together with Venture Fund 2014, Venture Coinvestment Fund, BCV AX and BCIP VA, the Bain Capital Venture Entities. Bain Capital Venture Investors, LLC, or BCVI, the Executive Committee of which consists of Enrique Salem and Ajay Agarwal, (i) is the ultimate general partner of Venture Fund 2014, (ii) is the manager of the general partner of Venture Coinvestment Fund, (iii) is the general partner of BCV AX and (iv) governs the investment strategy and decision-making process with respect to shares held by BCIP VA and BCIP VA-B. By virtue of the relationships described in this footnote, each of BCVI and Messrs. Salem and Agarwal may be deemed to share voting and dispositive power over the shares held by the Bain Capital Venture Entities. The business address of the Bain Capital Venture Entities is 200 Clarendon Street, Boston, MA 02116.

(3) Consists of (a) 40,806 shares of common stock and (b) 3,057,968 shares of common stock issuable upon the deemed conversion of shares of series F preferred stock held by Mastercard Investment Holdings, Inc., or Mastercard Investment Holdings. Mastercard Investment Holdings is an indirect wholly owned subsidiary of Mastercard Incorporated and may be deemed to have shared voting and dispositive power over the shares held by Mastercard Investment Holdings. The address for Mastercard Investment Holdings is 2000 Purchase Street, Purchase, New York 10577.

(4) Consists of shares of common stock issuable upon the deemed conversion of shares of series F preferred stock held by Caisse de dépôt et placement du Québec, or CDPQ. CDPQ was established in 1965 by a special act of the Legislature of the Province of Quebec and manages the funds of its depositors, primarily comprising public and para-public pension and insurance plans from the province of Quebec, Canada. Investment and voting decisions are made by an investment committee of CDPQ. The investment committee is currently comprised of more than three individuals and the membership of such committee may change from time to time. The address for CDPQ is 1000, place Jean-Paul-Riopelle, Montréal (Québec) H2Z 2B3.

(5) Consists of shares of common stock issuable upon the deemed conversion of shares of series F preferred stock held by Ossa Investments Pte. Ltd., or Ossa. Ossa is a direct wholly-owned subsidiary of Hotham Investments Pte Ltd, or Hotham, which in turn is a direct wholly-owned subsidiary of Fullerton Management Pte Ltd, or Fullerton, which in turn is a direct wholly-owned subsidiary of Temasek Holdings (Private) Limited, or Temasek. In such capacities, each of Hotham, Fullerton and Temasek may be deemed to have voting and dispositive power over the shares held by Ossa Investments Pte. Ltd. Investment and voting decisions regarding such shares are made by three or more individuals. The address for Ossa Investments Pte. Ltd., Fullerton and Temasek is 60B Orchard Road #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

(6) Consists of (a) 2,159,548 shares of common stock issuable upon the deemed conversion of shares of series F preferred stock held by SMALLCAP World Fund, Inc., or SCWF, and (b) 492,864 shares of common stock issuable upon the deemed conversion of shares of series F preferred stock held by American Funds Insurance Series – Global Small Capitalization Fund, or VISC, and, together with SCWF, the CRMC Stockholders. Capital Research and Management Company, or CRMC, is the investment adviser for each CRMC Stockholder. CRMC and/or Capital Research Global Investors, or CRGI, may be deemed to be the beneficial owner of the shares of common stock expected to be held by the CRMC Stockholders; however, each of CRMC and CRGI expressly disclaims that it is the beneficial owner of such securities. Julian N. Abdey, Michael Beckwith, Peter Eliot, Brady L. Enright, Bradford F. Freer, Leo Hee, Roz Hongsaranagon, Jonathan Knowles, Harold H. La, Dimitrije Mitrinovic, Aidan O'Connell, Samir Parekh, Andraz Razen, Renaud H. Samyn, Arun Swaminathan and Gregory W. Wendt, as portfolio managers, have voting and investment power over the shares held by SCWF. Michael Beckwith, Bradford F. Freer, Harold H. La, Aidan O'Connell, Renaud H. Samyn and Gregory W. Wendt, as portfolio managers, have voting and investment power over the shares held by VISC. The address for each of the CRMC Stockholders is 333 South Hope Street, Los Angeles, California 90071. Each of the CRMC Stockholders acquired the securities being registered hereby in the ordinary course of its business.

(7) Consists of (a)(i) 1,020,159 shares of common stock, (ii) 232,452 shares of common stock issuable upon the deemed conversion of shares of series C preferred stock, (iii) 676,402 shares of common stock issuable upon the deemed conversion of shares of series D preferred stock and (iv) 387,463 shares of common stock issuable upon the deemed conversion of shares of series E preferred stock held in each case by SF Roofdeck Capital I LLC; and (b) 73,313 shares of common stock issuable upon the deemed conversion of shares of series D preferred stock held by The McLaughlin Family Delaware Trust. Steve McLaughlin (a former member of our board of directors), is the founder and managing partner of Financial Technology Partners LP, and has voting and investment control over each of the entities listed in this footnote. The address for each of the McLaughlin entities is c/o Financial Technology Partners LP, 1 Front Street, 31st Floor, San Francisco, CA 94111.

(8) Consists of (a) 83,622 shares subject to stock options issuable upon the exercise of options exercisable within 60 days after August 19, 2021 and (b) 3,825 shares issuable upon the exercise of RSUs vesting within 60 days of August 19, 2021. The address for the identified individual is c/o AvidXchange, 1210 AvidXchange Lane, Charlotte, NC 28206.

(9) Consists of (a) 10,000 shares of common stock, (b) 36,598 shares subject to stock options issuable upon the exercise of options exercisable within 60 days after August 19, 2021 and (c) 2,677 shares issuable upon the exercise of RSUs vesting within 60 days of August 19, 2021. The address for the identified individual is c/o AvidXchange, 1210 AvidXchange Lane, Charlotte, NC 28206.

(10) Consists of (a)(i) 202,742 shares of common stock, (ii) 430,208 shares of common stock issuable upon the deemed conversion of shares of series B preferred stock, (iii) 67,728 shares of common stock issuable upon the deemed conversion of shares of series C preferred stock, and (iv) 2,204 shares subject to stock options issuable upon the exercise of options exercisable within 60 days after August 19, 2021 held in each case by James Hausman; and (b) 180,000 shares of common stock held by James Hausman Family Irrevocable Trust, or the Hausman Family Trust. Mr. Hausman and his wife serve as co-trustees and for which Mr. Hausman may be deemed to have voting and dispositive power over the shares held by the Hausman Family Trust. The address for the individual and entity identified above is c/o AvidXchange, 1210 AvidXchange Lane, Charlotte, NC 28206.

(11) Consists of (a) 167,024 shares of common stock issuable upon the deemed conversion of shares of series E preferred stock and (b) 88,006 warrants to purchase common stock that are exercisable within 60 days of August 19, 2021, in each case held by Nyca Investment Partnership, LP. Nyca Investments LLC is the general partner of Nyca Investment Partnership, LP. Mr. J.C. Morris (a member of our board of directors) is the manager of Nyca Investments LLC and may be deemed to have voting and dispositive power over the shares held by Nyca Investment Partnership, LP. The address for each of the entities identified above is 485 Madison Avenue, 12th Floor, New York, NY, 10022.

(12) Consists of (a) 222,698 shares of common stock issuable upon the deemed conversion of shares of series E preferred stock and (b) 88,006 warrants to purchase common stock that are exercisable within 60 days of August 19, 2021, in each case held by QED Fund III, L.P. QED Partners III, LLC is the general partner of QED Fund III, L.P. Mr. N. Morris (a member of our board of directors) is the co-founder and managing partner for QED Investors, LLC and is the Managing Member of QED Partners III, LLC. Mr. N. Morris may be deemed to have voting and dispositive power over the shares held by QED Fund III, L.P. The address for each of the entities identified above is 405 Cameron Street, Alexandria, Virginia 22314.

(13) Consists of 7,385 shares subject to stock options issuable upon the exercise of options exercisable within 60 days after August 19, 2021. The address for the identified individual is c/o AvidXchange, 1210 AvidXchange Lane, Charlotte, NC 28206.

(14) Consists of shares of common stock issuable upon the deemed conversion of series E preferred stock. Mr. Feld is a Managing Director of Foundry Group Select Fund, L.P., the venture capital fund that owns the shares. Mr. Feld and other Managing Directors of Foundry Group exercise share voting and investment control over the shares. They do not share any voting or investment control with any of our officers or directors (except Mr. Feld). Mr. Feld will resign as one of our directors immediately prior to the effectiveness of the registration statement on Form S-1 of which this prospectus forms a part.

DESCRIPTION OF CAPITAL STOCK

The following descriptions of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws that will be in effect immediately following the closing of this offering. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of the common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering.

Upon the closing of this offering and the filing of our amended and restated certificate of incorporation to be effective immediately following the closing of this offering, our authorized capital stock will consist of shares of capital stock, par value $0.001 per share, of which:

- shares are designated as common stock; and
- 50,000,000 shares are designated as blank check preferred stock.

Assuming (i) the conversion of 27,359,830 aggregate shares of our series A, series B, series C, series D, series E, series F, and junior series-1 convertible preferred stock into 27,785,532 shares of our common stock, (ii) the conversion of our senior preferred stock into 169,000 shares of redeemable preferred stock and 696,402 shares of convertible common stock, the redemption of our redeemable preferred stock and conversion of convertible common stock into common stock, each of which events will occur in connection with the closing of this offering, as of June 30, 2021, there were 41,436,482 shares of our common stock outstanding, no shares of our blank check preferred stock outstanding and 503 stockholders of record. Our board of directors is authorized, without stockholder approval except as required by Nasdaq listing standards, to issue additional shares of our capital stock.

Common Stock

As of June 30, 2021, we had 13,650,953 shares of common stock issued and outstanding held by 503 stockholders of record.

Voting Rights

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our certificate of incorporation and bylaws to be in effect immediately following the closing of this offering do not provide for cumulative voting rights. Because of this, the holders of a plurality of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose. With respect to matters other than the election of directors, at any meeting of the stockholders at which a quorum is present or represented, the affirmative vote of a majority of the votes cast shall be the act of the stockholders, except as otherwise required by law. The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders.

Dividends

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and

other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Rights and Preferences

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

Fully Paid and Nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering, upon payment and delivery in accordance with the underwriting agreement, will be fully paid and nonassessable.

Preferred Stock

As of June 30, 2021, there were 27,359,830 shares of our series A, series B, series C, series D, series E, series F, and junior series-1 convertible preferred stock outstanding, which will automatically convert, upon the closing of this offering, into a total of 27,785,532 shares of common stock, and there were 2,722,166 outstanding shares of our senior preferred stock. Our series B, series C, series D, series E, series F, and junior series-1 convertible preferred stock will convert on a one-to-one basis into an aggregate of 26,734,283 shares and our series A convertible preferred stock will convert into 1,051,249 shares of our common stock upon the closing of this offering. Our senior preferred stock will convert into 169,000 shares of redeemable preferred stock and 696,402 shares of convertible common stock upon the closing of this offering, and we will redeem the redeemable preferred stock for an aggregate payment of approximately $169 million and the convertible common stock will convert into shares of common stock, based on an assumed initial offering price of $ per share, which is the midpoint of the offering range set forth on the cover of this prospectus.

Blank Check Preferred Stock

Upon the closing of this offering, our board of directors will have the authority, without further action by the stockholders, to issue up to 50,000,000 additional shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, redemption rights, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. The issuance of preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing change in our control or other corporate action. Upon the closing of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Options

The table below shows the number of outstanding options to purchase shares of our common stock as of June 30, 2021 and the weighted average exercise price under each of our equity incentive plans.

Stock Plan(1)	Outstanding Options to Purchase Shares of Common Stock	Weighted Average Exercise Price
2010 Plan	197,315	$ 7.57
2017 Plan	508,136	$ 14.64
2020 Plan	715,657	$ 46.55
2021 Plan	—	$ —
ESPP	—	$ —
Total	**1,421,108**	**$ 29.73**

Restricted Stock Units

As of June 30, 2021, we had outstanding 623,548 RSUs. RSUs are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. RSUs vest upon the satisfaction of service-based and performance-based vesting conditions, and until settled in shares of common stock, have no voting or other rights of a stockholder.

Warrants

As of June 30, 2021, we had three warrants outstanding to purchase an aggregate of 199,413 shares of our common stock, with two of the warrants totaling 176,012 shares and having an exercise price of $8.16 per share, and one of the warrants totaling 23,401 shares and having an exercise price of $0.01 per share. Each outstanding warrant contains provisions for the adjustment of the exercise price and the number of shares issuable upon exercise in the event of stock dividends, stock splits, reorganizations and reclassifications, consolidations and the like.

Registration Rights

We are party to an investor rights agreement that provides registration rights to certain holders of our preferred stock, including certain holders of at least 5% of our capital stock and entities affiliated with certain of our directors, as set forth below. The investor rights agreement was entered into in April 2011 and has been amended and restated from time to time in connection with our preferred stock financings. The last such amendment and restatement of this agreement occurred in July 2021 in connection with our reorganization. The registration of shares of our common stock by the exercise of registration rights described below would enable the holders to sell their shares without restriction under the Securities Act when the applicable registration statement was declared effective.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include. The demand, piggyback, and Form S-3 registration rights described below will expire with respect to any particular stockholder at such time after the effective date of the registration statement that such stockholder can sell all of its shares under Rule 144 of the Securities Act without registration.

Demand Registration Rights

Assuming the automatic conversion of all shares of our preferred stock into common stock immediately prior to the closing of this offering into shares of our common stock, the holders of up to 27,359,830 shares of our common stock will be entitled to certain demand registration rights after completion of this offering. Pursuant to

our investor rights agreement, the holders of our outstanding common stock issued or issuable upon conversion of our preferred stock will be entitled to certain demand registration rights. At any time beginning 180 days after the closing of this offering, the holders of these shares with a value $200 million may, on not more than three occasions, request that we register all or a portion of their shares. Such anticipated aggregate offering price must exceed $10,000,000. We are only obligated to effect three registrations in response to these demand registration rights.

Piggy-Back Registration Rights

Pursuant to our investor rights agreement, after this offering, in the event that we propose to register any of our securities under the Securities Act, the holders of shares of our common stock issued or issuable upon conversion of our convertible preferred stock will be entitled to, either for their own account or for the account of other security holders, certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, the holders of these shares are entitled to notice of the registration and have the right to include their shares in the registration, subject to limitations that the underwriters may impose on the number of shares included in the offering.

Form S-3 Registration Rights

After the effectiveness of the registration statement of which this prospectus forms a part, as of June 30, 2021 the holders of up to approximately shares of our common stock will be entitled to certain Form S-3 registration rights. The holders of at least 10% of these shares then outstanding may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers at least that number of shares with an anticipated offering price of at least $10 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected two such registrations within the 12-month period preceding the date of the request.

If we determine that it would be seriously detrimental to us and our stockholders to effect such a registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days. Additionally, we will not be required to effect a registration on Form S-3 during the period beginning 90 days prior to our good faith estimate of the date of the filing of and ending on a date 120 days following the effectiveness of a registration statement with respect to an underwritten public offering of our common stock.

Expenses of Registration

We will pay all expenses relating to any demand registrations, Form S-3 registrations and piggyback registrations, subject to specified exceptions.

Anti-Takeover Effects of Certain Provisions of Delaware Law, Our Amended and Restated Certificate of incorporation and Our Amended and Restated Bylaws

Certain provisions of Delaware law and certain provisions that will be included in our amended and restated certificate of incorporation and amended and restated bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter, or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders.

Classified Board of Directors

Our amended and restated certificate of incorporation will provide that our board of directors is divided into three classes, designated Class I, Class II, and Class III. Each class will have an equal number of directors, as nearly as

possible, consisting of one-third of the total number of directors constituting our entire board of directors. The term of initial Class I directors shall terminate on the date of the 2022 annual meeting, the term of the initial Class II directors shall terminate on the date of the 2023 annual meeting, and the term of the initial Class III directors shall terminate on the date of the 2024 annual meeting. At each annual meeting of stockholders beginning in 2022, successors to the class of directors whose term expires at that annual meeting will be elected for a three-year term.

Removal of Directors

Our amended and restated certificate of incorporation will provide that stockholders may only remove a director for cause by a vote of no less than two-thirds of the voting power of our then-outstanding shares of capital stock entitled to vote generally in an election of directors, voting together as a single class.

Director Vacancies

Our amended and restated certificate of incorporation will authorize only our board of directors to fill vacant directorships.

No Cumulative Voting

Our amended and restated certificate of incorporation will provide that stockholders do not have the right to cumulate votes in the election of directors.

Special Meetings of Stockholders

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that, except as otherwise required by law, special meetings of the stockholders may be called only by our board of directors, by the chairperson of our board of directors, by the lead independent director or by our Chief Executive Officer.

Advance Notice Procedures for Director Nominations

Our bylaws will provide that stockholders seeking to nominate candidates for election as directors at an annual or special meeting of stockholders must provide timely notice thereof in writing. To be timely, a stockholder's notice generally will have to be delivered to and received at our principal executive offices not less than 90 nor more than 120 days before the meeting. Although the amended and restated bylaws will not give our board of directors the power to approve or disapprove stockholder nominations of candidates to be elected at an annual meeting, the amended and restated bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Action by Written Consent

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that any action to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by written consent.

Amending our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation may be amended or altered in any manner provided by the DGCL; provided that the amendment, repeal or adoption of certain provisions specified therein require the affirmative vote of at least two-thirds of the voting power of our then-outstanding shares of capital stock entitled to vote generally in an election of directors, voting together as a single class, except for any provision that has been approved by two-thirds of the authorized directors, in which case the approval of a majority of the voting power of our then-outstanding capital stock will be required. Our amended and restated bylaws may be adopted,

amended, altered, or repealed by stockholders only upon approval of at least two-thirds of the voting power of all the then outstanding shares of our capital stock entitled to vote generally in an election of directors, voting together as a single class. Additionally, our amended and restated certificate of incorporation will provide that our bylaws may be amended, altered, or repealed by our board of directors.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuances without stockholder approval, except as required by the listing standards of Nasdaq, and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Choice of Forum

Our amended and restated certificate of incorporation to be effective immediately following the closing of this offering will provide that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees or stockholders to us or our stockholders, or any action asserting a claim for aiding and abetting such breach of fiduciary duty; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws (including any right, obligation, or remedy thereunder); (v) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees or stockholders that is governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants.

This choice of forum provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our amended and restated certificate of incorporation to be effective immediately following the closing of this offering will further provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such provision.

For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. Additionally, our amended and restated certificate of incorporation to be effective immediately following the closing of this offering will provide that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Business Combinations with Interested Stockholders

Subject to certain exceptions, Section 203 of the DGCL prohibits a public Delaware corporation from engaging in a business combination (as defined in such section) with an "interested stockholder" (defined generally as any person who beneficially owns 15% or more of the outstanding voting stock of such corporation or any person affiliated with such person) for a period of three years following the time that such stockholder became an interested stockholder, unless (i) prior to such time the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock of such corporation outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (A) by persons who are directors and also officers of such corporation and (B) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (iii) at or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders (and not by written consent) by the affirmative vote of at least 66 2/3% of the outstanding voting stock of such corporation not owned by the interested stockholder.

Limitation of Liability and Indemnification

Our amended and restated certificate of incorporation and amended and restated bylaws, each to be effective upon the completion of this offering, will provide that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by Delaware law. Delaware law prohibits our amended and restated certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated certificate of incorporation does not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Under our amended and restated bylaws, we will also be empowered to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we have entered into an indemnification agreement with each member of our board of directors and each of our officers. These agreements provide for the indemnification of our directors and officers for certain expenses and liabilities incurred in connection with any action, suit, proceeding or alternative dispute resolution mechanism, or hearing, inquiry or investigation that may lead to the foregoing, to which they are a party or other participant, or are threatened to be made a party or other participant, by reason of the fact that they are or were a director, officer, employee, agent or fiduciary of our company, by reason of any action or inaction by them while serving as an officer, director, agent or fiduciary, or by reason of the fact that they were serving at our request as a director, officer, employee, agent or fiduciary of another entity. In the case of an action or proceeding by or in the right of our company or any of our subsidiaries, no indemnification will be provided for

any claim where a court determines that the indemnified party is prohibited from receiving indemnification. We believe that these charter and bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. Moreover, a stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Listing

We have applied to list our common stock on Nasdaq under the symbol "AVDX."

Transfer Agent and Registrar

Upon closing of this offering, the transfer agent and registrar for our common stock will be Broadridge Financial Solutions Inc. The transfer agent and registrar's address is Broadridge Corporate Issuer Solutions, Inc., PO Box 1342, Brentwood, NY 11717.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our common stock. Future sales of substantial amounts of our common stock in the public market or the perception that such sales might occur could adversely affect market prices prevailing from time to time. Furthermore, there may be sales of substantial amounts of our common stock in the public market after the existing legal and contractual restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future. See "Risk Factors — Risks Related to Our Initial Public Offering and Ownership of Our Common Stock — Sales of a substantial number of shares of our common stock in the public market, or the perception that they might occur, could cause the price of our common stock to decline."

Upon the consummation of this offering, based on 41,436,482 shares of our common stock outstanding as of June 30, 2021, after giving effect to the conversion of all outstanding shares of our preferred stock into common stock upon the closing of this offering, we will have shares of common stock outstanding (or shares if the option to purchase additional shares is exercised in full). Of these shares, all of the shares sold in this offering will be freely transferable without restriction or further registration under the Securities Act, except that any shares purchased by one of our "affiliates," as that term is defined in Rule 144 under the Securities Act may be sold only in compliance with the limitations described below, and any shares purchased by our directors, officers or existing stockholders and optionholders pursuant to our directed share program will be subject to the lock-up agreements described below. The remaining shares of common stock held by our existing stockholders are "restricted securities" as defined in Rule 144. Restricted shares may be sold in the public market only if registered under the Securities Act or if they qualify for an exemption from registration, including, among others, the exemptions provided by Rules 144 and 701 promulgated by the SEC under the Securities Act. As a result of the contractual lock-up period described in "Underwriting" and the provisions of Rules 144 and 701, these shares will be available for sale in the public market as follows:

- beginning on the date of this prospectus, the shares of common stock sold in this offering, including certain shares sold under our directed share program that are not subject to a lock-up, will be immediately available for sale in the public market;
- beginning days after the date of this prospectus, additional shares of common stock, plus shares sold under our directed share program that are subject to a lock-up, may become eligible for sale in the public market upon the satisfaction of certain conditions as set forth in " — Lock-Up Agreements," of which shares would be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below; and
- the remainder of the shares of common stock will be eligible for sale in the public market from time to time thereafter, subject in some cases to the volume and other restrictions of Rule 144, as described below.
- In addition, of the shares purchased in our directed share program in connection with our IPO are subject to the lock-up period for our IPO and will be eligible for sale in the public market beginning , subject in some cases to the volume and other restrictions of Rule 144 and to certain other limits under the Exchange Act.

Lock-Up Agreements

We, our executive officers, directors and holders of substantially all of our common stock and securities convertible into or exchangeable for our common stock, have agreed or will agree that, subject to certain exceptions, for a period of days from the date of this prospectus, we and they will not, without the prior written consent of Goldman Sachs & Co. LLC, dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our capital stock. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their sole discretion, release any of the securities subject to these lock-up agreements at any time.

Rule 144

In general, under Rule 144, as currently in effect, an affiliate who beneficially owns shares that were purchased from us, or any affiliate, at least six months previously, is entitled to sell, upon the expiration of the lock-up agreement described in "Underwriting," within any three-month period beginning six months after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1 % of our then-outstanding shares of common stock, which will equal approximately shares immediately after this offering (or shares if the option to purchase additional shares is exercised in full), based on the number of shares of our common stock outstanding as of June 30, 2021; or
- the average weekly trading volume of our common stock on Nasdaq during the four calendar weeks preceding the filing of a notice of the sale with the SEC.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us. The sale of these shares, or the perception that sales will be made, may adversely affect the price of our common stock after this offering because a great supply of shares would be, or world be perceived to be, available for sale in the public market.

Following this offering, a person that is not an affiliate of ours at the time of, or at any time during the three months preceding, a sale and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months may sell shares subject only to the availability of current public information about us, and any such person who has beneficially owned restricted shares of our common stock for at least one year may sell shares without restriction.

We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

Rule 701

In general, under Rule 701, as currently in effect, any of our employees, directors, officers, consultants or advisors who purchased shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to resell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirements or other restrictions contained in Rule 701.

The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual lock-up restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than "affiliates," as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by "affiliates" under Rule 144 without compliance with its one-year minimum holding period requirement.

Registration Statement on Form S-8

We intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of common stock subject to outstanding stock options under our 2010 Plan, 2017 Plan and 2020 Plan or reserved for future issuance under our 2021 Plan and ESPP, which will be effective upon the consummation of this offering. This registration statement would cover approximately shares as of June 30, 2021. Shares registered under the registration statement will generally be available for sale in the open market after the lock-up

period immediately following the date of this prospectus (as such period may be extended in certain circumstances). See “Certain Relationships and Related-Party Transactions — Amended and Restated Investors’ Rights Agreement.”

Registration Rights

Beginning 180 days after the date of this prospectus, subject to certain exceptions and automatic extensions in certain circumstances, certain holders of shares of our common stock will be entitled to the rights described under “Description of Capital Stock — Registration Rights.” Registration of these shares under the Securities Act would result in these shares becoming freely tradeable without restriction under the Securities Act immediately upon effectiveness of the registration.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of certain U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of our common stock issued pursuant to this offering by non-U.S. holders (as defined below), but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, Treasury regulations promulgated or proposed thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, in each case in effect as of the date hereof. These authorities may be changed, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those set forth below. We have not sought, and will not seek, any rulings from the IRS regarding the matters discussed below, and there can be no assurance that the IRS will not take a position contrary to those discussed below or that any position taken by the IRS will not be sustained.

This summary is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold shares of our common stock as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment purposes). This summary does not address the tax consequences arising under the laws of any non-U.S., state, or local jurisdiction or under U.S. federal gift and estate tax laws or the effect, if any, of the alternative minimum tax, base erosion and anti-abuse tax, the Medicare contribution tax imposed on net investment income, or the rules under Section 451 of the Code with respect to conforming the timing of income accruals to financial statements. In addition, this discussion does not address tax considerations applicable to a non-U.S. holder's particular circumstances or to a non-U.S. holder that may be subject to special tax rules, including, without limitation:

- banks, insurance companies, or other financial institutions;
- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes and investors therein;
- tax-exempt organizations or governmental organizations;
- controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- U.S. expatriates and former citizens or former long-term residents of the U.S.;
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction," or other risk reduction transaction;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- qualified foreign pension funds as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds; and
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership (including an entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partner or partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

YOU SHOULD CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX

CONSEQUENCES OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX RULES, U.S. ALTERNATIVE MINIMUM TAX RULES, OR UNDER THE LAWS OF ANY NON-U.S., STATE, OR LOCAL TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, you are a "non-U.S. holder" if you are a beneficial owner of our common stock and you are neither a "U.S. person" nor an entity or arrangement classified as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the U.S.;
- a corporation or other entity taxable as a corporation created or organized (or deemed to be created or organized) in the U.S. or under the laws of the U.S., any state thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more "United States person" (as defined in the Code) who has the authority to control all substantial decisions of the trust or (y) which has made a valid election under applicable Treasury regulations to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described under "Dividend Policy" in this prospectus, we do not expect to make any distributions for the foreseeable future. However, if we do make distributions on our common stock, other than certain pro rata distributions of common stock, those distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent distributions exceed both our current and our accumulated earnings and profits, they will first constitute a tax-free return of capital and will reduce your adjusted tax basis in our common stock (determined on a share by share basis), but not below zero, and then any excess will be treated as capital gain from the sale of our common stock, subject to the tax treatment described below in "—Gain on Sale or Other Taxable Disposition of Common Stock."

Any dividend paid to you generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividend, or such lower rate as may be specified by an applicable income tax treaty, except to the extent that the dividends are "effectively connected" dividends, as described below. In order to claim treaty benefits to which you may be entitled, you must provide us with a properly completed IRS Form W-8BEN or W-8BEN-E (or other applicable or successor form) certifying under penalty of perjury that you are not a "United States person" as defined under the Code and qualify for the reduced treaty rate. If you do not timely furnish the required documentation, but are otherwise eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If you hold our common stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, who then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. This certification must be provided to us (or, if applicable, our paying agent) prior to the payment to you of any dividends and may be required to be updated periodically.

We may withhold up to 30% of the gross amount of the entire distribution even if greater than the amount constituting a dividend, as described above, to the extent provided for in the Treasury Regulations. If tax is withheld on the amount of a distribution in excess of the amount constituting a dividend, then a refund of any such excess amounts may be obtained if a claim for refund is timely filed with the IRS.

Dividends received by you that are effectively connected with your conduct of a trade or business within the U.S. (and, if an applicable income tax treaty requires, attributable to a permanent establishment or fixed base maintained by you in the U.S.) are exempt from the U.S. federal withholding tax described above. In order to claim this exemption, you must provide us (or, if applicable, our paying agent) with an IRS Form W-8ECI (or a successor form) properly certifying that the dividends are effectively connected with your conduct of a trade or business within the U.S. Such effectively connected dividends, although not subject to U.S. federal withholding tax, are generally taxed at the same U.S. federal income tax rates applicable to U.S. persons, net of certain deductions and credits (except as provided by an applicable income tax treaty). In addition, if you are a corporate non-U.S. holder, you may also be subject to a branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on your effectively connected earnings and profits for the taxable year that are attributable to such dividends, as adjusted for certain items.

Gain on Sale or Other Taxable Disposition of Common Stock

Subject to the discussions below regarding FATCA and backup withholding, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if an applicable income tax treaty requires, the gain is attributable to a permanent establishment or fixed base maintained by you in the U.S.);
- you are an individual who is present in the U.S. for a period or periods aggregating 183 days or more during the taxable year in which the sale or disposition occurs and certain other conditions are met; or
- our common stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation," or a "USRPHC," for U.S. federal income tax purposes, at any time during the shorter of the five-year period ending on the date of the sale or other taxable disposition of, or your holding period for, our common stock, and certain other conditions are met.

If you are a non-U.S. holder described in the first bullet above, you generally will be subject to U.S. federal income tax on the gain derived from the sale or other taxable disposition (net of certain deductions or credits) under the U.S. federal income tax rates generally applicable to U.S. persons (except as provided by an applicable income tax treaty), and corporate non-U.S. holders described in the first bullet above also may be subject to a branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If you are an individual non-U.S. holder described in the second bullet above, you will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on the gain derived from the sale or other taxable disposition, which may be offset by U.S. source capital losses for that taxable year (even though you are not considered a resident of the U.S.), provided that you have timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet above, in general, we would be a USRPHC if our "U.S. real property interests" comprised at least 50% of the sum of the fair market value of our worldwide real property interests plus our other assets used or held in our trade or business. We believe that we are not currently and (based upon our projections as to our business) will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a non-U.S. holder of our common stock would not be subject to U.S. federal income tax if our common stock is "regularly traded" (within the meaning of applicable Treasury regulations) on an established securities market, and such non-U.S. holder has owned, actually or constructively, five percent or less of our common stock at all times during the applicable period described above. If any gain on a disposition of our common stock is taxable because we are a USRPHC and your ownership of our common stock exceeds 5%, you

will be taxed on such disposition in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business (subject to the provisions of an applicable tax treaty), except that the branch profits tax generally will not apply.

Backup Withholding and Information Reporting

Payments of dividends on our common stock will not be subject to backup withholding, provided you either certify under penalty of perjury as to your non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI (or a successor form), or otherwise establish an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to you, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the U.S. or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above or you otherwise establish an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to tax authorities in your country of residence, establishment, or organization.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a non-U.S. holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS in a timely manner.

Additional Withholding Tax on Payments Made to Foreign Accounts

The Foreign Account Tax Compliance Act and the rules and regulations promulgated thereunder, or collectively, "FATCA," impose withholding tax at a rate of 30% on dividends on our common stock paid to a "foreign financial institution" (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends on our common stock paid to a "non-financial foreign entity" (as specially defined for purposes of these rules) unless such entity provides the withholding agent with a certification identifying certain substantial direct and indirect U.S. owners of the entity, certifies that there are none or otherwise establishes an exemption. Additionally, although FATCA withholding may also apply to gross proceeds of a disposition of the common stock, proposed regulations, which taxpayers are permitted to rely on until final regulations are issued, eliminate withholding on such gross proceeds. The withholding provisions under FATCA generally apply to dividends on our common stock. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. An intergovernmental agreement between the U.S. and an applicable foreign country may modify the requirements described in this paragraph. Non-U.S. holders should consult their tax advisors regarding the possible implications of this legislation on their investment in our common stock.

THE PRECEDING DISCUSSION OF U.S. FEDERAL TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY. THIS DISCUSSION IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, HOLDING, AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

UNDERWRITING

AvidXchange and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
BofA Securities Inc.	
Barclays Capital Inc.	
Credit Suisse Securities (USA) LLC	
KeyBanc Capital Markets Inc.	
Deutsche Bank Securities Inc.	
Piper Sandler & Co	
Nomura Securities International, Inc.	
Fifth Third Securities, Inc.	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by AvidXchange	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public

offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and our earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to list our common stock on Nasdaq under the symbol “AVDX”.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may offer and sell the shares of common stock through certain of their affiliates or other registered broker-dealer or selling agents.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discounts and commissions received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the Nasdaq, in the over-the-counter market or otherwise.

We estimate that our total expenses for the offering, excluding underwriting discounts and commissions, will be approximately $. We have agreed to reimburse the underwriters for certain of their expenses incurred in connection with this offering in an amount up to $.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities,

derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Conflicts of Interest

KeyCorp, an entity affiliated with KeyBanc Capital Markets Inc., holds 395,288 shares of our Series E preferred stock on the same terms as the other investors, which shares will automatically convert into 395,288 shares of our common stock immediately upon the closing of this offering. KeyCorp has the right to appoint an observer to our board of directors in a non-voting capacity, provided that such observer seat will automatically terminate if KeyCorp's holdings of our Series E preferred stock or common stock, together with its affiliates, decreases to less than 197,644 shares. Such board observer right will terminate upon the completion of this offering. Additionally, an affiliate of KeyBanc Capital Markets Inc., is a lender under our debt facility.

Fifth Third Securities, Inc., or Fifth Third, holds 418,182 shares of our Series E preferred stock on the same terms as the other investors, which shares will automatically convert into 418,182 shares of our common stock immediately upon the closing of this offering. Fifth Third has the right to appoint an observer to our board of directors in a non-voting capacity, provided that such observer seat will automatically terminate if Fifth Third's holdings of our Series E preferred stock or common stock, together with its affiliates, decreases to less than 313,636 shares. Such board observer right will terminate upon the completion of this offering.

Directed Share Program

At our request, the underwriters have reserved for sale at the initial public offering price up to 5% of the common stock being offered for sale, to certain individuals and entities associated with AvidXchange. We will offer these shares to the extent permitted under applicable regulations in the U.S. and in various countries. Pursuant to the underwriting agreement, the sales will be made by the representatives through a directed share program. The number of shares of common stock available for sale to the general public will be reduced to the extent that such persons or entities purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same basis as the other shares of common stock offered hereby. Any directors and officers that buy shares of common stock through the directed share program will be subject to a lock-up period with respect to such shares. We have agreed to indemnify the representatives in connection with the directed share program, including for the failure of any participant to pay for its shares of common stock. Other than the underwriting discounts and commissions described on the front cover of this prospectus, the underwriters will not be entitled to any commission with respect to shares of common stock sold pursuant to the directed share program.

European Economic Area

In relation to each Member State of the European Economic Area (each a Relevant State), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and us that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

We have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares in this document. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of us or the underwriters.

United Kingdom

In relation to the United Kingdom, no shares of common stock have been offered or will be offered pursuant to this offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares that either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, except that offers of shares may be made to the public in the United Kingdom at any time under the following exemptions under the UK Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or

(c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000, or FSMA,

provided that no such offer of shares shall require the Issuer or any representative to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any relevant state means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

We have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of us or the underwriters.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in Article 2 of the UK Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the FSMA.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the Securities and Futures Ordinance, or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Class of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B(1) of the SFA—The shares shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

LEGAL MATTERS

The validity of the securities offered in this offering and certain legal matters in connection with this offering will be passed upon for us by Paul Hastings LLP, District of Columbia. Certain legal matters in connection with this offering will be passed upon for the underwriters by Cooley LLP, Palo Alto, California.

EXPERTS

The financial statements as of December 31, 2020 and December 31, 2019 and for each of the two years in the period ended December 31, 2020 included in this Prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

On the completion of this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above.

We also maintain a website at www.avidxchange.com. Information contained on, or accessible through, our website is not a part of this prospectus and you should not rely on that information when making a decision to invest in our common stock.

AvidXchange, Inc.
Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of AvidXchange, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AvidXchange, Inc. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, of changes in convertible preferred stock and stockholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2020 and the manner in which it accounts for revenue in 2019.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Charlotte, North Carolina
June 4, 2021, except for the effects of the revision discussed in Note 2 to the consolidated financial statements, as to which the date is September 17, 2021

We have served as the Company's auditor since 2017.

AvidXchange, Inc.
Consolidated Balance Sheets
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 252,458,059	$ 225,265,760
Restricted funds held for customers	137,620,423	51,707,271
Accounts receivable, net of allowances of $1,769,480 and $1,411,294, respectively	24,756,735	18,817,675
Supplier advances receivable, net of allowances of $1,099,003 and $588,431, respectively	8,854,576	5,184,690
Prepaid expenses and other current assets	8,625,707	7,354,154
Total current assets	432,315,500	308,329,550
Property and equipment, net	86,872,230	82,093,650
Operating lease right-of-use assets	3,138,944	—
Deferred customer origination costs, net	24,123,982	21,248,454
Goodwill	105,695,875	89,521,308
Intangible assets, net	72,441,923	70,288,097
Other noncurrent assets and deposits	1,921,800	2,375,000
Total assets	$ 726,510,254	$ 573,856,059
Liabilities, Convertible Preferred Stock and Shareholders' Deficit		
Current liabilities		
Accounts payable	$ 25,417,863	$ 10,933,377
Accrued expenses	40,471,851	31,196,973
Payment service obligations	137,620,423	51,707,271
Deferred revenue	6,309,072	3,491,059
Current maturities of lease obligations under finance leases	1,091,937	1,348,949
Current maturities of lease obligations under operating leases	1,146,510	—
Current Maturities of long-term debt	1,000,000	1,000,000
Total current liabilities	213,057,656	99,677,629
Long-term liabilities		
Deferred revenue, less current	1,660,687	1,690,132
Deferred rent and tenant improvement allowance	—	4,028,311
Obligations under finance leases, less current maturities	73,138,535	60,791,199
Obligations under operating leases, less current maturities	3,749,916	—
Long-term debt	98,446,295	93,886,267
Other long-term liabilities	14,938,958	4,729,216
Total liabilities	404,992,047	264,802,754
Commitments and contingencies (note 12)		
Convertible preferred stock, $0.001 par value; 40,472,166 shares authorized as of December 31, 2020 and 2019; 30,081,996 shares and 29,007,861 shares issued and outstanding as of December 31, 2020 and 2019, respectively; and liquidation preference of $884,841,720 and $788,403,592 as of December 31, 2020 and 2019, respectively	832,624,796	720,835,155
Shareholders' deficit		
Common stock, $0.001 par value; 60,000,000 shares authorized as of December 31, 2020 and 2019, 12,513,720 shares issued and outstanding as of December 31, 2020 and 11,003,675 shares issued and outstanding as of December 31, 2019	12,513	11,003
Additional paid-in capital	161,153,503	11,832,190
Accumulated deficit	(672,272,605)	(423,625,043)
Total shareholders' deficit	(511,106,589)	(411,781,850)
Total liabilities, convertible preferred stock and shareholders' deficit	$ 726,510,254	$ 573,856,059

The accompanying notes are an integral part of these consolidated financial statements.

AvidXchange, Inc.
Consolidated Statements of Operations
Years Ended December 31, 2020 and 2019

	2020	2019
Revenues	$ 185,927,639	$ 149,584,054
Cost of revenues (exclusive of depreciation and amortization expense)	83,754,494	71,132,946
Operating expenses		
Sales and marketing	47,909,960	39,583,371
Research and development	44,500,106	33,591,075
General and administrative	56,395,198	52,101,180
Impairment and write-off of intangible asset	924,292	7,890,939
Depreciation and amortization	27,513,518	22,339,491
Total operating expenses	177,243,074	155,506,056
Loss from operations	(75,069,929)	(77,054,948)
Other income (expense)		
Interest income	1,675,523	1,382,742
Interest expense	(20,080,222)	(17,259,127)
Change in fair value of derivative instrument	(7,537,389)	(555,000)
Other expenses	(25,942,088)	(16,431,385)
Loss before income taxes	(101,012,017)	(93,486,333)
Income tax expense	234,406	59,824
Net loss	$ (101,246,423)	$ (93,546,157)
Deemed dividends on preferred stock	(43,413,654)	(6,493,607)
Accretion of convertible preferred stock	(21,681,741)	(7,905,973)
Net loss attributable to common shareholders	$ (166,341,818)	$ (107,945,737)
Net loss per share attributable to common shareholders, basic and diluted	$ (13.38)	$ (10.15)
Weighted average number of common shares used to compute net loss per share attributable to common shareholders, basic and diluted	12,434,563	10,631,679

The accompanying notes are an integral part of these consolidated financial statements.

AvidXchange, Inc.
Consolidated Statement of Changes in Convertible Preferred Stock and Shareholders' Deficit
Years Ended December 31, 2020 and 2019

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount			
Balances at December 31, 2018	23,911,654	$ 472,450,683	10,436,419	$ 10,436	$ 5,368,098	$ (320,925,577)	$ (315,547,043)
Exercise of stock options and warrants	—	—	111,348	111	594,814	—	594,925
Common shares issued for acquisition	—	—	462,946	463	9,513,077	—	9,513,540
Stock-based compensation	—	—	—	—	1,379,326	—	1,379,326
Vesting of warrants issued in connection with consulting services	—	—	—	—	201,710	—	201,710
Options issued in connection with 2018 bonus program	—	—	—	—	127,984	—	127,984
Common stock repurchased	—	—	(7,038)	(7)	(7,453)	(99,095)	(106,555)
Senior preferred issuance, net	2,722,166	123,095,135	—	—	—	—	—
Series F preferred issuance, net	2,652,412	122,073,980	—	—	—	—	—
Redemption of redeemable convertible preferred stock	(278,371)	(4,690,616)	—	—	—	—	—
Premium paid on redemption of redeemable convertible preferred stock	—	—	—	—	—	(6,493,607)	(6,493,607)
Accretion of convertible preferred stock	—	7,905,973	—	—	(5,345,366)	(2,560,607)	(7,905,973)
Net loss	—	—	—	—	—	(93,546,157)	(93,546,157)
Balances at December 31, 2019	29,007,861	$ 720,835,155	11,003,675	$ 11,003	$ 11,832,190	$ (423,625,043)	$ (411,781,850)
Exercise of stock options and warrants	—	—	153,324	153	1,877,034	—	1,877,187
Common shares issued for acquisition	—	—	122,176	122	5,987,968	—	5,988,090
Stock-based compensation	—	—	—	—	1,630,275	—	1,630,275
Vesting of warrants issued in connection with consulting services	—	—	—	—	100,855	—	100,855
Common shares issuance, net	—	—	4,497,005	4,497	206,216,537	—	206,221,034
Common stock repurchased	—	—	(3,262,460)	(3,262)	(1,583,276)	(147,213,824)	(148,800,362)
Series F preferred issuance, net	2,040,316	93,632,264	—	—	—	—	—
Redemption of redeemable convertible preferred stock	(966,181)	(3,524,364)	—	—	—	—	—
Premium paid on redemption of redeemable convertible preferred stock	—	—	—	—	(43,413,654)	—	(43,413,654)
Accretion of convertible preferred stock	—	21,681,741	—	—	(21,494,426)	(187,315)	(21,681,741)
Net loss	—	—	—	—	—	(101,246,423)	(101,246,423)
Balances at December 31, 2020	30,081,996	$ 832,624,796	12,513,720	$ 12,513	$ 161,153,503	$ (672,272,605)	$ (511,106,589)

The accompanying notes are an integral part of these consolidated financial statements.

AvidXchange, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Net loss	$ (101,246,423)	$ (93,546,157)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amortization expense	27,513,518	22,339,491
Amortization of deferred financing costs	1,182,107	1,183,810
Provision for doubtful accounts	1,441,692	901,146
Stock based compensation expense	1,630,275	1,379,326
Warrants vested in connection with consulting services	100,855	201,710
Accrued interest	912,577	878,239
Impairment and write-off on intangible and right-of-use assets	997,030	7,890,939
Loss on fixed asset disposal	14,120	11,373
Payment of third party fees related to debt modification	—	(593,347)
Payment of third party fees related to debt modification —related party	—	(2,645,353)
Fair value adjustment to derivative instrument	7,537,389	555,000
Deferred income taxes	181,407	59,824
Changes in operating assets and liabilities net of effect of business acquired		
Accounts receivable	(5,711,591)	(2,327,844)
Prepaid expenses and other current assets	(1,245,002)	(1,099,022)
Other noncurrent assets	359,443	(340,326)
Deferred customer origination costs	(2,875,528)	(4,646,043)
Accounts payable	14,148,917	3,664,886
Deferred revenue	288,732	235,302
Accrued expenses	11,619,377	3,725,479
Operating lease liabilities	(978,236)	—
Deferred rent and tenant improvement allowance	—	380,155
Total adjustments	57,117,082	31,754,745
Net cash used by operating activities	(44,129,341)	(61,791,412)

The accompanying notes are an integral part of these consolidated financial statements.

AvidXchange, Inc.
Consolidated Statements of Cash Flows (continued)
Years Ended December 31, 2020 and 2019

Cash flows from investing activities		
Purchases of equipment	(703,492)	(1,905,281)
Purchases of land	25,000	(38,560)
Purchases of intangible assets	(11,345,993)	(7,349,571)
Supplier advances, net	(4,706,792)	(1,727,936)
Acquisition of business, net of cash acquired	(19,828,672)	(105,834,033)
Net cash used by investing activities	(36,559,949)	(116,855,381)
Cash flows from financing activities		
Proceeds from the issuance of long-term debt	4,471,678	96,080,625
Repayments of long-term debt	—	(70,780,900)
Principal payments on land promissory note	(1,000,000)	(1,000,000)
Principal payments on finance leases	(1,582,195)	(1,777,025)
Proceeds from issuance of preferred and common stock	322,288,493	260,488,385
Common stock repurchased	(148,762,884)	—
Convertible preferred stock redeemed	(46,979,602)	(11,184,223)
Transaction costs related to issuance of stock	(1,327,000)	(1,240,879)
Transaction costs related to issuance of stock — related party	(19,226,901)	(11,428,021)
Debt issuance costs	—	(2,105,509)
Payment on earn-out agreement	—	(500,000)
Payment service obligations	85,913,152	51,707,271
Net cash provided by financing activities	193,794,741	308,259,724
Net increase in cash, cash equivalents, and restricted funds held for customers	113,105,451	129,612,931
Cash, cash equivalents, and restricted funds held for customers		
Cash, cash equivalents, and restricted funds held for customers, beginning of year	276,973,031	147,360,100
Cash, cash equivalents, and restricted funds held for customers, end of year	$ 390,078,482	$ 276,973,031
Supplementary information of noncash investing and financing activities		
Right-of-use assets obtained in exchange for new finance lease obligations	$ 544,239	$ 1,109,937
Right-of-use assets obtained in exchange for new operating lease obligations	162,676	—
Common stock issued in business combination	5,988,090	9,513,540
Property and equipment purchases in accounts payable and accrued expenses	—	83,985
Interest paid on notes payable	10,798,072	9,605,335
Interest paid on finance leases	7,187,467	5,630,739
Options issued in connection with bonus compensation	—	127,984

The accompanying notes are an integral part of these consolidated financial statements.

AvidXchange, Inc.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2020 and 2019

1. Formation and Business of the Company

The Company

AvidXchange, Inc. was incorporated in the state of Delaware in 2000. In July 2021, the Company consummated a reorganization by interposing a holding company between AvidXchange, Inc. and its stockholders. After the reorganization, all of the stockholders of AvidXchange, Inc. became stockholders of AvidXchange Holdings, Inc. and AvidXchange, Inc. became a wholly owned subsidiary of AvidXchange Holdings, Inc. To accomplish the reorganization, the Company formed AvidXchange Holdings, Inc., which was incorporated in Delaware on January 27, 2021, and AvidXchange Merger Sub, Inc. ("Merger Sub") as a wholly owned subsidiary of AvidXchange Holdings, Inc. The Company merged AvidXchange, Inc. with and into Merger Sub, with AvidXchange, Inc. as the surviving entity, by issuing identical shares of stock of AvidXchange Holdings, Inc. to the stockholders of AvidXchange, Inc. in exchange for their equity interest in AvidXchange, Inc.

The merger was considered a transaction between entities under common control. Upon the effective date of the reorganization, July 9, 2021, AvidXchange Holdings, Inc. will recognize the assets and liabilities of AvidXchange, Inc. at their carrying values within its financial statements.

AvidXchange, Inc. and its wholly owned subsidiaries are collectively referred to as "AvidXchange" or "the Company" in the accompanying consolidated financial statements after the reorganization.

AvidXchange provides accounts payable ("AP") automation software and payment solutions for middle market businesses and their suppliers. The Company's cloud-based, software and payment platform digitizes and automates the AP workflow for middle market businesses (AvidXchange's "buyer" customers), and their service providers and vendors (AvidXchange's "supplier" customers). The Company provides solutions and services throughout North America spanning multiple industries including real estate, homeowners associations ("HOA"), construction, financial services (including banks and credit unions), healthcare facilities, social services, education, and media.

AvidXchange's software solutions are delivered primarily through a software-as-a-service ("SaaS") platform that connects buyer customers using the Company's AP automation products with a network of their vendors, including supplier customers that have enrolled in AvidXchange's electronic payments network (the "AvidPay Network"). This platform provides a multitude of solutions including electronic invoice capture, intelligent workflow routing, and automated payments, which can provide AvidXchange's buyer and supplier customers with reduced costs, improved productivity, and reduction of paper from the traditional AP and payment processes.

The Company markets its solutions to buyers through both a direct salesforce and indirectly through strategic channel partnerships with banks and financial institutions as well as software and technology business partners. AvidXchange attracts buyer customers to the AvidPay Network through establishing a simple, easy-to-use network that helps integrate various buyers through a standard invoice and pay network. Supplier customers are selected to join the AvidPay Network by their buyer clients.

AvidXchange has completed strategic acquisitions that have expanded the customer relationships available to subscribe to its payment services solutions and gain access to new markets. The operating activities of the legal entities acquired are fully interdependent and integrated with the AvidXchange operations. The Company views its operations and manages its business as one segment and one reporting unit.

In December 2020, AvidXchange acquired Core Associates Holdings, LLC ("Core"), the maker of TimberScan, an AP approval processing and content management software that has enabled the Company to further expand into the construction sector.

In October 2019, the Company acquired BTS Alliance, LLC d.b.a. BankTEL Systems ("BankTEL"), a provider of accounting solutions to middle market banks. The completion of the BankTEL acquisition enabled AvidXchange to further expand into the financial services vertical primarily by integrating AvidPay with the BankTEL's ASCEND platform to create a cohesive AP and payment offering.

2. Summary of Significant Accounting Policies

Basis of Consolidation and Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. ("U.S. GAAP") and reflect the consolidated operations of AvidXchange, Inc. as of and for the years ended December 31, 2020 and 2019. All intercompany accounts and transactions have been eliminated in consolidation. There are no items of comprehensive income.

Presentation of Convertible Preferred Stock

The Company's Convertible Preferred Stock are classified as mezzanine equity in the accompanying balance sheets separate from all other stockholders' equity accounts that are classified as permanent equity (e.g., common stock and accumulated deficit). The purpose of this classification is to convey that such securities may not be permanently part of equity and could result in a demand for cash or other assets of the entity in the future based on passage of time or upon the occurrence of certain events outside of the Company's control. The presentation of the balance sheet as of December 31, 2019 was adjusted to conform to the balance sheet presentation as of December 31, 2020.

The Company's Convertible Preferred Stock is initially recorded at its original issuance price, net of issuance costs. The Company accretes the carrying amount of the redeemable convertible preferred stock to its redemption value over the period from the date of issuance (or from the date that it becomes probable that the instrument will become redeemable, if later) to the earliest redemption date of the instrument using an appropriate methodology, usually the interest method. These increases are recorded as charges against retained earnings, if any. In the absence of retained earnings, the amounts are recorded against the available balance of additional paid-in capital that has been generated from cash transactions until reduced to zero and any additional amounts are charged to accumulated deficit. Changes in the redemption value or the redemption date are considered to be changes in accounting estimates.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic continues to adversely affect commercial activity and has contributed to significant volatility in the financial markets. The Company experienced some revenue declines in fiscal 2020 related to COVID-19 due to a reduction in spending and closures or slowdowns of certain of its existing buyer customer businesses. Certain of the industries serviced by the Company felt greater impact than others, with some buyers hesitant to start new implementation projects. However, no material changes have occurred in implementation timelines. The pandemic has at the same time accelerated the usage of payment automation technologies such as the one offered by AvidXchange and has favorably impacted new customer acquisition. While the Company expects that the COVID-19 pandemic will continue to have an adverse effect on revenues and earnings in 2021, Management expects a steady and progressive economic recovery throughout the year.

The impact of COVID-19 might remain prevalent for a significant period of time and might continue to adversely affect the Company's results of operations, financial condition and cash flows even after the

COVID-19 pandemic has subsided. The full effects of the COVID-19 pandemic will depend on future developments, which are highly uncertain. Such developments include, but are not limited to, the ultimate severity, scope and duration of the pandemic and the preventative measures implemented to help limit the spread of the illness, the availability and effectiveness of treatments or vaccines and how soon and to what extent normal economic conditions, operations and demand for the Company's services can resume.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities as of and during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. Significant estimates reflected in these consolidated financial statements include, but are not limited to, the allowance for doubtful accounts, useful lives assigned to fixed and intangible assets, capitalization of internal-use software, deferral of implementation costs, the fair value of intangible assets acquired in a business combination, the fair value of goodwill, the recoverability of deferred income taxes, the fair value of common stock, and the fair value of the convertible common stock liability (or the "derivative instrument.") The Company assesses estimates on an ongoing basis; however, actual results could materially differ from those estimates.

Segments

The Company operates and manages its business as one reportable segment, which is the same as the operating segment as defined under FASB Accounting Standards Codification ("ASC") 280. The Company's Chief Executive Officer, who is the chief operating decision maker, reviews financial information on a consolidated basis for purposes of making decisions regarding allocating resources and assessing performance. All tangible assets are held in the United States and all revenue is generated in the United States. Refer to "Concentrations" below and Note 3 Revenue from Contracts with Customers for additional entity-wide disclosures.

Business Combinations

Identifiable assets acquired, and the liabilities assumed, resulting from a business combination are recorded at their estimated fair values on the date of the acquisition. Goodwill represents the excess of the purchase price over the estimated fair value of the net assets acquired, including the amount assigned to identifiable intangible assets. When a business combination involves contingent consideration, the Company recognizes a liability equal to the estimated fair value of the contingent consideration obligation at the date of the acquisition. Subsequent changes in the estimated fair value of the contingent consideration are recognized in earnings in the period of the change. Shares of common stock issued as part of the purchase consideration are valued as of the date of the business combination.

Revenue Recognition

Refer to Note 3 — Revenue from Contracts with Customers for information related to the Company's revenue recognition.

Concentrations

Significant Services

A substantial portion of the Company's revenue is derived from interchange fees earned on payment transactions processed as virtual commercial cards ("VCC"). The Company currently procures VCC processing services from a single service provider. For the years ended December 31, 2020 and 2019, interchange fee revenues from this service provider represented approximately 50% and 53% of total revenues, respectively. As of December 31, 2020 and 2019, 62% and 58% of accounts receivable, net, is comprised of amounts due from this service provider, respectively.

Future regulation or changes by the card brand payment networks could have a substantial impact on the Company's revenue from VCC transactions. If interchange rates decline, whether due to actions by the card brand payment networks, merchant/suppliers availing themselves of lower rates, or future regulation, the Company's total operating revenues, operating results, prospects for future growth and overall business could be materially affected.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The carrying values of cash and cash equivalents approximate their fair values due to the short-term nature of these instruments. Cash in the Company's bank accounts may exceed federally insured limits.

Restricted Funds Held for Customers and Payment Service Obligations

Restricted funds held for customers and the corresponding liability of payment service obligations represent funds that are collected from customers for payments to their suppliers. The Company is registered as a money services business ("MSB") with the Financial Crimes Enforcement Network ("FinCEN"). The Company currently operates two models for the transmission of buyer customer funds. Under its legacy model, buyer customer funds are held in trust accounts that are maintained and operated by a trustee pending distribution. After customers' funds are deposited in a trust account, the Company initiates payment transactions through external payment networks whereby the customers' funds are distributed from the trust to the appropriate supplier. The Company is not the trustee or beneficiary of the trusts which hold these customer deposits; accordingly, the Company does not record these assets and offsetting liability on its consolidated balance sheets. The Company contractually earns interest on funds held for customers with associated counterparties. The amount of customer funds held in trust accounts was approximately $723,084,000 and $363,573,000 as of December 31, 2020 and 2019, respectively. The increase in the balances of customer funds is a function of the volume of payments processed through the platform and the mix of payment types, with some payment types averaging more days in transit than others.

The Company has also obtained a money transmitter license in all states which require licensure. This model enables AvidXchange to provide commercial payment services to businesses through its "for the benefit of customer" ("FBO") bank accounts that are restricted for such purposes. The restricted funds held for customers are restricted for the purpose of satisfying the customer's supplier obligations and are not available for general business use by the Company. The Company maintains these funds in liquid cash accounts and contractually earns interest on these funds held for customers. These funds are recognized as a restricted cash asset and a corresponding liability is recorded for payments due to their suppliers on the Company's consolidated balance sheets. Restricted funds held for customers are included in the cash and cash equivalents on the consolidated statements of cash flows. The Company continues to onboard new

customers and transition existing customers to this model. The Company expects to continue to expand the use of this model.

Accounts Receivable, Supplier Advances and Allowance for Doubtful Accounts

Accounts receivable represent amounts due from the Company's VCC service provider for interchange fees earned and from buyer customers who have been invoiced for the use of the Company's software offerings, but payments have not been received. Accounts receivable from the VCC service provider are presented net of an allowance for transactions subsequently cancelled that do not ultimately settle through the payment network. Accounts receivable from buyer customers are presented net of an allowance for doubtful accounts. In judging the adequacy of the allowances, the Company considers multiple factors including historical cancellation rate for electronic payments, historical bad debt experience, general economic conditions, and aging of the receivables. The allowance for VCC transactions subsequently cancelled and the allowance for buyer customer's doubtful accounts are assessed at each period end and are recognized as a reduction of payment processing revenue and as bad debt expense within general and administrative expenses, respectively, in the consolidated statements of operations. A buyer customer receivable is written off against the allowance when it is determined that all collection efforts have been exhausted and the potential for recovery is considered remote. Historically, losses related to customer nonpayment have been immaterial and most of the accounts receivable balances have been current.

Supplier advances receivable represent amounts that have been advanced as part of the AvidXchange's Invoice Accelerator product but have not been collected. Advances are collected from the buyer customer once the buyer initiates the transfer of funds for the invoice that was previously advanced. If the buyer does not transfer the funds as expected, the Company is exposed to losses. The Company's experience with such delinquencies by buyer customers have been immaterial. Supplier advances receivable are stated at their estimated net realizable value. A broad range of information is considered in the estimation process, including historical loss information, effects of COVID-19, age of receivables, communications with buyer and supplier customers, changes in their risk profile, and supplier experience and utilization of the program. The allowance for doubtful accounts for supplier advances is assessed at period end and the measurement of the allowance is included as a component of cost of revenues in the Company's consolidated statements of operations. Supplier advances receivable balances are charged against the allowance when the Company determines it is probable the receivable will not be recovered after collection efforts and legal actions have been exhausted. The Company classifies the fees charged to supplier customers as cash flows from operating activities with the remaining accelerated advancements and recoupments classified as cash flows from investing activities on a net basis within the consolidated statements of cash flows.

The table below presents a reconciliation of the beginning and ending amounts of the Company's allowance for doubtful accounts as of December 31, 2020 and 2019:

	Accounts Receivable Allowance	Supplier Advances Receivable Allowance
Allowance for doubtful accounts, December 31, 2018	$ 941,335	$ 524,056
Amounts charged to contra revenue, cost of revenues and expenses	543,841	570,000
Amounts written off as uncollectable	(73,882)	(643,077)
Recoveries of amounts previously written off	—	137,452
Allowance for doubtful accounts, December 31, 2019	1,411,294	588,431
Amounts charged to contra revenue, cost of revenues and expenses	551,075	1,070,000
Amounts written off as uncollectable	(192,889)	(674,987)
Recoveries of amounts previously written off	—	115,559
Allowance for doubtful accounts, December 31, 2020	$1,769,480	$1,099,003

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition plus the cost of additions and improvements that increase the useful lives of assets. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Assets recorded under leasehold improvements are amortized over the shorter of their useful lives or related lease terms. Repairs and maintenance expenditures are expensed as incurred. The cost and related accumulated depreciation and amortization of assets sold or disposed are removed from the accounts and the resulting gain or loss is reflected in operating expenses. The carrying value of all long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, in accordance with ASC 360, *Property, Plant, and Equipment*. Assets under finance leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The amortization period is based on whether ownership transfers at the end of the lease, including the presence of a bargain purchase option. If ownership transfers or the Company has the option for a bargain purchase, the asset is depreciated over its useful life. If neither of the above criteria is present, the asset is depreciated over the life of the lease. Amortization of assets recorded as finance leases is included in the line item depreciation and amortization in the Company's consolidated statements of operations.

Intangible Assets and Goodwill

The Company capitalizes costs related to the development of its software services and certain projects for internal use in accordance with ASC 350, *Intangibles – Goodwill and Other*. These capitalized costs are primarily related to the integrated invoice processing and payment solutions and services hosted by the Company and accessed by its customers on a subscription and transaction basis. Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct, are capitalized until the software is substantially complete and ready for its intended use. Capitalization ceases upon completion of all substantial testing. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional functionality. Capitalized costs are recorded as part of Intangible

assets. Maintenance and training costs are expensed as incurred. Internally developed software is amortized on a straight-line basis over its estimated useful life, generally three years.

Other identifiable intangible assets consist of acquired customer lists, technology and trade names, which were recorded at their fair values at the time of acquisition. Amortization is computed using the straight-line method over the estimated useful lives of the assets.

The Company evaluates intangible assets and long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. This includes, but is not limited to, significant adverse changes in business climate, market conditions, or other events that indicate an asset's carrying amount may not be recoverable. Recoverability of these assets is measured by comparison of the carrying amount of each asset to the future undiscounted cash flows the asset is expected to generate. If the undiscounted cash flows used in the test for recoverability are less than the carrying amount of these assets, then the carrying amount of such assets is reduced to fair value.

In accordance with ASC 350-20 — *Goodwill*, the Company evaluates goodwill for impairment as of October 31 each year or more frequently if events or changes in circumstances indicate that goodwill might be impaired. The Company is comprised of a single reporting unit. Current accounting guidance provides an entity the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount prior to performing the two-step goodwill impairment test. If this is the case, the two-step goodwill impairment test is required. If it is more-likely-than-not that the fair value of a reporting is greater than its carrying amount, the two-step goodwill impairment test is not required.

In performing this qualitative assessment, we consider the following circumstances as well as others:

- Changes in general macroeconomic conditions such as a deterioration in general economic conditions; limitations on accessing capital; or other developments in equity and credit markets;
- Changes in industry and market conditions such as a deterioration in the environment in which the Company operates; an increased competitive environment; a decline in market-dependent multiples or metrics (in both absolute terms and relative to peers); a change in the market for an entity's products or services; or a regulatory or political development;
- Changes in cost factors that have a negative effect on earnings and cash flows;
- Decline in overall financial performance (for both actual and expected performance); and
- Recent implied valuation resulting from equity transactions and third-party valuations.

If the two-step goodwill impairment test is required, first, the fair value of the reporting unit is compared with its carrying amount (including attributable goodwill). If the fair value of the reporting unit is less than its carrying amount, an indication of goodwill impairment exists for the reporting unit and the entity must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation and the residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a discounted cash flow analysis. If the fair value of the reporting unit exceeds its carrying amount, step two does not need to be performed.

Stock-Based Compensation

Compensation cost for stock-based awards issued to employees and outside directors, including stock options and restricted stock units ("RSUs"), is measured at fair value on the date of grant.

The fair value of stock options is estimated using a Black-Scholes option-pricing model, while the fair value of RSUs is determined using the fair value of the Company's underlying common stock. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period, which is generally four years. Stock-based compensation expense for RSUs with performance conditions is recognized over the requisite service period on an accelerated-basis as long as the performance condition in the form of a specified liquidity event is probable to occur. The impact of forfeitures on the recognition of expense is estimated based on actual forfeiture activity. In the case of equity issued in lieu of cash bonus, expense is recognized in the period the cash bonus was earned.

Common Stock Repurchases

The Company is incorporated in the State of Delaware and under the laws of that state shares of its own common stock that are acquired by the Company constitute authorized but unissued shares. The cost of the acquisition by the Company of shares of its own stock in excess of the aggregate par value of the shares first reduces additional paid-in-capital, to the extent available, with any residual cost applied as an increase to accumulated deficit.

Net Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted average number of common shares outstanding during the period and, if dilutive, the weighted average number of potential shares of common stock. Net loss per share attributable to common stockholders is calculated using the two-class method, which is an earnings allocation formula that determines net loss per share for the holders of the Company's common shares and participating securities. The Company's convertible preferred stock contains participation rights in any dividend paid by the Company and is deemed to be a participating security. Net loss attributable to common stockholders and participating preferred shares are allocated to each share on an as-converted basis as if all of the earnings for the period had been distributed. The participating securities do not include a contractual obligation to share in losses of the Company and are not included in the calculation of net loss per share in the periods in which a net loss is recorded.

Diluted net loss per share is computed using the more dilutive of (a) the two-class method or (b) the if converted method. The Company allocates earnings first to preferred stockholders based on dividend rights and then to common and preferred stockholders based on ownership interests. The weighted average number of common shares included in the computation of diluted net loss gives effect to all potentially dilutive common equivalent shares, including outstanding stock options and convertible preferred stock. Common stock equivalent shares are excluded from the computation of diluted net loss per share if their effect is antidilutive. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is generally the same as basic net loss per share attributable to common stockholders since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. For the years ended December 31, 2020 and 2019, 29,993,726 and 28,629,909 potentially dilutive shares, respectively, were excluded from the calculation of diluted EPS as their impact was antidilutive. The Company reported a net loss attributable to common stockholders for each of the years ended December 31, 2020 and 2019.

Advertising Costs

Advertising and marketing costs are included in operating expenses and are expensed as incurred. The Company incurred advertising and marketing costs of approximately $3,910,000 and $3,962,000 for the years ended December 31, 2020 and 2019, respectively.

Research and Development

The Company expenses research and development costs as incurred. Research and development expenses consist primarily of engineering and product development, including employee compensation and the costs of outside contractors.

Income Taxes

Deferred income taxes are provided for temporary differences between the basis of the Company's assets and liabilities for financial reporting and income tax purposes. Deferred tax assets and liabilities represent future tax return consequences for those differences which will either be deductible or taxable when the assets or liabilities are recovered or settled.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company evaluates both the positive and negative evidence that is relevant in assessing whether it will realize the deferred tax assets. A valuation allowance is recorded when it is more-likely-than-not that some of the deferred tax assets will not be realized.

The Company recognizes all material tax positions, including uncertain tax positions, when it is more-likely-than-not that the position will be sustained based on its technical merits and if challenged by the relevant tax authorities. All tax years since 2017 are open for potential examination by taxing authorities as of December 31, 2020. However, tax authorities may have the right to examine prior periods where net operating losses or tax credits were generated and carried forward. The tax authorities may make adjustments up to the amount of the net operating loss or credit carryforward. No liabilities for uncertain income tax positions are recorded as of December 31, 2020 or 2019. The Company's policy is to record interest and penalties related to uncertain tax positions in income tax expense.

Retirement Plan

The Company has a 401(k) defined contribution plan. Under the plan, each employee meeting the minimum age requirement and with at least one month of service is eligible to participate. Vested benefits vary in accordance with years of credited service. The Company matching contribution is 100 percent of the first 3 percent and 50 percent of the next 2 percent of compensation that a participant contributes to the plan. The Company made contributions of approximately $3,111,000 and $2,255,000 to the plan, net of forfeitures, for eligible and participating employees for the years ended December 31, 2020 and 2019, respectively. Contributions are subject to certain IRS limitations.

Nonqualified Deferred Compensation Plan

The Company adopted a nonqualified, deferred compensation plan effective October 1, 2015, which is an unfunded plan created for the benefit of a select group of management or highly compensated employees.

The purpose of the plan is to attract and retain key employees by providing them with an opportunity to defer receipt of a portion of their compensation. It is exempt from the participation, vesting, funding, and fiduciary requirements set forth in Title I of the Employee Retirement Income Security Act of 1974, as amended. Deferred amounts are not subject to forfeiture and are deemed invested among investment funds offered under the nonqualified deferred compensation plan, as directed by each participant.

The Company has established a 'rabbi trust' that serves as an investment to shadow the deferred compensation plan liability. The assets of the rabbi trust are general assets of the Company and as such, would be subject to the claims of creditors in the event of bankruptcy or insolvency. The Company has recorded these assets and liabilities at their fair value. In association with this plan, approximately $663,000 and $487,000 was included in other noncurrent assets and $787,000 and $500,000 was included in noncurrent liabilities for the years ended December 31, 2020 and 2019, respectively.

Contingent Liabilities

Contingent liabilities require significant judgment in estimating potential losses for legal claims. We review significant new claims and litigation for the probability of an adverse outcome. Estimates are recorded as liabilities when it is probable that a liability has been incurred and the amount of the loss is reasonably estimable. Disclosure is required when there is a reasonable possibility that the ultimate loss will materially exceed the recorded provision. Contingent liabilities are often resolved over long time periods. Estimating probable losses requires analysis of multiple forecasts that often depend on judgments about potential actions by third parties such as regulators, and the estimated loss can change materially as individual claims develop.

Fair Value Measurements

The Company's financial instruments consist of cash and cash equivalents, trade receivables, AP, debt, and the liability related to the Convertible common stock conversion feature. The carrying amount of cash, trade receivables, and AP approximate fair value due to the short-term maturity. The estimated fair value of long-term debt is based on borrowing rates currently available to the Company for similar debt issues. The fair value approximates the carrying value of long-term debt.

In accordance with applicable accounting standards, the Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

The following is a brief description of those three levels:

Level 1	Observable inputs such as quoted market prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active market and quoted prices for identical or similar assets or liabilities in markets that are not active.
Level 3	Unobservable inputs that reflect the reporting entity's own assumptions. The fair value for such assets and liabilities is generally determined using pricing models, discounted cash flow methodologies, or similar techniques that incorporate the assumptions a market participant would use in pricing the asset or liability.

When more than one level of input is used to determine the fair value, the financial instrument is classified as Level 1, 2 or 3 according to the lowest level input that has a significant impact on the fair value measurement. The Company performs a review of the fair value hierarchy classification on an annual basis. Changes in the observability of valuation inputs may result in a reclassification of certain financial assets or financial liabilities within the fair value hierarchy.

The Convertible common stock liability is stated at fair value and is considered a Level 3 input because the fair value measurement is based, in part, on significant inputs not observed in the market. The Company determined the fair value of the Convertible common stock liability based on the Black-Scholes option-pricing model which utilizes the value of shares sold in the Company's latest preferred stock financing and allocates the estimated equity value of the Company to each class of the Company's outstanding securities using an option-pricing back-solve model, then a Monte Carlo simulation technique to estimate fair value of the Convertible common stock liability.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. The JOBS Act does not preclude an emerging growth company from early adopting new or revised accounting standards. The Company expects to use the extended transition period for any new or revised accounting standards during the period which the Company remains an emerging growth company.

Revision of Previously Issued Financial Statements

Subsequent to the original issuance of its 2020 financial statements, the Company identified errors in its historical accounting of RSU grants. Specifically, the Company incorrectly recorded stock-based compensation expense for RSUs with performance conditions that had not been satisfied. Although the Company has concluded these errors are immaterial to the previously issued financial statements, the Company is correcting for these errors by revising the accompanying 2020 financial statements as reflected in the table below:

	December 31, 2020 (As Reported)	Stock-based Compensation Adjustment	December 31, 2020 (As Revised)
Consolidated Balance Sheet			
Additional paid-in capital	$ 162,818,223	$ (1,664,720)	$ 161,153,503
Accumulated deficit	(673,937,325)	1,664,720	$ (672,272,605)
Consolidated Statement of Operations			
Cost of revenues (exclusive of depreciation and amortization expense)	$ 83,995,647	$ (241,153)	$ 83,754,494
Sales and marketing	48,293,067	(383,107)	47,909,960
Research and development	44,897,217	(397,111)	44,500,106
General and administrative	57,038,547	(643,349)	56,395,198
Total operating expenses	178,666,641	(1,423,567)	177,243,074
Loss from operations	(76,734,649)	1,664,720	(75,069,929)
Loss before income taxes	(102,676,737)	1,664,720	(101,012,017)
Net loss	(102,911,143)	1,664,720	(101,246,423)
Net loss attributable to common shareholders	(168,006,538)	1,664,720	(166,341,818)
Net loss per share attributable to common shareholders, basic and diluted	$ (13.51)	$ 0.13	$ (13.38)

	December 31, 2020 (As Reported)	Stock-based Compensation Adjustment	December 31, 2020 (As Revised)
Consolidated Statement of Changes in Convertible Preferred Stock and Shareholders' Deficit			
Stock-based compensation	$ 3,294,995	$ (1,664,720)	$ 1,630,275
Net loss	(102,911,143)	1,664,720	(101,246,423)
Additional paid-in capital, December 31, 2020	162,818,223	(1,664,720)	161,153,503
Accumulated deficit, December 31, 2020	(673,937,325)	1,664,720	(672,272,605)
Consolidated Statements of Cash Flows			
Net loss	$ (102,911,143)	$ 1,664,720	$ (101,246,423)
Stock based compensation expense	3,294,995	(1,664,720)	1,630,275

The applicable notes to the accompanying consolidated financial statements have also been revised to correct for these errors.

New Accounting Pronouncements

Adopted Accounting Standards

In February 2016, the FASB issued ASU 2016-02, Leases ("Topic 842") amending the accounting for leases, primarily requiring the recognition of lease assets and liabilities for operating leases with terms of more than twelve months on the Company's consolidated balance sheets. Under the new guidance, leases previously described as operating leases and capital leases are now referred to as operating leases and finance leases, respectively. The Company early adopted ASU 2016-02 on January 1, 2020 using the modified retrospective method. Accordingly, the results for the comparable period were not adjusted to conform to the current period measurement or recognition of results and continue to be reported in accordance with AvidXchange's historic accounting policies and as a result the balance sheet presentation at December 31, 2020 is not comparable to December 31, 2019 in this initial year of adoption. The adoption of Topic 842 resulted in the recognition of operating lease assets of approximately $3,630,000 and liabilities of approximately $6,366,000. See Note 7, Leases for additional information.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional guidance to alleviate the burden in accounting for reference rate reform by allowing certain expedients and exceptions in applying GAAP to contracts, hedging relationships and other transactions affected by the expected market transition from LIBOR and other interbank rates if certain criteria are met. The amendments in ASU 2020-04 are effective for all entities at any time beginning on March 12, 2020 through December 31, 2022 and may be applied from the beginning of an interim period that includes the issuance date of ASU 2020-04. A substantial portion of the Company's indebtedness bears interest at variable interest rates, primarily based on LIBOR. Per the terms of the Company's credit agreement, the unavailability or replacement of LIBOR would result in the use of a similar measure based upon a calculated average of borrowing rates offered by

major banks in the London interbank as determined by the lender. The Company does not expect the future elections under ASU 2020-04 to have a material impact on its consolidated financial statements; however, the Company is still evaluating the guidance, and therefore, the impact of the adoption on the Company's financial condition and results of operations has not yet been fully determined.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230)* — a Consensus of the FASB's Emerging Issues Task Force, which provides guidance intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash*, which specifies that amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. The end of year cash and cash equivalents balance on the consolidated statement of cash flows for the years ended December 31, 2020 and 2019 includes restricted funds held for customers in the amount of approximately $137,620,000 and $51,707,000, respectively.

In May 2014, the FASB issued *Revenue from Contracts with Customers* that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The pronouncement is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As amended by ASU 2015-14, this pronouncement is effective for fiscal years beginning after December 15, 2018. Refer to Note 3 for the impact of adoption of the new guidance.

Accounting Pronouncements Issued but Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial instruments, Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which amends the guidance on the impairment of financial instruments by requiring measurement and recognition of expected credit losses for most financial assets, including trade receivables, and other instruments that are not measured at fair value through net income (the "CECL" framework). The guidance will replace the Company's current accounts receivable and supplier advances receivable allowance for doubtful accounts methodology with the CECL framework. ASU 2016-13 is effective for financial statements issued for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2022. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles — Goodwill and Other: Simplifying the Accounting for Goodwill Impairment.* This guidance simplifies the accounting for goodwill impairment by eliminating the need to determine the fair value of individual assets and liabilities of a reporting unit to measure the goodwill impairment. The revised guidance is effective for private companies for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2021. The Company does not expect that this guidance will have a material impact on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles — Goodwill and Other: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, that provides guidance on capitalization of implementation costs incurred in a cloud computing arrangement that is a service contract. The guidance is effective for private companies for annual reporting periods beginning after December 15, 2020. The Company is currently evaluating the impact to its consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* which simplifies the accounting for income taxes by removing certain

exceptions to the general principles in Topic 740. This standard is effective for annual reporting periods beginning after December 15, 2020, and interim periods within those years, and early adoption is permitted. Certain amendments of this standard may be adopted on a retrospective basis, modified retrospective basis or prospective basis. The Company is currently evaluating the impact this standard will have on its consolidated financial statements.

3. Revenue from Contracts with Customers

The Company adopted *Revenue from Contracts with Customers* and its related amendments, collectively known as ASC 606 ("ASC 606"), effective January 1, 2019, using the full retrospective transition approach applied to all contracts. ASC 606 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. The core principle of the revenue model, involving a five-step process, is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this core principle, the Company applies the following five steps:

(1) Identify the contract with a customer

(2) Identify the performance obligations in the contract

(3) Determine the transaction price

(4) Allocate the transaction price to performance obligations in the contract

(5) Recognize revenue when or as the Company satisfies a performance obligation

The cumulative impact of adopting ASC 606 was a decrease in accumulated deficit of approximately $5,523,000, primarily related to incremental costs incurred to obtain and fulfill a contract. Such costs are amortized over a longer period under ASC 606 in order to align to an estimated expected benefit period of five years, compared to three years under legacy GAAP. Additionally, the scope of costs capitalized under ASC 606 was expanded, resulting in additional sales commissions costs being capitalized.

Revenue Sources

The Company's revenues are derived from multiple sources. The following is a description of principal revenue generating activities.

Software Revenue

Software revenue are tailored specifically to the Company's buyer customers and include AvidInvoice, AvidPay, AvidUtility, AvidBill, Create-a-Check, Avid for NetSuite, Strongroom Payables Lockbox, ASCEND and TimberScan. These various offerings address the specific needs of buyers and together they comprise the Company's suite of cloud-based solutions designed to manage invoices and automate the AP function. Revenues are derived from mostly long-term contracts with mid-market customers. The vast majority of the revenues are comprised of 1) fees calculated based on number of invoice and payment transactions processed, 2) recurring maintenance or subscription fees, or 3) some combination thereof. Fees for the Company's services are typically billed and paid on a monthly basis. The Company's core performance obligation is to stand ready to provide holistic AP management services and process as many invoices and/or payments as the buyer customer requests on a daily basis over the contact term. The unspecified quantity of the service meets the criteria for variable consideration, where the variability is resolved daily as the services are performed. Accordingly, the promise to stand ready is accounted for as a single-series performance obligation and revenue is recognized based on the services performed each day.

Included in software revenue is software maintenance and subscription fee revenue, which is recognized ratably over the term of the applicable service period, generally 12 months for Create-a-Check, Avid for NetSuite and TimberScan customers, and 60 months for ASCEND customers.

In addition, each contract contains the promise of providing implementation services for an upfront fee. In determining whether the implementation services are distinct from the hosting services, the Company considered various factors, including the level of customization, complexity of integration, the interdependency and interrelationships between the implementation services and the hosting services and the ability (or inability) of the customer's personnel or other service providers to perform the services. The Company concluded that the implementation services are not distinct and therefore fees for implementation services are combined with the main promise of the contract and recognized ratably over the non-cancellable term of the contract.

Software offerings are also sold to end customers through reseller partners. The Company evaluated whether it is the principal or the agent in these arrangements. The reseller partners directly contract with the end customers and are ultimately responsible for the fulfillment of the services. The Company may have some discretion in determining the fee charged to the end customer, but always in conjunction with the reseller partner. Therefore, in most reseller partner arrangements, the Company acts as an agent and performs the services as directed by and on behalf of the reseller partner and recognizes revenue on a net basis in the amount to which it expects to be entitled, excluding the revenue share earned by the reseller partner.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

Payment Revenue

Payment revenue includes (i) interchange fees earned on payment transactions processed as VCC, (ii) fees from supplier product offerings, and (iii) interest on funds held for customers.

With respect to interchange fees, the Company evaluated whether it is the principal or the agent in the arrangement. With the adoption of ASC 606, the Company determined that interchange fees are not received in return or exchange for services that the Company controls or acts as the principal, and the Company does not play any role or have control over how the interchange basis points are established. Therefore, the Company acts as an agent and records interchange fees net of i) fees charged by the VCC processor and ii) rebates provided to AvidXchange's buyer customers, reseller partners and supplier customers as an incentive to increase the volume of VCC transactions. The rebates to buyer customers are for cash consideration, which includes cash payments or credits that may be applied against trade accounts owed by the customer to the Company. The rebates to supplier customers are also for cash consideration in the form of reimbursement of processing fees related to the acceptance of payments via a VCC. The Company recognizes monthly net interchange fees based on the transactional volume issued by the VCC processor and submitted to the suppliers, less a reserve for transactions subsequently canceled.

Product offerings which address the needs of AvidXchange's fast-growing network of suppliers currently include AvidPay Direct ("APD") and Invoice Accelerator. The APD service eliminates paper checks and provides suppliers with the opportunity to receive electronic payments with enhanced remittance data. The Invoice Accelerator service expands the opportunity to manage cash flows and receive payments even faster by allowing suppliers to advance payment on qualifying invoices. Revenues are generated on a per transaction basis for each payment that is advanced and/or processed using APD. The per transaction fee includes both a fixed and a variable component based on the spend per payment. There are currently no

other monthly, annual, or start up fees associated with the supplier contract. Given that the underlying fees are based on unknown services to be performed over the contract term, the total consideration is determined to be variable. The variable consideration is usage-based and therefore, it specifically relates to the Company's efforts to satisfy its obligation to the supplier. The variability is satisfied each time a service is provided to the supplier and the variable fees are recognized at the time of service.

Payment revenue also includes interest income received from buyer customer deposits held during the payment clearing process. Such funds are deposited in either trust accounts, that are maintained and operated by a trustee, or Company owned accounts.

Services Revenue

Services revenue is derived from the sale of professional services that are distinct and are recognized at the point in time the benefit transfers to the customer.

Disaggregation of Revenue

The table below presents the Company's revenues disaggregated by type of services performed.

	2020	2019
Software revenue	$ 68,062,964	$ 50,146,554
Payment revenue	115,745,382	98,335,115
Services revenue	2,119,293	1,102,385
Total revenues	$ 185,927,639	$ 149,584,054

Contract Assets and Liabilities

The Company's rights to payments are not conditional on any factors other than the passage of time, and as such, AvidXchange does not have any Contract assets. Contract liabilities consist primarily of advance cash receipts for services (deferred revenue) and are recognized as revenue when the services are provided.

The table below presents information on accounts receivable and contract liabilities as of December 31, 2020 and 2019.

	2020	2019
Trade accounts receivable, net	$ 8,976,936	$ 7,707,154
Payment processing receivable, net	15,779,799	11,110,521
Accounts receivable, net	24,756,735	18,817,675
Contract liabilities	$ 7,969,759	$ 5,181,191

Significant changes in the contract liabilities balance during the period are as follows:

	2020	2019
Revenue recognized included in beginning of period balance	$ (4,217,412)	$ (4,001,816)
Cash received, excluding amounts recognized as revenue during the period	4,506,146	4,237,118
Contract liabilities acquired in a business combination	2,499,834	546,073

Transaction Price Allocated to Remaining Performance Obligations

Transaction price allocated to the remaining performance obligation represents contracted revenue that has not yet been recognized. These revenues are subject to future economic risks including customer cancellations, bankruptcies, regulatory changes and other market factors.

The Company applies the practical expedient in paragraph 606-10-50-14(b) and does not disclose information about remaining performance obligations related to transaction and processing services that qualify for recognition in accordance with paragraph 606-10-55-18. These contracts contain variable consideration for stand-ready performance obligations for which the exact quantity and mix of transactions to be processed are contingent upon the buyer or supplier request. These contracts also contain fixed fees and non-refundable upfront fees; however, these amounts are not considered material to total consolidated revenue.

The Company's remaining performance obligation consists of contracts with financial institutions who are using the ASCEND solution. These contracts generally have a duration of five years and contain fixed maintenance fees that are considered fixed price guarantees. Remaining performance obligation consisted of the following:

	Current	Noncurrent	Total
As of December 31, 2020	$ 12,405,900	$ 26,770,845	$ 39,176,745
As of December 31, 2019	11,159,474	28,962,039	40,121,513

Contract Costs

The Company incurs incremental costs to obtain a contract, as well as costs to fulfill a contract with buyer customers that are expected to be recovered. These costs consist primarily of sales commissions incurred if a contract is obtained, and customer implementation related costs. Capitalized sales commissions and implementation costs were approximately $12,075,000 and $10,790,000 as of December 31, 2020 and 2019, respectively.

The Company utilizes a portfolio approach when estimating the amortization of contract acquisition and fulfillment costs. These costs are amortized on a straight-line basis over the expected benefit period of five years, which was determined by taking into consideration customer attrition rates, estimated terms of customer relationships, useful lives of technology, industry peers, and other factors. The amortization of contract fulfillment costs associated with implementation activities are recorded as cost of revenues in the Company's consolidated statements of operations and was approximately $4,610,000 and $3,186,000 for the years ended December 31, 2020 and 2019, respectively. The amortization of contract acquisition costs associated with sales commissions that qualify for capitalization is recorded as sales and marketing expense in the Company's consolidated statements of operations and was approximately $4,590,000 and $2,938,000 for the years ended December 31, 2020 and 2019, respectively. Costs to obtain or fulfill a contract are classified as deferred customer origination costs in the Company's consolidated balance sheets.

4. Business Combinations

The Company accounted for the following transactions as business combinations in accordance with the provisions of ASC Topic 805, Business Combinations, and has included the financial results of each acquisition in its consolidated financial statements from the date of the acquisition.

The Company also evaluated the acquisitions quantitatively and qualitatively and determined them to be insignificant both individually and in the aggregate. Therefore, certain pro forma disclosures under ASC 805-10-50 have been omitted.

On December 30, 2020 AvidXchange acquired all of the issued and outstanding equity interest of Core Associates, the maker of TimberScan, an AP approval processing and content management software. Total purchase price was approximately $24,408,000, net of $1,836,000 of cash acquired. The Company paid approximately $19,408,000 in cash at closing, inclusive of working capital adjustments, and issued 102,016 common shares valued at $5,000,000. The fair value of the common shares was determined based on the estimated fair value at the time of the transaction. The Company incurred transaction costs associated with the acquisition of approximately $1,298,000.

In allocating the preliminary purchase price, the Company recorded the following assets acquired and liabilities assumed based on their estimated fair values at the date of the acquisition:

Current assets	
Other assets	$ 658,805
Intangible assets	
Customer relationships	3,700,000
Acquired technology	5,700,000
Trade name	2,500,000
Goodwill	14,765,621
Total identifiable assets acquired	27,324,426
Accounts payable	266,776
Accrued expenses	150,000
Deferred revenue	2,499,834
Total liabilities assumed	2,916,610
Purchase price paid, net of cash acquired	$ 24,407,816

The preliminary calculation of fair value for the acquired assets and liabilities was prepared using primarily Level 3 inputs under ASC 820, *Fair Value Measurements and Disclosures* (“ASC 820”). The Company determined the fair value of the identifiable intangible assets acquired with the assistance of third-party valuation consultants. The determination of fair value utilized the relief-from-royalty method to value the acquired technology and the trade name, and the multi-period excess earnings method to value the customer relationships. The amount recorded for acquired technology represents the estimated fair value of Core’s SaaS and on-premises software technology. The amount recorded for customer relationships represents the fair values of the underlying relationship with Core’s customers and business partners. The amount recorded for tradename represents the fair value of the brand recognition of Core and their main product TimberScan. The weighted average useful life of acquired intangibles and tradename is nine years and eleven years, respectively. The goodwill balance is primarily attributed to the assembled workforce and expanded market opportunities when integrating AvidPay with the Core platform to create a cohesive AP and payment offering. The goodwill balance is deductible for tax purposes.

On October 29, 2020, the Company completed an asset acquisition with the stockholders of Orbiion, Inc., (“Orbiion”) a California corporation, for total consideration of approximately $1,409,000, including 20,160 shares of common stock valued at approximately $988,000. The purchase price of Orbiion was primarily attributable to the acquired workforce and the expected strategic synergies and was therefore fully allocated to goodwill. The goodwill balance is deductible for tax purposes.

On October 1, 2019, the Company acquired all the equity interests of BankTEL. BankTEL provides accounting software solutions to small and mid-size banks using its ASCEND product. Total purchase price was approximately $115,348,000, net of $74,000 in cash acquired. The Company paid $105,834,000 in cash

at closing, inclusive of working capital adjustments, and issued 462,946 common shares valued at $9,514,000. The fair value of the common shares was determined based on the estimated fair value at the time of the transaction. The Company incurred transaction costs associated with the acquisition of approximately $1,168,000.

In allocating the preliminary purchase price, the Company recorded the following assets acquired and liabilities assumed based on their estimated fair values at the date of the acquisition:

Current assets	$ 2,964,779
Property and equipment	91,579
Other assets	7,642
Intangible assets	
Customer relationships	36,780,435
Acquired technology	9,070,274
Trade name	2,257,904
Goodwill	65,018,890
Total identifiable assets acquired	116,191,503
Accounts payable	93,156
Accrued expenses	204,700
Deferred revenue	546,073
Total liabilities assumed	843,929
Purchase price paid, net of cash acquired	$ 115,347,574

The preliminary calculation of fair value for the acquired assets and liabilities was prepared using primarily Level 3 inputs under ASC 820. The Company determined the fair value of the identifiable intangible assets acquired with the assistance of third-party valuation consultants. The determination of fair value utilized the relief-from-royalty method for the acquired technology and the trade name, and the multi-period excess earnings method to value the customer relationships. The amount recorded for acquired technology represents the estimated fair value of BankTEL's accounting software technology. The amount recorded for customer relationships represents the fair values of the underlying relationship with BankTEL customers. The amount recorded for tradename represents the fair value of the brand recognition of BankTEL. The weighted average useful life of acquired intangibles is 7 years. The goodwill balance is primarily attributed to the assembled workforce and expanded market opportunities when integrating AvidPay with the BankTEL platform to create a cohesive AP and payment offering. The goodwill balance is deductible for tax purposes. In the third quarter of 2020, the Company finalized the preliminary purchase price allocation, noting no material measurement period adjustments.

5. Property and Equipment

Property and equipment as of December 31, 2020 and 2019 consists of the following:

	Useful Life	2020	2019
Land	Indefinite	$ 12,666,598	$ 12,691,598
Office equipment	5 Years	2,046,273	2,043,322
Computer equipment	5 Years	13,508,764	12,641,531
Computer software	3 Years	2,946,187	2,802,787
Furniture	7 Years	7,333,664	7,310,080
Headquarters facilities	21-35 Years	68,483,780	57,447,131
Leasehold improvements	Shorter of lease term or useful life	8,682,943	8,670,476
		115,668,209	103,606,925
Less: Accumulated depreciation and amortization		(28,795,979)	(21,513,275)
Total property and equipment, net of accumulated depreciation and amortization		$ 86,872,230	$ 82,093,650

Depreciation and amortization expense charged against property and equipment for the years ended December 31, 2020 and 2019 was approximately $7,346,000 and $6,807,000, respectively. Depreciation and amortization expense associated with finance leases was approximately $3,764,000 and $3,371,000 for the years ended December 31, 2020 and 2019, respectively.

6. Intangible Assets and Goodwill

Intangible Assets

The Company capitalizes costs related to the development of both its SaaS platform and certain projects for internal use. AvidXchange capitalized approximately $11,354,000 and $7,350,000 in software development costs during the years ended December 31, 2020 and 2019, respectively. The Company recognized approximately $9,427,000 and $8,718,000 of amortization expense related to internally developed software in depreciation and amortization within the Company's consolidated statements of operations during the years ended December 31, 2020 and 2019, respectively.

The gross carrying amount and accumulated amortization of all intangible assets subject to amortization as of December 31, 2020 and 2019 is as follows:

		2020		
	Weighted Average Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Internally developed software	3 Years	$ 52,902,523	$ (36,613,653)	$ 16,288,870
Customer relationships	8 Years	51,441,504	(14,031,660)	37,409,844
Technology	5 Years	31,790,697	(17,523,059)	14,267,638
Trade name	10 Years	5,247,578	(772,007)	4,475,571
Total intangible assets		$ 141,382,302	$ (68,940,379)	$ 72,441,923

	2019			
	Weighted Average Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Internally developed software	3 Years	$ 44,080,714	$(28,727,207)	$15,353,507
Customer relationships	7 Years	47,741,503	(7,143,733)	40,597,770
Technology	5 Years	26,090,697	(14,012,300)	12,078,397
Trade name	9 Years	2,747,579	(489,156)	2,258,423
Total intangible assets		$120,660,493	$(50,372,396)	$70,288,097

Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. During 2020, management determined that two internally developed software projects were not expected to provide substantive service potential. Consequently, management recognized a write-off on intangible assets of approximately $924,000 in operating expenses during the year ended December 31, 2020.

The Company acquired Ariett Business Solutions, Inc. in November 2017 primarily for its purchase order technology (‘ReqNet’), which the Company valued at $14,361,000. Since the acquisition, management has evaluated the reliability, scalability and integration of ReqNet, and during 2019 concluded the software was not performing as expected. A decision was made to cease further development of ReqNet and phase it out by the end of 2021 and as a result, the original useful life of 10 years would be shortened to two years, ending December 2021. Management performed a recoverability test utilizing the income valuation approach and estimated the excess carrying amount of the Ariett technology over the expected future cash flows to be approximately $7,891,000. This amount has been recorded as an impairment charge within operating expenses during the year ended December 31, 2019.

Amortization expense associated with identifiable intangible assets of approximately $20,168,000 and $15,532,000 for the years ended December 31, 2020 and 2019, respectively was recorded in depreciation and amortization within the Company’s consolidated statements of operations. The estimated future amortization is expected as follows:

2021	$ 19,636,731
2022	14,478,813
2023	11,858,784
2024	9,053,141
2025	6,944,655
Thereafter	10,469,799
	$ 72,441,923

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net assets acquired and is attributable to assembled workforce and expanded market opportunities when integrating the acquired entity with the Company’s existing offerings. Goodwill amounts are not amortized, but rather tested for impartment at least annually. The Company completed its annual goodwill impairment test as of October 31, 2020 and 2019 using a qualitative assessment. There was no impairment charge for the years ended December 31, 2020 and 2019.

The following table sets forth the changes in the carrying amount of the Company's goodwill.

Balance at January 1, 2019	$ 24,502,418
Acquisitions	65,018,890
Balance at December 31, 2019	89,521,308
Acquisitions	16,174,567
Balance at December 31, 2020	$ 105,695,875

7. Leases and Leasing Commitments

Fiscal 2020 Activity After Adoption of Topic 842

Effective January 1, 2020, the Company early adopted Topic 842, using the modified retrospective method. Accordingly, the presentation of the balance sheet as of December 31, 2019 and results for year ending December 31, 2019 were not adjusted to conform to the balance sheet presentation or recognition of results of operations as of, and for the year ended December 31, 2020.

The Company adopted the following practical expedients and elected the following accounting policies related to this standard update:

- The options to not reassess prior conclusions related to the identification, classification, and accounting for initial direct costs for leases that commenced prior to January 1, 2020
- Short-term lease accounting policy election allowing lessees to not recognize right-of-use assets and liabilities for leases with a term of 12 months or less, and
- The option to combine non-lease components with their related lease components for all classes of underlying assets.

The Company determines if an arrangement is a lease and the classification of the lease at inception. Due to the nature of AvidXchange's operations, the Company has two main classes of underlying leased assets – i) information technology ("IT") equipment and ii) corporate office space. IT equipment leases are classified as finance leases, whereas corporate office leases can be either operating or finance leases. Operating leases are included in operating lease right-of-use ("ROU") assets and current and noncurrent operating lease liabilities on the Company's consolidated balance sheets. Finance leases are included in property and equipment, net and current and noncurrent maturities of finance lease obligations on the Company's consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and the corresponding lease liabilities represent its obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The lease ROU asset is reduced for tenant incentives and excludes any initial direct costs incurred. The Company's lease terms may include options to extend or terminate the lease. These options are reflected in the ROU asset and lease liability when it is reasonably certain that the Company will exercise the option. The Company reassesses the lease term if and when a significant event or change in circumstances occurs within the control of the Company, such as construction of significant leasehold improvements that are expected to have economic value when the option becomes exercisable.

In the calculation of the present value of the future minimum lease payments, AvidXchange uses either the implicit rate in the lease or the Company's incremental borrowing rate. Practice has shown that an implicit

rate is only determinable in the finance leases of IT equipment where the current price is readily available. For all office leases, the Company determines the net present value of future minimum lease payments using its incremental borrowing rate at the commencement date of the lease. AvidXchange's incremental borrowing rate is estimated based on the Company's credit rating, the yield curve for the respective lease terms, and the prevailing market rates for collateralized debt in a similar economic environment. The same process is followed for any new leases at their commencement dates or modifications to existing leases that require remeasurement.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease. Amortization expense of the ROU asset for finance leases is recognized on a straight-line basis over the shorter of the estimated useful lives of the assets or, in the instance where title does not transfer at the end of the lease term, the lease term.

Gross assets acquired under finance leases, inclusive of those where title transfers at the end of the lease, are recorded in property and equipment, net and were $85,137,000 as of December 31, 2020. The gross assets are inclusive of a classification change of one of the Company's Music Factory office locations from operating to finance lease due to a significant leasehold improvement commitment that triggered a change in the lease term. The classification change resulted in a recognition of a finance lease asset of approximately $11,037,000 and a liability of approximately $12,249,000 as of January 1, 2020. Accumulated amortization associated with finance leases was $15,476,000 as of December 31, 2020.

The components of lease expense for the year ended December 31, 2020 were as follows:

Lease cost	
Finance lease cost	
Amortization of right-of-use assets	$ 3,763,903
Interest on lease liabilities	8,103,977
Operating lease expense	1,220,761
Short-term lease cost	619,987
Variable lease cost	280,058
Sublease income	(249,271)
Total lease cost	$ 13,739,415

Other information related to leases for the year ended December 31, 2020 was as follows:

Weighted average remaining lease term	
Corporate offices operating leases	5 years
Corporate offices finance leases	29 years
IT equipment finance leases	2 years
Weighted average discount rate	
Corporate offices operating leases	11.1%
Corporate offices finance leases	11.2%
IT equipment finance leases	7.8%

As of December 31, 2020, the maturities of lease liabilities under non-cancelable operating and finance leases were as follows:

	Operating Leases	Finance Leases
2021	$ 1,620,760	$ 8,468,751
2022	1,207,100	8,059,189
2023	1,171,804	7,748,295
2024	1,151,109	7,721,306
2025	892,427	7,874,832
Thereafter	255,234	241,936,349
Total minimum lease payments	6,298,434	281,808,722
Less: Imputed interest	(1,402,007)	(207,578,250)
Net lease obligation	$ 4,896,427	$ 74,230,472

Fiscal 2019 Activity Before Adoption of Topic 842

The Company leases office facilities and certain fixed assets under various noncancelable operating leases. Rental expense for operating leases was approximately $3,978,000 for the year ended December 31, 2019.

As of December 31, 2019, the future minimum lease payments under noncancelable operating leases are as follows:

2020	$ 4,327,901
2021	3,578,410
2022	2,862,378
2023	2,922,527
2024	2,936,847
Thereafter	12,257,464
	$ 28,885,527

Included in property and equipment are assets acquired under capital lease obligations. At lease inception, the Company determines the lease term by assuming the exercise of those renewal options that are reasonably assured. The gross amount of property and equipment recorded under capital leases and financing obligations as of December 31, 2019 was approximately $73,593,000, of which approximately $57,447,000 relates to the Company's Charlotte headquarter facility. Accumulated depreciation on property and equipment under capital leases as of December 31, 2019 was approximately $11,714,000. The lease obligations on property and equipment are for one-year to five-year terms, except for the Charlotte headquarters facility lease. The initial term of the Charlotte headquarters facility lease is fifteen years with four five-year reasonably assured renewal options, for a total lease period of thirty-five years. The Company presents current and long-term capital lease obligations separately within liabilities in the consolidated balance sheet as of December 31, 2019.

The following is a schedule of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2019:

2020	$ 6,963,692
2021	6,557,882
2022	6,152,945
2023	5,923,557
2024	5,935,569
Thereafter	215,951,861
Total minimum lease payments	247,485,506
Less: Amount representing interest	(185,345,358)
Net lease obligation under capital leases	$ 62,140,148

8. Long-Term Debt

Long-term debt as of December 31, 2020 and 2019 consists of the following:

	2020	2019
Term loan facility	$ 95,000,000	$ 95,000,000
Interest payable delayed draw term loan	5,552,303	1,080,625
Promissory note payable for land acquisition	3,000,000	4,000,000
Total principal due	103,552,303	100,080,625
Current portion of promissory note	(1,000,000)	(1,000,000)
Unamortized portion of debt issuance costs	(4,106,008)	(5,194,358)
Long term debt	$ 98,446,295	$ 93,886,267

On October 1, 2019, the Company entered into a senior secured credit facility (“2019 Credit Agreement” or “2019 Facility”) with Sixth Street Specialty Lending, Inc. (“Sixth Street”) and KeyBank National Association (“KeyBank”). The 2019 Credit Agreement makes available to the Company a facility in an aggregate amount of $163,500,000 which consists of:

- $95,000,000 term loan facility (“2019 Term Loans”)
- $30,000,000 additional delayed draw term loan commitment (“DDTL”)
- $18,500,000 interest payable delayed draw term loan commitment (“Interest DDTL”)
- $20,000,000 revolving commitment (“2019 Revolver”)

Proceeds from the 2019 Credit Agreement were used to pay the outstanding principal related to the credit agreement dated October 19, 2016, as amended and restated (the “Old Credit Agreement”), and for working capital. In accordance with ASC 470-50, Modifications and Extinguishments, the Company recognized a debt modification expense of approximately $1,577,000 in 2019. The Company includes debt modification expense within general and administrative expenses in the consolidated statements of operations.

The 2019 Facility, like the Old Credit Agreement, is collateralized by substantially all assets of the Company except for bank accounts that hold customer funds or are used to administer self-funded employee benefit plans and other limited exceptions.

Interest on the loans under the 2019 Credit Agreement is equal to LIBOR or a base rate, plus a margin. The applicable margin will be 9% for the first three years, and after the third anniversary will be 7.5% or 8% depending on whether the cash burn rate is greater than or less than negative $2,500,000. The base rate is equal to the higher of the current prime rate, federal funds effective rate plus 0.5%, or 4%. The Company may elect an interest period of up to three months in connection with a LIBOR rate loan. Per the terms of the 2019 Credit Agreement, the unavailability or replacement of LIBOR would result in the use of a similar measure based upon a calculated average of borrowing rates offered by major banks in the London interbank as determined by Sixth Street. As such, management does not believe that the unavailability of LIBOR will have any material impact on our borrowing costs.

From October 1, 2019 through the third anniversary date of the 2019 Credit Agreement, the Company may, on a quarterly basis, borrow under the Interest DDTL to finance up to 4.5% of the interest due on the 2019 Term Loans. During 2020, the Company borrowed an additional $4,472,000 under the Interest DDTL at rates ranging from 10.0% to 10.5% and during 2019, the Company borrowed $1,081,000 at a rate of 11.0%.

The Company also has available additional DDTL which may be made in minimum increments of $5,000,000, and multiples of $500,000 in excess of that amount, up to $30,000,000. The Company is required to pay a commitment fee of 0.5% per annum based on the unused commitment under the additional DDTL. The DDTL commitment terminates on the earlier of October 1, 2021 or in the event of a default.

The maturity date for the 2019 Term Loans and Interest DDTL is April 1, 2024, or the date any series of preferred stock becomes eligible to be redeemed or otherwise repurchased.

Revolving Credit Facility

Borrowing increments on the 2019 Revolver start at $500,000, and multiples of $100,000 in excess of that amount. There is no balance outstanding under the facility as of December 31, 2020 or December 31, 2019. The Company is required to pay a commitment fee of 0.5% per annum with respect to the unused commitment under the 2019 Revolver. The maturity date for the 2019 Revolver is October 1, 2023.

Old Credit Agreement

The outstanding term loan balance of $70,784,000 as of December 31, 2018 (“Old Term Loans”) was paid in full on October 1, 2019. The Old Term Loans had a maturity date of August 7, 2020, and interest rate at LIBOR with a floor of 1.00%, plus an applicable margin ranging from 7.50% to 9.5% (11.88% as of December 31, 2018). The $30,000,000 revolving credit facility (“Old Revolver”) had an interest rate at prime plus an applicable margin, and $0 outstanding balance as of December 31, 2018. The Old Revolver renewed annually and had June 30, 2019 maturity date which was extended until the Company entered in to the 2019 Credit Agreement.

Deferred Financing Costs

The Company has approximately $258,000 and $352,000 in deferred financing costs associated with its 2019 Revolving Credit Facility and approximately $4,106,000 and $5,194,000 of deferred financing costs associated with 2019 Term Loan, DDTL, and Interest DDTL recorded net of long-term debt as of December 31, 2020 and 2019, respectively.

Amortization of deferred financing costs amounted to approximately $1,182,000 and $1,184,000 for the years ended December 31, 2020 and 2019, which is presented in the consolidated statements of operations as interest expense.

Liquidity and Financial Covenants

The Company's 2019 Credit Agreement contains certain covenants and restrictions on actions by the Company, including limitations on the payment of dividends. In addition, the 2019 Credit Agreement requires that the Company comply monthly with specified ratios, including a maximum ratio of debt to recurring revenue and a minimum cash balance requirement. The Company is in compliance with its financial debt covenants as of December 31, 2020.

Land Promissory Note

On November 15, 2018, the Company signed a promissory note in connection with the purchase of two land parcels adjacent to its Charlotte, North Carolina headquarters campus. The principal amount of $5,000,000 will be repaid in $1,000,000 installments, plus accrued interest at a rate of 6.75%, due on each anniversary date, with final payment due on November 15, 2023. The note is collateralized by the land parcels and any future building to be situated on, or improvements to, the land.

Aggregate future maturities of long-term debt for the next five years and thereafter (including current portion) as of December 31, 2020 are as follows:

2021	$ 1,000,000
2022	1,000,000
2023	1,000,000
2024	100,552,303
2025	—
Thereafter	—
Total	$ 103,552,303

9. Preferred Stock

The Company's preferred stock, which is classified as mezzanine equity in the consolidated balance sheets as of December 31, 2020 and 2019, is as follows:

	As of December 31, 2020			
	Shares Authorized	Shares Issued and Outstanding	Liquidation Preference	Carrying Value
Series A	2,000,000	625,547	$ 440,098	$ 440,098
Series B	5,000,000	1,622,366	851,316	851,316
Series C	4,200,000	1,004,770	851,362	851,362
Series D	1,500,000	1,360,447	9,278,248	9,278,248
Series E	9,800,000	9,250,303	172,379,820	167,647,957
Series F	14,500,000	13,405,900	530,953,102	508,109,009
Junior Series 1	400,000	90,497	1,087,774	1,087,774
Senior Preferred	2,722,166	2,722,166	169,000,000	144,359,033
Redeemable Preferred	350,000	—	—	—
	40,472,166	30,081,996	$ 884,841,720	$ 832,624,797

	As of December 31, 2019			
	Shares Authorized	Shares Issued and Outstanding	Liquidation Preference	Carrying Value
Series A	2,000,000	669,690	$ 446,136	446,136
Series B	5,000,000	2,140,694	1,123,133	1,123,133
Series C	4,200,000	1,126,434	966,947	966,947
Series D	1,500,000	1,445,903	9,861,058	9,861,058
Series E	9,800,000	9,287,774	173,052,799	167,540,454
Series F	14,500,000	11,365,584	430,953,134	410,833,386
Junior Series 1	400,000	249,616	3,000,384	3,000,384
Senior Preferred	2,722,166	2,722,166	169,000,000	127,063,655
Redeemable Preferred	350,000	—	—	—
	40,472,166	29,007,861	$ 788,403,592	$ 720,835,153

Share Authorization

On October 1, 2019, the Company amended and restated its certificate of incorporation with Delaware, which included an increase in the Company's authorized shares of preferred stock, $0.001 par value per share, from 37,400,000 to 40,472,166, and authorized the issuance of two new series of non-voting preferred stock, Senior preferred and Redeemable preferred. The Company's certificate of incorporation provides that the Company is authorized from time to time to designate by resolution one or more series of preferred stock in addition to the Series A preferred, Series B preferred, Series C preferred, Series D preferred, Series E preferred, Series F preferred, Junior Series 1 preferred, Senior preferred and Redeemable preferred stocks that are designated in the certificate of incorporation, subject to certain limitations and required approvals as set forth therein.

Senior Preferred Stock and Redeemable Preferred Stock

The Senior preferred stock is convertible into Redeemable preferred stock and Convertible common stock. The shares are entitled to cumulative 12% annual dividends payable if and when declared by the Board of Directors. There are no voting rights, and the Senior preferred shares are senior to all other classes of preferred and common stock. The Senior preferred liquidation preference is the greater of the original issuance price plus accrued and unpaid dividends or 1.3 times the original issuance price. The shares are transferable, subject to limited exceptions, and may be converted into Redeemable preferred and Convertible common shares upon written election of the majority of Senior preferred shareholders or the Company. In addition, the Senior preferred shares automatically convert upon the closing of certain public offerings and events.

The Redeemable preferred shares are entitled to cumulative 12% annual dividends payable if and when declared by the Board of Directors. There are no voting rights, and the Redeemable preferred shares (like the Senior preferred shares) are senior to all other classes of preferred and common stock. The shares are transferable, subject to limited exceptions, and may be redeemed for cash upon written request by a majority of Redeemable preferred shareholders or by the Company, at any time, at the greater of 1.3 times the original issuance price or the original issuance price plus accrued and unpaid dividends.

Conversion, Redemption and Other Rights

Each share of each series of preferred stock (except for the senior preferred stock and the redeemable preferred stock) is entitled to the number of votes equal to the number of shares of common stock into

which each share is convertible on the record date for any vote except for the Junior Series 1 preferred stock which is entitled to the number of votes equal to 1/10 the number of shares of common stock into which such series share is convertible. The Series E and Series F preferred stock also have approval rights over certain Company transactions including certain significant mergers and acquisitions, payment of dividends, issuance of indebtedness and related party transactions, among others. Certain series of preferred stock have preemptive rights to participate in future offerings of securities by the Company, subject to certain exceptions.

Each series of preferred stock has certain redemption rights that require the Company, upon notice from a holder, which may be delivered at any time after October 1, 2026, or October 1, 2025 in the case of the Senior preferred and Redeemable preferred, to redeem for cash the holder's shares at a designated price, less dividends and distributions. The Company has the right to redeem the shares in part over specified periods of time, not to exceed 18 months, depending on the series of preferred stock. The total redemption amount under such preferred stock agreements is approximately $884,842,000 and $788,404,000 as of December 31, 2020 and 2019, respectively.

No dividends or other distributions may be made on the common stock unless the same dividend or distribution is also made to all the series of preferred stock on an as-converted basis. All shares of preferred stock may be converted into shares of common stock on a one-for-one basis, subject to adjustment upon certain events, except for the shares of Series A preferred stock which are convertible into common stock at a conversion rate of 1.6806. Upon conversion, the Series A shareholder is entitled to receive a cash payment as a result of a conversion into fractional common shares. Each series of preferred stock has a liquidation preference over the common stock and a relative preference among the preferred, with the Senior preferred (or, if the Senior preferred shares have been converted, the Redeemable preferred) having the highest preference and the Junior Series 1 preferred stock having the lowest preference, with the Series B and Series C having a pari passu preference to each other.

2020 Issuances and Redemptions

On April 6, 2020, the Company issued 2,040,316 shares of Series F convertible stock at a per share price of $49.01, for gross proceeds of approximately $100,000,000, less expenses of approximately $6,368,000.

On October 20, 2020, the Company redeemed the following preferred shares at a price per common share equivalent of $45.57, for total consideration of approximately $45,397,000:

	Shares	Redemption Price
Series A Preferred Stock	44,143	$ 3,379,972
Series B Preferred Stock	518,328	23,620,207
Series C Preferred Stock	121,664	5,544,228
Series D Preferred Stock	85,456	3,894,230
Series E Preferred Stock	37,471	1,707,553
Junior Series-1 Preferred Stock	159,119	7,251,053
Total	966,181	$ 45,397,243

2019 Issuances and Redemptions

In December 2019, the Company issued 2,652,412 shares of Series F preferred stock at a price per share of $49.01 for aggregate consideration of approximately $130,000,000, less expenses incurred of approximately $7,926,000.

In October 2019, the Company issued 2,722,166 shares of Senior preferred stock at a price per share of $47.76 for aggregate consideration of approximately $129,997,000, less expenses of approximately $4,823,000. The Convertible common stock liability had a fair market value of $2,162,000. Prior to the Senior preferred transaction, the Company redeemed 278,371 of its Series E preferred shares from the same investor at a price per share of $40.18. In October 2020, the redemption price was increased to $45.57 to reflect the higher per share price the Company paid to shareholders pursuant to the 2020 redemption. The total premium paid to this investor was approximately $8,036,000, of which $1,543,000 was paid in 2020 and $6,494,000 in 2019.

10. Shareholders' Equity and Convertible Common Stock Liability

The Company presents its Common stock within shareholders' equity and its Convertible common stock separately as a liability.

Share Authorization

On October 1, 2019, the Company amended and restated its certificate of incorporation with the State of Delaware, which included an increase in the Company's number of authorized shares of all classes of common stock, $0.001 par value per share, from 54,300,000 to 60,000,000, and authorized the issuance of 750,000 shares of Convertible common stock.

Convertible Common Stock Liability

The Convertible common shares are entitled to dividends pari passu with Common shareholders on an "if-converted" basis. Shares may be redeemed for cash or converted into Common shares. Cash redemption may occur at the option of the shareholders, on or after six years from the date of purchase, upon the occurrence of a significant event such as the sale of the Company or an initial public offering. The Company may redeem the shares for cash upon the occurrence of a significant transaction. Convertible common shares are convertible into common stock at the election of the holder for the 15-year period ending on October 1, 2034. The Convertible common shares will also automatically convert upon a liquidation or sale of the Company or an initial public offering.

The cash proceeds received upon redemption, or the number of Common shares received upon conversion, is based upon a formula whereby the holder of the instrument will receive value commensurate with the increase, if any, in value of the Company's Common stock from the date of redemption or conversion over a contractually determined base price per Common share of $47.76.

The Convertible common stock has been accounted for as a derivative liability and is recorded at its fair market value within other long-term liabilities on the balance sheet. The value of the convertible common stock liability was determined to be $10,254,000 and $2,717,000 as of December 31, 2020 and 2019, respectively. Adjustments to the fair market value are recorded through earnings and $7,537,000 and $555,000 has been included in the statement of operations for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, no shares of Convertible common stock are outstanding as such shares will only be issued upon conversion of the senior preferred stock.

2020 Issuances and Repurchases

During the year ended December 31, 2020, the Company issued 4,772,505 shares of common stock at a weighted average price per share of $47.83. The common shares issued included 102,016 shares in connection with the acquisition of Core and 20,160 shares in connection with the acquisition of Orbiion. In addition, 4,497,005 shares were issued to investors for gross proceeds of approximately $220,407,000, less expenses of approximately $14,186,000. The proceeds were used for general corporate purposes and to fund the redemption of common stock and preferred stock discussed below. The remaining issuances were the result of employees exercising vested stock option grants.

On October 20, 2020, the Company repurchased 3,250,655 common shares at a price per share of $45.57 and 11,805 outstanding vested stock options at a price per share equal to the difference between $45.57 and the exercise price of the award. The excess paid in the repurchase over the aggregate par value was recorded as a decrease of Common Stock Additional Paid-in Capital and an increase of Accumulated deficit of $1,583,000 and $147,214,000, respectively.

2019 Issuances and Repurchases

During the year ended December 31, 2019, the Company issued 574,294 shares of common stock at a weighted average price per share of $17.83. The Company issued 462,946 shares in connection with the BankTEL acquisition, and the remaining issuances were the result of employees exercising vested stock option grants.

During June 2019, the Company repurchased 7,038 common shares from an individual shareholder for consideration of approximately $236,000. The estimated fair value of the shares at the time of the transaction was allocated between Common Stock Additional Paid-in Capital and Accumulated Deficit. The amount in excess of the estimated fair value of common stock was recorded as stock compensation expense within general and administrative expense in the consolidated statement of operations for year ended December 31, 2019.

11. Stock-Based Compensation

The Company amended and restated its equity incentive plan effective June 25, 2020 (the “2020 Plan”). The 2020 Plan authorized the use of restricted stock units (“RSUs”) in addition to previously authorized grants of stock options. As of the effective date, no new option awards are to be made under prior equity incentive plans. On February 18, 2021, the 2020 Plan was amended to increase the number of shares authorized to 2,502,017, which was comprised of a 1,600,000 expansion of shares authorized and 902,017 shares that were remaining under the Company’s prior equity incentive plan.

Stock options granted under these plans have various vesting periods ranging from fully-vested on the date of grant or vesting over a period of three or four years. The term for each incentive stock option under these plans is ten years from the grant date, or five years for a grant to a ten percent owner optionee, in each case assuming continued employment. RSUs granted under the 2020 Plan have a vesting period of four years and a term of seven years, or three years for time vested RSUs after termination of employment. Any unvested RSUs are forfeited upon termination of employment. The RSUs are also subject to a performance condition upon a predefined liquidity event such as an initial public offering or a change in control.

The following table summarizes the Company's stock option activity:

	As of December 31, 2020			
	Number of Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at beginning of year	1,129,395	$ 12.32	7.64	$ 9,186,553
Granted	214,625	41.66		
Exercised	(153,322)	12.24		
Forfeited	(136,968)	13.75		
Expired	(1,555)	0.09		
Outstanding at end of year	1,052,175	$ 18.12	7.20	$31,851,619
Vested and excercisable at end of year	557,687	$ 11.18	5.90	$20,751,177
Vested and expected to vest at end of year	1,028,943	$ 17.84	7.16	$31,430,952

	As of December 31, 2019			
	Number of Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at beginning of year	813,408	$ 9.69	7.38	$4,369,738
Granted	512,022	15.32		
Exercised	(111,348)	6.50		
Forfeited	(84,687)	12.88		
Expired	—	0.00		
Outstanding at end of year	1,129,395	$ 12.32	7.64	$9,186,553
Vested and excercisable at end of year	481,694	$ 9.22	6.07	$5,513,173
Vested and expected to vest at end of year	1,072,349	$ 12.24	7.60	$9,037,862

The weighted-average grant date fair value of options granted during the years ended December 31, 2020 and 2019 was $17.29 and $5.98 per share, respectively and the fair value of shares vested during the years ended December 31, 2020 and 2019 was $1,519,000 and $1,040,000, respectively. The total cash received from exercises of share options during the years ended December 31, 2020 and 2019 was $1,877,000 and $595,000, respectively. The Company provides a full valuation allowance against its net deferred tax asset and therefore did not recognize a tax benefit for stock option exercises in either of the years presented. The total intrinsic value of options exercised during the years ended December 31, 2020 and 2019 was $3,685,000 and $1,049,000, respectively. The intrinsic value was calculated as the difference between the estimated fair value of the Company's common stock at exercise and the exercise price of the in-the-money options.

The fair value of stock-based awards granted is estimated on the date of grant using the Black-Scholes option-pricing model based on the following assumptions for the years ended December 31, 2020 and 2019:

	2020	2019
Estimated dividend yield	0%	0%
Expected volatility	44.67% - 45.35%	34.82% - 37.79%
Risk-free interest rate	0.27% - 0.40%	1.50% - 2.41%
Expected term in years	5.76	5.93

Due to limited historical data, the Company estimates stock price volatility based on the actual historical volatility of comparable publicly traded companies over the expected life of the option. The expected term represents the average time that options that vest are expected to be outstanding. The Company does not have sufficient history of exercises of stock options to estimate the expected term and thus calculates expected life based on the mid-point between the vesting date and the contractual term, which is in accordance with the simplified method. The expected term for share-based compensation granted to nonemployees is the contractual life. The risk-free rate is based on the U.S. Treasury yield curve during the expected life of the option. The Company has never paid dividends on its common stock and has no plans to pay dividends on its common stock. Therefore, the Company used an expected dividend yield of zero.

In 2020, the Company began issuing RSUs to employees under the 2020 Plan. A summary of RSUs activity during the year ended December 31, 2020 is presented below:

	2020	
	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at beginning of year	—	$ 41.66
Granted	228,537	41.66
Forfeited	—	0.00
Cancelled	—	0.00
Outstanding at end of year	228,537	$ 41.66

RSUs are valued at the estimated value of a common share as of the date of the grant date.

The Company recognized stock-based compensation, reduced for actual forfeitures, of approximately $1,630,000 and $1,379,000 during the years ended December 31, 2020 and 2019, respectively in the consolidated statements of operations for stock options. As of December 31, 2020, there was approximately $4,324,000 of total unrecognized compensation cost related to unvested options, which is expected to be recognized over a weighted-average period of 2.72 years, and $8,838,000 total unrecognized compensation cost related to unvested RSUs, which will be recognized over a weighted-average period of 3.31 years upon satisfaction of the performance condition.

Stock-based compensation expense from stock options and RSUs was included in the following line items in the accompanying consolidated statement of operations during the periods presented:

	2020	2019
Cost of revenues	$ 168,944	$ 113,583
Sales and marketing	394,137	353,828
Research and development	226,686	106,376
General and administrative	840,508	805,539
Total	$ 1,630,275	$ 1,379,326

12. Commitments and Contingencies

Incentive Packages

In 2014, the Company entered into grant and tax incentive agreements with state and local government agencies in North Carolina (the "2014 Incentives") for establishment of the new corporate headquarters and the expansion of its workforce. The fair value of the 2014 Incentives is estimated at $8,637,000, to be received over the next four to ten years. In order to receive the 2014 Incentives, the Company has to maintain its headquarters in Charlotte, NC, create new job positions as well as maintain a minimum number of employees within the state of North Carolina. The average estimated grant and incentive payment could be up to $900,000 annually and the incentive amount is dependent upon reaching certain hiring goals as stated in the agreement.

In March 2019, the Company signed a second incentive grant package with the state and local government agencies of North Carolina (the "2019 Incentives"). The fair value of the 2019 Incentives is estimated at $22,937,000, to be received over a twelve-year period beginning in 2020. In connection with services to be performed in the negotiation of the 2019 Incentives and subsequent compliance reporting, the Company will pay a vendor an aggregate of $3,190,000 in four annual installments beginning in 2019.

The Company recognized approximately $1,145,000 and $1,184,000 related to the 2014 Incentives and 2019 Incentives as a reduction of general and administrative expenses within the consolidated statements of operations for the years ended December 31, 2020 and 2019, respectively.

In 2017, the Company entered into a tax incentive agreement for workforce expansion and capital investment in the state of Utah. The fair value of the incentive package is estimated at $359,000. The Company has not received any payments related to the grant or recognized any benefit associated with this grant for either of the periods ending December 31, 2020 or 2019.

Letters of Credit

As of December 31, 2020, the Company has an irrevocable standby letter of credit outstanding that acts as collateral with respect to the lease of the Company's Charlotte corporate headquarters with an availability of approximately $5,953,000 for which the company pays a fee of 2% per annum. The letter of credit reduces the borrowing capacity under the 2019 Revolver. It renews annually and expires on December 1, 2023.

Naming Rights

The Company is party to a sponsorship agreement dated July 7, 2018, at its Charlotte corporate headquarters campus which provides full rights to display the Company's name and logo on signage throughout the venue. The agreement is for a three-year initial term which extends through February 28, 2022 and provides for five 3-year renewal options. Payments for the sponsorship are invoiced annually beginning March 1, 2019, and the Company paid $357,000 in each of the years ended December 31, 2020 and 2019.

13. Related Party Transactions

The Company incurred approximately $455,000 and $289,000 in software and consulting expenses to entities affiliated with the Company's CEO for the years ended December 31, 2020 and 2019, respectively.

In 2010, AvidXchange engaged Financial Technology Partners LP and its affiliates (FT Partners) on an exclusive basis to provide capital advisory and related services for a term of 50 years. FT Partners is an investment banking firm controlled by a member of the Company's board of directors and a holder of the Company's outstanding capital stock.

The Company paid approximately $19,227,000 and $15,410,000 in connection with the issuance of preferred and common stock during the years ended December 31, 2020 and 2019.

In July 2015, the Company entered into separate consulting agreements with two shareholders to receive certain marketing, business development, analytics, strategy, and support services in exchange for 176,012 common stock warrants. These warrants vest 20% on July 2016 and 10% every six months thereafter for a period of sixty months. These warrants have an exercise price of $8.16 with a fair value of $5.73 on the date of issuance. The warrants, all of which are outstanding as of December 31, 2020, expire on December 11, 2025. In connection with these consulting agreements, the Company recognized approximately $101,000 and $202,000 as general and administrative expenses within the consolidated statements of operations for the years ended December 31, 2020 and 2019, respectively.

14. Income Taxes

The Company recorded income tax expense of approximately $234,000 and $60,000 for the years ended December 31, 2020 and December 31, 2019 respectively, the components of which are presented below:

	2020	2019
Current provision		
Federal	$ —	$ —
State	53,000	—
	53,000	—
Deferred provision		
Federal	148,234	50,000
State	33,172	9,824
	181,406	59,824
Provision for (benefit from) income taxes	$ 234,406	$ 59,824

Reconciling items between the income tax expense recorded and the amount of expense that would result from applying the federal statutory tax rate of 21% to pre-tax income consisted of the following:

	2020	2019
Pre-tax book loss	$ (21,212,524)	$ (19,632,130)
State taxes (net of federal benefit)	(4,046,058)	(3,929,531)
Permanent differences	1,362,080	463,719
Change in valuation allowance	24,338,945	23,145,954
Other	(208,037)	11,812
Provision for (benefit from) income taxes	$ 234,406	$ 59,824

The tax effect of temporary differences and carryforwards, which give rise to deferred tax assets and liabilities as of December 31, 2020 and 2019, are as follows:

	2020	2019
Deferred income tax assets (liabilities)		
Assets		
Allowance for doubtful accounts	$ 733,549	$ 203,296
Accrued expenses	3,667,070	1,916,447
Net operating loss carryforwards	84,243,920	64,160,726
Intangible assets	1,485,322	1,141,983
Stock-based compensation	344,572	242,276
Debt issuance costs	159,098	250,166
Deferred revenue	1,370,610	1,306,450
Interest limitation	5,515,218	3,759,990
Transaction costs	616,789	290,710
Agreement with VCC vendor	2,723,147	—
Lease liability	19,727,785	—
Property and equipment	29,467	—
Other	205,604	943,155
Total gross deferred tax assets	120,822,151	74,215,199
Less: Valuation allowance	(96,322,490)	(71,866,943)
Net deferred tax assets	24,499,661	2,348,256
Liabilities		
Property and equipment	—	(117,666)
Section 481(a) adjustment	(1,675,708)	(2,252,447)
ASC 606 set-up and commission costs	(6,169,153)	(62,648)
Right-of-use assets	(16,920,710)	—
Total gross deferred tax liabilities	(24,765,571)	(2,432,761)
Net deferred income tax assets (liabilities)	$ (265,910)	$ (84,505)

The Company has federal net operating loss carryforwards totaling approximately $338,812,000 and $262,528,000 as of December 31, 2020 and 2019, respectively. These federal net operating loss carryforwards will expire at various dates beginning in 2021. The Company has state net operating loss carryforwards totaling approximately $314,771,000 and $258,681,000 as of December 31, 2020 and 2019, respectively. The state net operating loss carryforwards will expire at various dates beginning in 2020.

Management evaluated whether it is more likely than not they would realize the benefit of the deferred tax assets. Based on the weight of available positive and negative evidence, Management concluded a valuation allowance was necessary to offset deferred tax assets, as presented above. The valuation allowance increased by approximately $24,456,000 in 2020.

The following table presents a rollforward of the valuation allowance for the years ended December 31, 2020 and 2019:

	2020	2019
Valuation allowance beginning balance	$ 71,866,943	$ 48,720,988
Additions	24,804,548	23,158,193
Deductions	(349,001)	(12,238)
Valuation allowance ending balance	$ 96,322,490	$ 71,866,943

As required by ASC 740, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company is subject to income taxes in the U.S. federal jurisdiction and various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The Company's policy is to recognize interest and penalties accrued on uncertain tax positions as part of income tax expense. The Company evaluated its material tax positions and determined that it does not have any material uncertain tax positions requiring recognition of a liability for any of the reporting periods presented.

15. Subsequent Events

In preparing the consolidated financial statements, the Company has evaluated events and transactions for potential recognition and/or disclosure through June 4, 2021, the date that the consolidated financial statements were available to be issued.

On April 1, 2021, the Company entered into an agreement with an industrial banking entity to process VCC transactions. The initial term of the agreement is for a period of seven years and provides that the Company will process annual minimal committed spend with the banking entity. This agreement provides the Company with the ability to diversify its VCC service providers and achieve its business continuity objectives.

Agreement with Related Party

On February 19, 2021, the Company amended and restated its engagement letter with FT Partners, the investment banking firm disclosed in Note 13. The amended and restated engagement letter limits the events for which FT Partners will receive fees in the future, reduces the fees paid to FT Partners for future transactions, and eliminates the exclusivity arrangement with FT Partners. Additionally, the controlling stockholder of FT Partners left the Company's board upon the effective date of the amended engagement letter. In connection with this amendment, the Company paid FT Partners approximately $50,000,000. Concurrently, FT Partners subscribed to purchase 1,020,159 shares of Common Stock of the Company at their current fair value, and the Company and FT Partners agreed the retention of the payment by the Company satisfied the subscription.

Events Subsequent to the Original Issuance of Financial Statements (Unaudited)

Business Combination

In July 2021, the Company entered into a stock purchase agreement for all of the equity interest of FastPay, a leading provider of payments automation solutions for the media industry. This acquisition expands the Company's portfolio of automated payments technologies and services to middle market companies across the media landscape in the U.S. The Company paid consideration of approximately $81,000,000 which consisted of approximately $50,000,000 in cash and 632,484 shares of common stock of the Company with an aggregate value of approximately $31,000,000. Additional amounts may be earned upon achievement of future performance goals measured on annual performance for 2021, 2022 and 2023. The aggregate amount of potential additional payments is $9,000,000, evenly split between cash and common stock.

AvidXchange, Inc.
Unaudited Consolidated Balance Sheets

	As of June 30, 2021	As of December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 202,937,549	$ 252,458,059
Restricted funds held for customers	680,821,210	137,620,423
Accounts receivable, net of allowances of $1,794,571 and $1,769,480, respectively	26,283,400	24,756,735
Supplier advances receivable, net of allowances of $910,260 and $1,099,003, respectively	10,569,169	8,854,576
Prepaid expenses and other current assets	10,025,919	8,625,707
Total current assets	930,637,247	432,315,500
Property and equipment, net	83,997,270	86,872,230
Operating lease right-of-use assets	3,090,010	3,138,944
Deferred customer origination costs, net	25,412,062	24,123,982
Goodwill	105,695,875	105,695,875
Intangible assets, net	69,176,634	72,441,923
Other noncurrent assets and deposits	4,364,189	1,921,800
Total assets	$ 1,222,373,287	$ 726,510,254
Liabilities, Convertible Preferred Stock and Shareholders' Deficit		
Current liabilities		
Accounts payable	$ 15,960,361	$ 25,417,863
Accrued expenses	39,505,660	40,471,851
Payment service obligations	680,821,210	137,620,423
Deferred revenue	6,792,317	6,309,072
Current maturities of lease obligations under finance leases	957,405	1,091,937
Current maturities of lease obligations under operating leases	822,577	1,146,510
Current maturities of long-term debt	1,000,000	1,000,000
Total current liabilities	745,859,530	213,057,656
Long-term liabilities		
Deferred revenue, less current	1,841,562	1,660,687
Obligations under finance leases, less current maturities	73,292,025	73,138,535
Obligations under operating leases, less current maturities	3,622,006	3,749,916
Long-term debt	100,209,202	98,446,295
Other long-term liabilities	14,892,059	14,938,958
Total liabilities	939,716,384	404,992,047
Commitments and contingencies (note 12)		
Convertible preferred stock, $0.001 par value; 40,472,166 shares authorized as of June 30, 2021 and December 31, 2020; 30,081,996 shares issued and outstanding as of June 30, 2021 and December 31, 2020; and liquidation preference of $884,841,720 as of June 30, 2021 and December 31, 2020	842,029,487	832,624,796
Shareholders' deficit		
Common stock, $0.001 par value; 60,000,000 shares authorized as of June 30, 2021 and December 31, 2020; 13,650,953 shares issued and outstanding as of June 30, 2021 and 12,513,720 shares issued and outstanding as of December 31, 2020	13,650	12,513
Additional paid-in capital	204,911,424	161,153,503
Accumulated deficit	(764,297,658)	(672,272,605)
Total shareholders' deficit	(559,372,584)	(511,106,589)
Total liabilities, convertible preferred stock and shareholders' deficit	$ 1,222,373,287	$ 726,510,254

The accompanying notes are an integral part of these unaudited consolidated financial statements.

AvidXchange, Inc.
Unaudited Consolidated Statements of Operations

	Six Months Ended June 30,	
	2021	2020
Revenues	$ 113,967,825	$ 85,465,261
Cost of revenues (exclusive of depreciation and amortization expense)	45,551,519	40,666,131
Operating expenses		
Sales and marketing	28,057,903	23,516,410
Research and development	27,552,038	21,100,642
General and administrative	29,934,019	20,456,269
Impairment and write-off of intangible assets	574,318	924,292
Depreciation and amortization	14,169,820	13,779,728
Total operating expenses	100,288,098	79,777,341
Loss from operations	(31,871,792)	(34,978,211)
Other income (expense)		
Interest income	296,772	976,633
Interest expense	(10,110,571)	(9,976,728)
Change in fair value of derivative instrument	(138,211)	(6,544,540)
Charge for amending financing advisory engagement letter - related party	(50,000,033)	—
Other expenses	(59,952,043)	(15,544,635)
Loss before income taxes	(91,823,835)	(50,522,846)
Income tax expense	201,218	117,203
Net loss	$ (92,025,053)	$ (50,640,049)
Accretion of convertible preferred stock	(9,404,691)	(10,418,764)
Net loss attributable to common shareholders	$ (101,429,744)	$ (61,058,813)
Net loss per share attributable to common shareholders, basic and diluted	$ (7.61)	$ (5.38)
Weighted average number of common shares used to compute net loss per share attributable to common shareholders, basic and diluted	13,329,319	11,346,058

The accompanying notes are an integral part of these unaudited consolidated financial statements.

AvidXchange, Inc.
Unaudited Consolidated Statements of Changes in Convertible Preferred Stock and Shareholders' Deficit

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount			
Balances at December 31, 2020	30,081,996	$ 832,624,796	12,513,720	$ 12,513	$ 161,153,503	$ (672,272,605)	(511,106,589)
Issuance of common stock in connection with amended agreement—related party	—	—	1,020,159	1,020	49,999,013	—	50,000,033
Exercise of stock options and warrants	—	—	117,074	117	1,163,403	—	1,163,520
Stock-based compensation	—	—	—	—	1,952,040	—	1,952,040
Options issued in connection with bonus program	—	—	—	—	48,156	—	48,156
Accretion of convertible preferred stock	—	9,404,691	—	—	(9,404,691)	—	(9,404,691)
Net loss	—	—	—	—	—	(92,025,053)	(92,025,053)
Balances at June 30, 2021	30,081,996	$ 842,029,487	13,650,953	$ 13,650	$ 204,911,424	$ (764,297,658)	$ (559,372,584)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount			
Balances at December 31, 2019	29,007,861	$ 720,835,155	11,003,675	$ 11,003	$ 11,832,190	$ (423,625,043)	$ (411,781,850)
Exercise of stock options and warrants	—	—	93,833	94	1,090,244	—	1,090,338
Stock-based compensation	—	—	—	—	573,034	—	573,034
Vesting of warrants issued in connection with consulting services	—	—	—	—	100,855	—	100,855
Common shares issuance, net	—	—	724,506	725	33,151,821	—	33,152,546
Series F preferred issuance, net	2,040,316	93,632,264	—	—	—	—	—
Accretion of convertible preferred stock	—	10,418,764	—	—	(10,193,974)	(224,790)	(10,418,764)
Net loss	—	—	—	—	—	(50,640,049)	(50,640,049)
Balances at June 30, 2020	31,048,177	$ 824,886,183	11,822,014	$ 11,822	$ 36,554,170	$ (474,489,882)	$ (437,923,890)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

AvidXchange, Inc.
Unaudited Consolidated Statements of Cash Flows

	Six Months Ended June 30,	
	2021	2020
Cash flows from operating activities		
Net loss	$ (92,025,053)	$ (50,640,049)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amortization expense	14,169,820	13,779,728
Amortization of deferred financing costs	678,572	503,535
Provision for doubtful accounts	250,560	576,697
Stock-based compensation	1,952,040	573,034
Warrants vested in connection with consulting services	—	100,855
Accrued interest	547,995	594,908
Impairment and write-off of intangible and right-of-use assets	574,318	997,030
Loss on fixed asset disposal	—	2,898
Noncash expense on contract modification — related party	50,000,033	—
Fair value adjustment to derivative instrument	138,211	6,544,540
Deferred income taxes	107,806	90,703
Changes in operating assets and liabilities		
Accounts receivable	(1,781,619)	(1,263,181)
Prepaid expenses and other current assets	(1,400,212)	1,013,693
Other noncurrent assets	(2,489,267)	102,720
Deferred customer origination costs	(1,288,080)	(1,814,434)
Accounts payable	(9,464,916)	1,062,633
Deferred revenue	664,120	370,169
Accrued expenses and other liabilities	(1,324,518)	1,250,726
Operating lease liabilities	(402,911)	(463,348)
Total adjustments	50,931,952	24,022,906
Net cash used by operating activities	(41,093,101)	(26,617,143)
Cash flows from investing activities		
Purchases of equipment	(344,361)	(592,024)
Purchases of land	—	25,000
Purchases of intangible assets	(8,077,853)	(5,148,944)
Supplier advances, net	(1,710,199)	101,539
Net cash used by investing activities	(10,132,413)	(5,614,429)
Cash flows from financing activities		
Proceeds from the issuance of long-term debt	1,131,213	2,198,266
Principal payments on finance leases	(589,729)	(900,934)
Proceeds from issuance of preferred and common stock	1,163,520	136,602,319
Transaction costs related to issuance of stock	—	(592,000)
Transaction costs related to issuance of stock — related party	—	(8,132,646)
Payment service obligations	543,200,787	22,293,198
Net cash provided by financing activities	544,905,791	151,468,203
Net increase in cash, cash equivalents, and restricted funds held for customers	493,680,277	119,236,631
Cash, cash equivalents, and restricted funds held for customers		
Cash, cash equivalents, and restricted funds held for customers, beginning of year	390,078,482	276,973,031
Cash, cash equivalents, and restricted funds held for customers, end of period	$ 883,758,759	$ 396,209,662
Supplementary information of noncash investing and financing activities		
Right-of-use assets obtained in exchange for new finance lease obligations	$ 174,262	$ 299,027
Right-of-use assets obtained in exchange for new operating lease obligations	316,108	—
Property and equipment purchases in accounts payable and accrued expenses	7,414	—
Interest paid on finance leases	3,684,940	3,518,140
Options issued in connection with bonus compensation	48,156	—
Interest paid on notes payable	5,199,069	5,360,147

The accompanying notes are an integral part of these unaudited consolidated financial statements.

AvidXchange, Inc.
Notes to the Unaudited Consolidated Financial Statements

1. Formation and Business of the Company

The Company

AvidXchange, Inc. was incorporated in the state of Delaware in 2000. In July 2021, the Company consummated a reorganization by interposing a holding company between AvidXchange, Inc. and its stockholders. After the reorganization, all of the stockholders of AvidXchange, Inc. became stockholders of AvidXchange Holdings, Inc. and AvidXchange, Inc. became a wholly owned subsidiary of AvidXchange Holdings, Inc. To accomplish the reorganization, the Company formed AvidXchange Holdings, Inc., which was incorporated in Delaware on January 27, 2021, and AvidXchange Merger Sub, Inc. ("Merger Sub") as a wholly owned subsidiary of AvidXchange Holdings, Inc. The Company merged AvidXchange, Inc. with and into Merger Sub, with AvidXchange, Inc. as the surviving entity, by issuing identical shares of stock of AvidXchange Holdings, Inc. to the stockholders of AvidXchange, Inc. in exchange for their equity interest in AvidXchange, Inc.

The merger was considered a transaction between entities under common control. Upon the effective date of the reorganization, July 9, 2021, AvidXchange Holdings, Inc. will recognize the assets and liabilities of AvidXchange, Inc. at their carrying values within its financial statements.

AvidXchange, Inc. and its wholly owned subsidiaries are collectively referred to as "AvidXchange" or "the Company" in the accompanying consolidated financial statements after the reorganization.

AvidXchange provides accounts payable ("AP") automation software and payment solutions for middle market businesses and their suppliers. The Company's cloud-based, software and payment platform digitizes and automates the AP workflow for middle market businesses (AvidXchange's "buyer" customers), and their service providers and vendors (AvidXchange's "supplier" customers). The Company provides solutions and services throughout North America spanning multiple industries including real estate, homeowners associations ("HOA"), construction, financial services (including banks and credit unions), healthcare facilities, social services, education, and media.

AvidXchange's software solutions are delivered primarily through a software-as-a-service ("SaaS") platform that connects buyer customers using the Company's AP automation products with a network of their vendors, including supplier customers that have enrolled in AvidXchange's electronic payments network (the "AvidPay Network"). This platform provides a multitude of solutions including electronic invoice capture, intelligent workflow routing, and automated payments, which can provide AvidXchange's buyer and supplier customers with reduced costs, improved productivity, and reduction of paper from the traditional AP and payment processes.

The Company markets its solutions to buyers through both a direct salesforce and indirectly through strategic channel partnerships with banks and financial institutions as well as software and technology business partners. AvidXchange attracts buyer customers to the AvidPay Network through establishing a simple, easy-to-use network that helps integrate various buyers through a standard invoice and pay network. Supplier customers are selected to join the AvidPay Network by their buyer clients.

AvidXchange has completed strategic acquisitions that have expanded the customer relationships available to subscribe to its payment services solutions and gain access to new markets. The operating activities of the legal entities acquired are fully interdependent and integrated with the AvidXchange operations. The Company views its operations and manages its business as one segment and one reporting unit.

AvidXchange, Inc.
Notes to the Unaudited Consolidated Financial Statements

In December 2020, AvidXchange acquired Core Associates Holdings, LLC ("Core"), the maker of TimberScan, an AP approval processing and content management software that has enabled the Company to further expand into the construction sector.

2. Summary of Significant Accounting Policies

Basis of Consolidation and Presentation

The accompanying unaudited consolidated financial statements include the accounts of the Company and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. The unaudited consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all normal and recurring adjustments that are, in the opinion of management, necessary for a fair statement of the Company's financial position, results of operations, changes in convertible preferred stock and shareholders' deficit, and cash flows for the periods presented. The results of operations for the six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or for any other future annual or interim period. The unaudited consolidated balance sheet as of December 31, 2020 included herein was derived from the audited financial statements as of that date, but does not include all disclosures including certain notes required by U.S. GAAP on an annual reporting basis. All significant intercompany accounts and transactions have been eliminated.

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included elsewhere in this prospectus.

Presentation of Convertible Preferred Stock

The Company's Convertible Preferred Stock is classified as mezzanine equity in the accompanying balance sheets separate from all other stockholders' equity accounts that are classified as permanent equity (e.g., common stock and accumulated deficit). The purpose of this classification is to convey that such securities may not be permanently part of equity and could result in a demand for cash or other assets of the entity in the future based on passage of time or upon the occurrence of certain events outside of the Company's control.

The Company's Convertible Preferred Stock is initially recorded at its original issuance price, net of issuance costs. The Company accreted the carrying amount of the convertible preferred stock using the interest method until January 2021 when it became probable that the instrument would become redeemable, except for Senior Preferred Stock which the Company continues to accrete. These increases are recorded as charges against retained earnings, if any. In the absence of retained earnings, the amounts are recorded against the available balance of additional paid-in capital that has been generated from cash transactions until reduced to zero and any additional amounts are charged to accumulated deficit. Changes in the redemption value or the redemption date are considered to be changes in accounting estimates.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic continues to adversely affect commercial activity and has contributed to significant volatility in the financial markets. The Company experienced some revenue declines in fiscal 2020 related to COVID-19 due to a reduction in spending and closures or slowdowns of certain of its existing buyer customer businesses. Certain of the industries serviced by the Company felt greater impact than others, with some buyers hesitant to start new implementation projects. However, no material changes

have occurred in implementation timelines. The pandemic has at the same time accelerated the usage of payment automation technologies such as the one offered by AvidXchange and has favorably impacted new customer acquisition. While the Company expects that the COVID-19 pandemic will continue to have an adverse effect on revenues and earnings in 2021, Management expects a steady and progressive economic recovery throughout the year.

The impact of COVID-19 might remain prevalent for a significant period of time and might continue to adversely affect the Company's results of operations, financial condition and cash flows even after the COVID-19 pandemic has subsided. The full effects of the COVID-19 pandemic will depend on future developments, which are highly uncertain. Such developments include, but are not limited to, the ultimate severity, scope and duration of the pandemic and the preventative measures implemented to help limit the spread of the illness, the availability and effectiveness of treatments or vaccines and how soon and to what extent normal economic conditions, operations and demand for the Company's services can resume.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities as of and during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. Significant estimates reflected in these consolidated financial statements include, but are not limited to, the allowance for doubtful accounts, useful lives assigned to fixed and intangible assets, capitalization of internal-use software, deferral of implementation costs, the fair value of intangible assets acquired in a business combination, the fair value of goodwill, the recoverability of deferred income taxes, the fair value of common stock, and the fair value of the convertible common stock liability (or the "derivative instrument.") The Company assesses estimates on an ongoing basis; however, actual results could materially differ from those estimates.

Concentrations

Significant Services

A substantial portion of the Company's revenue is derived from interchange fees earned on payment transactions processed as virtual commercial cards ("VCC"). For both the six months ended June 30, 2021 and 2020, interchange fee revenues from a single service provider represented approximately 49% of total revenues. As of June 30, 2021 and December 31, 2020, 60% and 62% of accounts receivable, net, is comprised of amounts due from this service provider, respectively.

Future regulation or changes by the card brand payment networks could have a substantial impact on the Company's revenue from VCC transactions. If interchange rates decline, whether due to actions by the card brand payment networks, merchant/suppliers availing themselves of lower rates, or future regulation, the Company's total operating revenues, operating results, prospects for future growth and overall business could be materially affected.

Restricted Funds Held for Customers and Payment Service Obligations

Restricted funds held for customers and the corresponding liability of payment service obligations represent funds that are collected from customers for payments to their suppliers. The Company is registered as a money services business ("MSB") with the Financial Crimes Enforcement Network ("FinCEN"). Payment service obligations are comprised of $662,692,000 of outstanding daily transaction liabilities per state

regulatory Average Daily Transaction Liability ("ADTL") report requirements and $18,129,000 of other unregulated settlements with payees, which do not constitute a regulatory liability event under reporting requirements.

The Company currently operates two models for the transmission of buyer customer funds. Under its legacy model, buyer customer funds are held in trust accounts that are maintained and operated by a trustee pending distribution. After customers' funds are deposited in a trust account, the Company initiates payment transactions through external payment networks whereby the customers' funds are distributed from the trust to the appropriate supplier. The Company is not the trustee or beneficiary of the trusts which hold these customer deposits; accordingly, the Company does not record these assets and offsetting liability on its consolidated balance sheets. The Company contractually earns interest on funds held for customers with associated counterparties. The amount of customer funds held in trust accounts was approximately $64,160,000 and $723,084,000 as of June 30, 2021 and December 31, 2020 respectively.

The Company has also obtained a money transmitter license in all states which require licensure. This model enables AvidXchange to provide commercial payment services to businesses through its "for the benefit of customer" ("FBO") bank accounts that are restricted for such purposes. The restricted funds held for customers are restricted for the purpose of satisfying the customer's supplier obligations and are not available for general business use by the Company. The Company maintains these funds in liquid cash accounts and contractually earns interest on these funds held for customers. These funds are recognized as a restricted cash asset and a corresponding liability is recorded for payments due to their suppliers on the Company's consolidated balance sheets. Restricted funds held for customers are included in the cash and cash equivalents on the consolidated statements of cash flows. The Company expects to complete the transition to this model during the third quarter of 2021.

Net Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted average number of common shares outstanding during the period and, if dilutive, the weighted average number of potential shares of common stock. Net loss per share attributable to common stockholders is calculated using the two-class method, which is an earnings allocation formula that determines net loss per share for the holders of the Company's common shares and participating securities. The Company's convertible preferred stock contains participation rights in any dividend paid by the Company and is deemed to be a participating security. Net loss attributable to common stockholders and participating preferred shares are allocated to each share on an as-converted basis as if all of the earnings for the period had been distributed. The participating securities do not include a contractual obligation to share in losses of the Company and are not included in the calculation of net loss per share in the periods in which a net loss is recorded.

Diluted net loss per share is computed using the more dilutive of (a) the two-class method or (b) the if converted method. The Company allocates earnings first to preferred stockholders based on dividend rights and then to common and preferred stockholders based on ownership interests. The weighted average number of common shares included in the computation of diluted net loss gives effect to all potentially dilutive common equivalent shares, including outstanding stock options and convertible preferred stock. Common stock equivalent shares are excluded from the computation of diluted net loss per share if their effect is antidilutive. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is generally the same as basic net loss per share attributable to common stockholders since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. For the six months ended June 30, 2021 and 2020, 30,702,601 and 30,492,938 potentially dilutive shares, respectively, were excluded from the calculation of diluted EPS as

their impact was antidilutive. The Company reported a net loss attributable to common stockholders for each of the six months ended June 30, 2021 and 2020.

Nonqualified Deferred Compensation Plan

The Company adopted a nonqualified, deferred compensation plan effective October 1, 2015, which is an unfunded plan created for the benefit of a select group of management or highly compensated employees. The purpose of the plan is to attract and retain key employees by providing them with an opportunity to defer receipt of a portion of their compensation. It is exempt from the participation, vesting, funding, and fiduciary requirements set forth in Title I of the Employee Retirement Income Security Act of 1974, as amended. Deferred amounts are not subject to forfeiture and are deemed invested among investment funds offered under the nonqualified deferred compensation plan, as directed by each participant.

The Company has established a ‘rabbi trust’ that serves as an investment to shadow the deferred compensation plan liability. The assets of the rabbi trust are general assets of the Company and as such, would be subject to the claims of creditors in the event of bankruptcy or insolvency. The Company has recorded these assets and liabilities at their fair value. In association with this plan, approximately $709,000 and $663,000 was included in other noncurrent assets and $1,138,000 and $787,000 was included in noncurrent liabilities as of June 30, 2021 and December 31, 2020, respectively.

Contingent Liabilities

Contingent liabilities require significant judgment in estimating potential losses for legal claims. We review significant new claims and litigation for the probability of an adverse outcome. Estimates are recorded as liabilities when it is probable that a liability has been incurred and the amount of the loss is reasonably estimable. Disclosure is required when there is a reasonable possibility that the ultimate loss will materially exceed the recorded provision. Contingent liabilities are often resolved over long time periods. Estimating probable losses requires analysis of multiple forecasts that often depend on judgments about potential actions by third parties such as regulators, and the estimated loss can change materially as individual claims develop.

Fair Value Measurements

The Company’s financial instruments consist of cash and cash equivalents, trade receivables, AP, debt, and the liability related to the Convertible common stock conversion feature. The carrying amount of cash, trade receivables, and AP approximate fair value due to the short-term maturity. The estimated fair value of long-term debt is based on borrowing rates currently available to the Company for similar debt issues. The fair value approximates the carrying value of long-term debt.

In accordance with applicable accounting standards, the Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

The following is a brief description of those three levels:

Level 1	Observable inputs such as quoted market prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active market and quoted prices for identical or similar assets or liabilities in markets that are not active.

AvidXchange, Inc.
Notes to the Unaudited Consolidated Financial Statements

Level 3	Unobservable inputs that reflect the reporting entity's own assumptions. The fair value for such assets and liabilities is generally determined using pricing models, discounted cash flow methodologies, or similar techniques that incorporate the assumptions a market participant would use in pricing the asset or liability.

When more than one level of input is used to determine the fair value, the financial instrument is classified as Level 1, 2 or 3 according to the lowest level input that has a significant impact on the fair value measurement. The Company performs a review of the fair value hierarchy classification on an annual basis. Changes in the observability of valuation inputs may result in a reclassification of certain financial assets or financial liabilities within the fair value hierarchy.

The Convertible common stock liability is stated at fair value and is considered a Level 3 input because the fair value measurement is based, in part, on significant inputs not observed in the market. The Company determined the fair value of the Convertible common stock liability based on the Black-Scholes option-pricing model which utilizes the value of shares sold in the Company's latest preferred stock financing and allocates the estimated equity value of the Company to each class of the Company's outstanding securities using an option-pricing back-solve model, then a Monte Carlo simulation technique to estimate fair value of the Convertible common stock liability.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these unaudited interim financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. The JOBS Act does not preclude an emerging growth company from early adopting new or revised accounting standards. The Company expects to use the extended transition period for any new or revised accounting standards during the period which the Company remains an emerging growth company.

AvidXchange, Inc.
Notes to the Unaudited Consolidated Financial Statements

Revision of Previously Issued Financial Statements

Subsequent to the original issuance of its financial statements as of and for the six months ended June 30, 2021 and 2020, the Company identified errors in its historical accounting of RSU grants. Specifically, the Company incorrectly recorded stock-based compensation expense for RSUs with performance conditions that had not yet been satisfied. Although the Company has concluded that these errors are immaterial to the previously issued financial statements, the Company is correcting for these errors by revising the accompanying 2021 and 2020 unaudited interim financial statements as reflected in the table below:

	June 30, 2021 (As Reported)	Stock-based Compensation Adjustment	June 30, 2021 (As Revised)
Consolidated Balance Sheet			
Additional paid-in capital	$ 209,331,568	$ (4,420,144)	$ 204,911,424
Accumulated deficit	(768,717,802)	4,420,144	(764,297,658)
Consolidated Statement of Operations			
Cost of revenues (exclusive of depreciation and amortization expense)	$ 45,956,801	$ (405,282)	$ 45,551,519
Sales and marketing	28,544,873	(486,970)	28,057,903
Research and development	28,262,898	(710,860)	27,552,038
General and administrative	31,086,331	(1,152,312)	29,934,019
Total operating expenses	102,638,240	(2,350,142)	100,288,098
Loss from operations	(34,627,216)	2,755,424	(31,871,792)
Loss before income taxes	(94,579,259)	2,755,424	(91,823,835)
Net loss	(94,780,477)	2,755,424	(92,025,053)
Net loss attributable to common shareholders	(104,185,168)	2,755,424	(101,429,744)
Net loss per share attributable to common shareholders, basic and diluted	$ (7.82)	$ 0.21	$ (7.61)
Consolidated Statement of Changes in Convertible Preferred Stock and Shareholders' Deficit			
Additional paid-in capital, December 31, 2020	$ 162,818,223	(1,664,720)	$ 161,153,503
Accumulated deficit, December 31, 2020	(673,937,325)	1,664,720	(672,272,605)
Stock-based compensation	4,707,464	(2,755,424)	1,952,040
Net loss	(94,780,477)	2,755,424	(92,025,053)
Additional paid-in capital, June 30, 2021	209,331,568	(4,420,144)	204,911,424
Accumulated deficit, June 30, 2021	(768,717,802)	4,420,144	(764,297,658)
Consolidated Statements of Cash Flows			
Net loss	$ (94,780,477)	$ 2,755,424	$ (92,025,053)
Stock based compensation expense	4,707,464	(2,755,424)	1,952,040

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Notes to the Unaudited Consolidated Financial Statements

	June 30, 2020 (As Reported)	Stock-based Compensation Adjustment	June 30, 2020 (As Revised)
Consolidated Statement of Operations			
Cost of revenues (exclusive of depreciation and amortization expense)	$ 40,796,233	$ (130,102)	$ 40,666,131
Sales and marketing	23,713,488	(197,078)	23,516,410
Research and development	21,306,593	(205,951)	21,100,642
General and administrative	20,653,734	(197,465)	20,456,269
Total operating expenses	80,377,835	(600,494)	79,777,341
Loss from operations	(35,708,807)	730,596	(34,978,211)
Loss before income taxes	(51,253,442)	730,596	(50,522,846)
Net loss	(51,370,645)	730,596	(50,640,049)
Net loss attributable to common shareholders	(61,789,409)	730,596	(61,058,813)
Net loss per share attributable to common shareholders, basic and diluted	$ (5.45)	$ 0.07	$ (5.38)
Consolidated Statement of Changes in Convertible Preferred Stock and Shareholders' Deficit			
Stock-based compensation	$ 1,303,630	$ (730,596)	$ 573,034
Net loss	(51,370,645)	730,596	(50,640,049)
Additional paid-in capital, June 30, 2020	37,284,766	(730,596)	36,554,170
Accumulated deficit, June 30, 2020	(475,220,478)	730,596	(474,489,882)
Consolidated Statements of Cash Flows			
Net loss	$ (51,370,645)	$ 730,596	$ (50,640,049)
Stock based compensation expense	1,303,630	(730,596)	573,034

The applicable notes to the accompanying unaudited interim consolidated financial statements have also been revised to correct for these errors.

The unaudited interim financial statements for the quarterly periods ended March 31, 2021 and September 30, 2020 will be revised in connection with future filings on Form 10-Q.

New Accounting Pronouncements

Recently Adopted Accounting Standards

On January 1, 2021, the Company adopted ASU No. 2018-15, *Intangibles — Goodwill and Other: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, that provides guidance on capitalization of implementation costs incurred in a cloud computing arrangement that is a service contract. There was no impact on the Company's consolidated financial statements upon adoption.

Accounting Pronouncements Issued but Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, Financial instruments, Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which amends the guidance on the impairment of financial instruments by requiring measurement and recognition of expected credit losses for most financial assets, including trade receivables, and other instruments that are not measured at fair value through net income (the "CECL" framework). The guidance will replace the Company's current accounts receivable and

supplier advances receivable allowance for doubtful accounts methodology with the CECL framework. ASU 2016-13 is effective for private companies for financial statements issued for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2022. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* which simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. This standard is effective for private companies for annual reporting periods beginning after December 15, 2021, and for interim periods beginning after December 15, 2022, and early adoption is permitted. Certain amendments of this standard may be adopted on a retrospective basis, modified retrospective basis or prospective basis. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements and related disclosures.

3. Revenue from Contracts with Customers

Disaggregation of Revenue

The table below presents the Company's revenues disaggregated by type of services performed.

	Six Months Ended June 30,	
	2021	2020
Software revenue	$ 42,071,205	$ 33,012,350
Payment revenue	70,619,565	51,807,042
Services revenue	1,277,055	645,869
Total revenues	$ 113,967,825	$ 85,465,261

Contract Assets and Liabilities

The Company's rights to payments are not conditional on any factors other than the passage of time, and as such, AvidXchange does not have any Contract assets. Contract liabilities consist primarily of advance cash receipts for services (deferred revenue) and are recognized as revenue when the services are provided.

The table below presents information on accounts receivable and contract liabilities.

	As of June 30, 2021	As of December 31, 2020
Trade accounts receivable, net	$ 10,053,357	$ 8,976,936
Payment processing receivable, net	16,230,043	15,779,799
Accounts receivable, net	$ 26,283,400	$ 24,756,735
Contract liabilities	8,633,879	$ 7,969,759

Significant changes in the contract liabilities balance are as follows:

	Six Months Ended June 30,	
	2021	2020
Revenue recognized included in beginning of period balance	$ (4,127,889)	$ (2,426,795)
Cash received, excluding amounts recognized as revenue during the period	4,792,009	2,796,965

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The tables below present a summary of changes in the Company's allowance for doubtful accounts for the six months ended June 30, 2021:

	Accounts Receivable Allowance	Supplier Advances Receivable Allowance
Allowance for doubtful accounts, December 31, 2020	$1,769,480	$1,099,003
Amounts charged to contra revenue, cost of revenues and expenses	207,053	—
Amounts written off as uncollectable	(181,962)	(232,250)
Recoveries of amounts previously written off	—	43,507
Allowance for doubtful accounts, June 30, 2021	$1,794,571	$ 910,260

	Accounts Receivable Allowance	Supplier Advances Receivable Allowance
Allowance for doubtful accounts, December 31, 2019	$1,411,294	$ 588,431
Amounts charged to contra revenue, cost of revenues and expenses	213,266	440,000
Amounts written off as uncollectable	(34,930)	(320,547)
Recoveries of amounts previously written off	—	38,431
Allowance for doubtful accounts, June 30, 2020	$1,589,630	$ 746,315

Transaction Price Allocated to Remaining Performance Obligations

Transaction price allocated to the remaining performance obligation represents contracted revenue that has not yet been recognized. These revenues are subject to future economic risks including customer cancellations, bankruptcies, regulatory changes and other market factors.

The Company applies the practical expedient in paragraph 606-10-50-14(b) and does not disclose information about remaining performance obligations related to transaction and processing services that qualify for recognition in accordance with paragraph 606-10-55-18. These contracts contain variable consideration for stand-ready performance obligations for which the exact quantity and mix of transactions to be processed are contingent upon the buyer or supplier request. These contracts also contain fixed fees and non-refundable upfront fees; however, these amounts are not considered material to total consolidated revenue.

The Company's remaining performance obligation consists of contracts with financial institutions who are using the ASCEND solution. These contracts generally have a duration of five years and contain fixed maintenance fees that are considered fixed price guarantees. Remaining performance obligation consisted of the following:

	Current	Noncurrent	Total
As of June 30, 2021	$ 12,719,841	$ 25,253,679	$ 37,973,520
As of December 31, 2020	12,405,900	26,770,845	39,176,745

Contract Costs

The Company incurs incremental costs to obtain a contract, as well as costs to fulfill a contract with buyer customers that are expected to be recovered. These costs consist primarily of sales commissions incurred if a contract is obtained, and customer implementation related costs. Capitalized sales commissions and

implementation costs were approximately $6,400,000 and $5,955,000 for the six months ended June 30, 2021 and 2020, respectively.

The Company utilizes a portfolio approach when estimating the amortization of contract acquisition and fulfillment costs. These costs are amortized on a straight-line basis over the expected benefit period of generally five years, which was determined by taking into consideration customer attrition rates, estimated terms of customer relationships, useful lives of technology, industry peers, and other factors. The amortization of contract fulfillment costs associated with implementation activities are recorded as cost of revenues in the Company's consolidated statements of operations and was approximately $2,648,000 and $2,212,000 for the six months ended June 30, 2021 and 2020, respectively. The amortization of contract acquisition costs associated with sales commissions that qualify for capitalization is recorded as sales and marketing expense in the Company's consolidated statements of operations and was approximately $2,463,000 and $1,928,000 for the six months ended June 30, 2021 and 2020, respectively. Costs to obtain or fulfill a contract are classified as deferred customer origination costs in the Company's consolidated balance sheets.

4. Business Combinations

During 2020, the Company made two acquisitions that were accounted for as business combinations in accordance with the provisions of FASB Accounting Standards Codification Topic 805, *Business Combinations*, and has included the financial results of each acquisition in its consolidated financial statements from the date of the acquisition. On December 30, 2020 AvidXchange acquired all of the issued and outstanding equity interest of Core Associates, the maker of TimberScan, an AP approval processing and content management software. Total purchase price was approximately $24,408,000, net of $1,836,000 of cash acquired. The Company paid approximately $19,408,000 in cash at closing, inclusive of working capital adjustments, and issued 102,016 common shares valued at $5,000,000. On October 29, 2020, the Company completed an asset acquisition with the stockholders of Orbiion, Inc., ("Orbiion") a California corporation, for total consideration of approximately $1,409,000, including 20,160 shares of common stock valued at approximately $988,000.

During the six months ended June 30, 2021, the Company did not make any adjustments to the purchase price allocation for these transactions.

5. Property and Equipment

Property and equipment as of June 30, 2021 and December 31, 2020 consists of the following:

	Useful Life	June 30, 2021	December 31, 2020
Land	Indefinite	$ 12,666,598	$ 12,666,598
Office equipment	5 Years	2,046,273	2,046,273
Computer equipment	5 Years	13,935,515	13,508,764
Computer software	3 Years	2,967,698	2,946,187
Furniture	7 Years	7,333,664	7,333,664
Headquarters facilities	21-35 Years	68,483,780	68,483,780
Leasehold improvements	Shorter of lease term or useful life	8,760,717	8,682,943
		116,194,245	115,668,209
Less: Accumulated depreciation and amortization		(32,196,975)	(28,795,979)
Total property and equipment, net of accumulated depreciation and amortization		$ 83,997,270	$ 86,872,230

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Depreciation and amortization expense charged against property and equipment for the six months ended June 30, 2021 and 2020 was approximately $3,401,000 and $3,752,000, respectively. Depreciation and amortization expense associated with finance leases was approximately $1,736,000 and $1,930,000 for the six months ended June 30, 2021 and 2020, respectively.

6. Intangible Assets and Goodwill

Intangible Assets

The Company capitalizes costs related to the development of both its SaaS platform and certain projects for internal use. AvidXchange capitalized approximately $8,078,000 and $5,149,000 in software development costs during the six months ended June 30, 2021 and 2020, respectively. The Company recognized approximately $5,263,000 and $4,558,000 of amortization expense related to internally developed software in depreciation and amortization within the Company's consolidated statements of operations during the six months ended June 30, 2021 and 2020, respectively.

	June 30, 2021			
	Weighted Average Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Internally developed software	3 Years	$ 60,185,907	$ (41,656,854)	$ 18,529,053
Customer relationships	8 Years	51,441,504	(17,261,150)	34,180,354
Technology	5 Years	31,790,697	(19,576,146)	12,214,551
Trade name	10 Years	5,247,578	(994,902)	4,252,676
Total intangible assets		$ 148,665,686	$ (79,489,052)	$ 69,176,634

	December 31, 2020			
	Weighted Average Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Internally developed software	3 Years	$ 52,902,523	$ (36,613,653)	$ 16,288,870
Customer relationships	8 Years	51,441,504	(14,031,660)	37,409,844
Technology	5 Years	31,790,697	(17,523,059)	14,267,638
Trade name	10 Years	5,247,578	(772,007)	4,475,571
Total intangible assets		$ 141,382,302	$ (68,940,379)	$ 72,441,923

Total amortization expense associated with identifiable intangible assets of approximately 10,769,000 and 10,027,000 for the six months ended June 30, 2021 and 2020, respectively, was recorded in depreciation and amortization within the Company's consolidated statements of operations.

Goodwill

There were no changes in carrying amount of the Company's goodwill during the six months ended June 30, 2021.

Impairment and write-off of intangible assets

During the six months ended June 30, 2021 and 2020, the Company recognized approximately $574,000 and $924,000 of impairment and write-off expense related to internally developed software projects.

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Notes to the Unaudited Consolidated Financial Statements

7. Leases and Leasing Commitments

Supplemental cash flow information related to the Company's operating and finance leases was as follows:

	Six Months Ended June 30,	
	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows for finance leases	$ 589,729	$ 900,934
Operating cash flows for finance leases	3,684,940	3,518,140
Operating cash flows for operating leases	1,023,376	1,065,704
ROU assets obtained in exchange for new lease obligations:		
Finance lease liabilities	174,262	299,028
Operating lease liabilities	316,108	—

The components of lease expense for the six months ended June 30, 2021 and 2020 were as follows:

	Six Months Ended June 30,	
	2021	2020
Lease cost		
Finance lease cost		
Amortization of right-of-use assets	$ 1,735,708	$ 1,930,439
Interest on lease liabilities	4,135,937	3,975,942
Operating lease expense	620,465	602,356
Short-term lease cost	39,000	308,410
Variable lease cost	50,394	182,730
Sublease income	(144,636)	(124,635)
Total lease cost	$ 6,436,868	$ 6,875,242

8. Long-Term Debt

Long-term debt as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Term loan facility	$ 95,000,000	$ 95,000,000
Interest payable delayed draw term loan	6,683,516	5,552,303
Promissory note payable for land acquisition	3,000,000	3,000,000
Total principal due	104,683,516	103,552,303
Current portion of promissory note	(1,000,000)	(1,000,000)
Unamortized portion of debt issuance costs	(3,474,314)	(4,106,008)
Long term debt	$ 100,209,202	$ 98,446,295

On October 1, 2019, the Company entered into a senior secured credit facility ("2019 Credit Agreement" or "2019 Facility") with Sixth Street Specialty Lending, Inc. ("Sixth Street") and KeyBank National Association ("KeyBank"). The 2019 Credit Agreement makes available to the Company a facility in an aggregate amount of $163,500,000 which consists of:

- $95,000,000 term loan facility ("2019 Term Loans")
- $30,000,000 additional delayed draw term loan commitment ("DDTL")

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- $18,500,000 interest payable delayed draw term loan commitment ("Interest DDTL")
- $20,000,000 revolving commitment ("2019 Revolver")

Proceeds from the 2019 Credit Agreement were used to pay the outstanding principal related to the credit agreement dated October 19, 2016, as amended and restated (the "Old Credit Agreement"), and for working capital. The 2019 Facility, like the Old Credit Agreement, is collateralized by substantially all assets of the Company except for bank accounts that hold customer funds or are used to administer self-funded employee benefit plans and other limited exceptions.

Interest on the loans under the 2019 Credit Agreement is equal to LIBOR or a base rate, plus a margin. The applicable margin will be between 8% to 9% for the first three years, with the lower rate applicable for quarters in which the Company does not borrow from the Interest DDTL, and after the third anniversary will be 7.5% or 8% depending on whether the cash burn rate is greater than or less than negative $2,500,000. The base rate is equal to the higher of the current prime rate, federal funds effective rate plus 0.5%, or 4%. The Company may elect an interest period of up to three months in connection with a LIBOR rate loan. Per the terms of the 2019 Credit Agreement, the unavailability or replacement of LIBOR would result in the use of a similar measure based upon a calculated average of borrowing rates offered by major banks in the London interbank as determined by Sixth Street. As such, management does not believe that the unavailability of LIBOR will have any material impact on our borrowing costs.

From October 1, 2019 through the third anniversary date of the 2019 Credit Agreement, the Company may, on a quarterly basis, borrow under the Interest DDTL to finance up to 4.5% of the interest due on the 2019 Term Loans. For the six months ended June 30, 2021, the Company borrowed an additional $1,131,000 under the Interest DDTL at a rate of 10.0%.

The Company also has available additional DDTL which may be made in minimum increments of $5,000,000, and multiples of $500,000 in excess of that amount, up to $30,000,000. The Company is required to pay a commitment fee of 0.5% per annum based on the unused commitment under the additional DDTL. The DDTL commitment terminates on the earlier of October 1, 2021 or in the event of a default.

The maturity date for the 2019 Term Loans and Interest DDTL is April 1, 2024, or the date any series of preferred stock becomes eligible to be redeemed or otherwise repurchased.

Revolving Credit Facility

Borrowing increments on the 2019 Revolver start at $500,000, and multiples of $100,000 in excess of that amount. There is no balance outstanding under the facility as of June 30, 2021 or December 31, 2020. The Company is required to pay a commitment fee of 0.5% per annum with respect to the unused commitment under the 2019 Revolver. The maturity date for the 2019 Revolver is October 1, 2023.

Deferred Financing Costs

The Company has approximately $211,000 and $258,000 in deferred financing costs included in other noncurrent assets and deposits, and approximately $3,474,000 and $4,106,000 of deferred financing costs associated with 2019 Term Loan, DDTL, and Interest DDTL recorded net of long-term debt as of June 30, 2021 and December 31, 2020, respectively.

Amortization of deferred financing costs amounted to approximately $679,000 and $504,000 for the six months ended June 30, 2021 and 2020, respectively, which is presented in the consolidated statements of operations as interest expense.

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Liquidity and Financial Covenants

The Company's 2019 Credit Agreement contains certain covenants and restrictions on actions by the Company, including limitations on the payment of dividends. In addition, the 2019 Credit Agreement requires that the Company comply monthly with specified ratios, including a maximum ratio of debt to recurring revenue and a minimum cash balance requirement. The Company is in compliance with its financial debt covenants as of June 30, 2021.

Land Promissory Note

On November 15, 2018, the Company signed a promissory note in connection with the purchase of two land parcels adjacent to its Charlotte, North Carolina headquarters campus. The principal amount of $5,000,000 will be repaid in $1,000,000 installments, plus accrued interest at a rate of 6.75%, due on each anniversary date, with final payment due on November 15, 2023. The note is collateralized by the land parcels and any future building to be situated on, or improvements to, the land.

9. Preferred Stock

The Company's preferred stock, which is classified as mezzanine equity in the consolidated balance sheets as of June 30, 2021 and December 31, 2020 is as follows:

	As of June 30, 2021			
	Shares Authorized	Shares Issued and Outstanding	Liquidation Preference	Carrying Value
Series A	2,000,000	625,547	440,098	440,098
Series B	5,000,000	1,622,366	851,316	851,316
Series C	4,200,000	1,004,770	851,362	851,362
Series D	1,500,000	1,360,447	9,278,248	9,278,248
Series E	9,800,000	9,250,303	172,379,820	167,647,957
Series F	14,500,000	13,405,900	530,953,102	508,109,009
Junior Series 1	400,000	90,497	1,087,774	1,087,774
Senior Preferred	2,722,166	2,722,166	169,000,000	153,763,723
Redeemable Preferred	350,000	—	—	—
	40,472,166	30,081,996	$ 884,841,720	842,029,487

	As of December 31, 2020			
	Shares Authorized	Shares Issued and Outstanding	Liquidation Preference	Carrying Value
Series A	2,000,000	625,547	$ 440,098	$ 440,098
Series B	5,000,000	1,622,366	851,316	851,316
Series C	4,200,000	1,004,770	851,362	851,362
Series D	1,500,000	1,360,447	9,278,248	9,278,248
Series E	9,800,000	9,250,303	172,379,820	167,647,957
Series F	14,500,000	13,405,900	530,953,102	508,109,009
Junior Series 1	400,000	90,497	1,087,774	1,087,774
Senior Preferred	2,722,166	2,722,166	169,000,000	144,359,032
Redeemable Preferred	350,000	—	—	—
	40,472,166	30,081,996	$ 884,841,720	$ 832,624,796

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Authorized Shares

The Company has authorized shares of preferred stock, $0.001 par value per share, of 40,472,166, and authorization to issue of two new series of non-voting preferred stock, Senior preferred and Redeemable preferred. The Company's certificate of incorporation provides that the Company is authorized from time to time to designate by resolution one or more series of preferred stock in addition to the Series A preferred, Series B preferred, Series C preferred, Series D preferred, Series E preferred, Series F preferred, Junior Series 1 preferred, Senior preferred and Redeemable preferred stocks that are designated in the certificate of incorporation, subject to certain limitations and required approvals as set forth therein.

Senior Preferred Stock and Redeemable Preferred Stock

The Senior preferred stock is convertible into Redeemable preferred stock and Convertible common stock. The shares are entitled to cumulative 12% annual dividends payable if and when declared by the Board of Directors. There are no voting rights, and the Senior preferred shares are senior to all other classes of preferred and common stock. The Senior preferred liquidation preference is the greater of the original issuance price plus accrued and unpaid dividends or 1.3 times the original issuance price. The shares are transferable, subject to limited exceptions, and may be converted into Redeemable preferred and Convertible common shares upon written election of the majority of Senior preferred shareholders or the Company. In addition, the Senior preferred shares automatically convert upon the closing of certain public offerings and events.

The Redeemable preferred shares are entitled to cumulative 12% annual dividends payable if and when declared by the Board of Directors. There are no voting rights, and the Redeemable preferred shares (like the Senior preferred shares) are senior to all other classes of preferred and common stock. The shares are transferable, subject to limited exceptions, and may be redeemed for cash upon written request by a majority of Redeemable preferred shareholders or by the Company, at any time, at the greater of 1.3 times the original issuance price or the original issuance price plus accrued and unpaid dividends.

Conversion, Redemption and Other Rights

Each share of each series of preferred stock (except for the senior preferred stock and the redeemable preferred stock) is entitled to the number of votes equal to the number of shares of common stock into which each share is convertible on the record date for any vote except for the Junior Series 1 preferred stock which is entitled to the number of votes equal to 1/10 the number of shares of common stock into which such series share is convertible. The Series E and Series F preferred stock also have approval rights over certain Company transactions including certain significant mergers and acquisitions, payment of dividends, issuance of indebtedness and related party transactions, among others. Certain series of preferred stock have preemptive rights to participate in future offerings of securities by the Company, subject to certain exceptions.

Each series of preferred stock has certain redemption rights that require the Company, upon notice from a holder, which may be delivered at any time after October 1, 2026, or October 1, 2025 in the case of the Senior preferred and Redeemable preferred, to redeem for cash the holder's shares at a designated price, less dividends and distributions. The Company has the right to redeem the shares in part over specified periods of time, not to exceed 18 months, depending on the series of preferred stock. The total redemption amount under such preferred stock agreements is approximately $884,842,000 as of June 30, 2021 and December 31, 2020.

No dividends or other distributions may be made on the common stock unless the same dividend or distribution is also made to all the series of preferred stock on an as-converted basis. All shares of preferred

stock may be converted into shares of common stock on a one-for-one basis, subject to adjustment upon certain events, except for the shares of Series A preferred stock which are convertible into common stock at a conversion rate of 1.6806. Upon conversion, the Series A shareholder is entitled to receive a cash payment as a result of a conversion into fractional common shares. Each series of preferred stock has a liquidation preference over the common stock and a relative preference among the preferred, with the Senior preferred (or, if the Senior preferred shares have been converted, the Redeemable preferred) having the highest preference and the Junior Series 1 preferred stock having the lowest preference, with the Series B and Series C having a pari passu preference to each other.

10. Shareholders' Equity and Convertible Common Stock Liability

The Company presents its Common stock within shareholders' equity and its Convertible common stock separately as a liability.

Authorized Shares

The Company has authorized shares of all classes of common stock, $0.001 par value per share, of 60,000,000, and authorization to issue 750,000 shares of Convertible common stock.

Convertible Common Stock Liability

The Convertible common shares are entitled to dividends pari passu with Common shareholders on an "if-converted" basis. Shares may be redeemed for cash or converted into Common shares. Cash redemption may occur at the option of the shareholders, on or after six years from the date of purchase, or upon the occurrence of a significant event such as the sale of the Company or an initial public offering. The Company may redeem the shares for cash upon the occurrence of a significant transaction. Convertible common shares are convertible into common stock at the election of the holder for the 15-year period ending on October 1, 2034. The Convertible common shares will also automatically convert upon a liquidation or sale of the Company or an initial public offering.

The cash proceeds received upon redemption, or the number of Common shares received upon conversion, is based upon a formula whereby the holder of the instrument will receive value commensurate with the increase, if any, in value of the Company's Common stock from the date of redemption or conversion over a contractually determined base price per Common share of $47.76.

The Convertible common stock has been accounted for as a derivative liability and is recorded at its fair market value within other long-term liabilities on the balance sheet. The Company estimates the fair value of the liability using the Black-Scholes option-pricing model and any change in fair is recognized as a gain or loss in the statement of operations for the six months ended June 30, 2021 and 2020, respectively. The following table sets forth a summary of the changes in the fair value of the derivative liability, which is the Company's only Level 3 financial instrument. As of June 30, 2021, no shares of Convertible common stock are outstanding as such shares will only be issued upon conversion of the senior preferred stock.

	Six Months Ended June 30,	
	2021	2020
Fair value, beginning of period	$ 10,254,389	$ 2,717,000
Change in fair value	138,211	6,544,540
Fair value, end of period	$ 10,392,600	$ 9,261,540

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Notes to the Unaudited Consolidated Financial Statements

Share Issuances

During the six months ended June 30, 2021, the Company issued 1,137,233 shares of common stock at a weighted average price per share of $44.99. The common shares issued included 1,020,159 shares in connection with the modification of the Company's agreement with a related party (see Note 13). The remaining issuances were the result of employees exercising vested stock option grants.

11. Stock-Based Compensation

The Company amended and restated its equity incentive plan effective June 25, 2020 (the "2020 Plan"). The 2020 Plan authorized the use of restricted stock units ("RSUs") in addition to previously authorized grants of stock options. As of the effective date, no new option awards are to be made under prior equity incentive plans. On February 18, 2021, the 2020 Plan was amended to increase the number of shares authorized to 2,502,017, which was comprised of a 1,600,000 expansion of shares authorized and 902,017 shares that were remaining under the Company's prior equity incentive plan.

Stock options granted under these plans have various vesting periods ranging from fully-vested on the date of grant or vesting over a period of three or four years. The term for each incentive stock option under these plans is ten years from the grant date, or five years for a grant to a ten percent owner optionee, in each case assuming continued employment. The fair value of options granted is estimated on the date of grant using the Black-Scholes option-pricing model.

RSUs granted under the 2020 Plan have a vesting period of generally four years and a term of seven years, or three years for time vested RSUs after termination of employment. Any unvested RSUs are forfeited upon termination of employment. The RSUs are also subject to a performance condition upon a predefined liquidity event such as an initial public offering or a change in control. RSUs are valued at the estimated value of a common share at the date of grant.

Stock option activity for the six months ended June 30, 2021 was as follows:

	As of June 30, 2021			
	Number of Stock Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Balance as of December 31, 2020	1,052,175	$ 18.12	7.20	$31,851,619
Granted	525,829	48.47		
Exercised	(117,074)	9.94		
Cancelled	(38,113)	29.76		
Expired	(1,709)	0.25		
Balance as of June 30, 2021	1,421,108	$ 29.73	7.96	$29,860,697
Vested and exercisable	576,304	$ 15.76	6.35	$20,158,315
Vested and expected to vest	1,361,664	$ 29.10	7.89	$29,472,770

As of June 30, 2021, the total unamortized stock-based compensation expense related to the unvested stock options was $12,012,000, which the Company expects to amortize over a weighted average period of 3.2 years.

AvidXchange, Inc.
Notes to the Unaudited Consolidated Financial Statements

RSUs activity for the six months ended June 30, 2021 was as follows:

	Restricted Stock Units		
	Number of Restricted Stock Outstanding	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Balance as of December 31, 2020	228,537	41.66	
Granted	422,049	48.66	
Cancelled	(27,038)	44.49	
Vested and converted to shares	—	—	
Balance as of June 30, 2021	623,548	46.28	$31,638,826

As of June 30, 2021, the total unamortized stock-based compensation expense related to the unvested RSUs was $26,644,000, which the Company will amortize over a weighted average period of 3.4 years upon satisfaction of the performance condition.

Stock-based compensation expense from stock options and RSUs, reduced for actual forfeitures, was included in the following line items in the accompanying consolidated statement of operations:

	Six Months Ended June 30,	
	2021	2020
Cost of revenues	$ 140,391	$ 76,844
Sales and marketing	357,326	140,001
Research and development	285,770	74,334
General and administrative	1,168,553	281,855
Total	$ 1,952,040	$ 573,034

12. Commitments and Contingencies

Incentive Packages

In 2014, the Company entered into grant and tax incentive agreements with state and local government agencies in North Carolina (the “2014 Incentives”) for establishment of the new corporate headquarters and the expansion of its workforce. The fair value of the 2014 Incentives is estimated at $8,637,000, to be received over the next four to ten years. In order to receive the 2014 Incentives, the Company has to maintain its headquarters in Charlotte, NC, create new job positions as well as maintain a minimum number of employees within the state of North Carolina. The average estimated grant and incentive payment could be up to $900,000 annually and the incentive amount is dependent upon reaching certain hiring goals as stated in the agreement.

In March 2019, the Company signed a second incentive grant package with the state and local government agencies of North Carolina (the “2019 Incentives”). The fair value of the 2019 Incentives is estimated at $22,937,000, to be received over a twelve-year period beginning in 2020. In connection with services to be performed in the negotiation of the 2019 Incentives and subsequent compliance reporting, the Company will pay a vendor an aggregate of $3,190,000 in four annual installments beginning in 2019.

The Company recognized approximately $343,000 and $646,000 related to the 2014 Incentives and 2019 Incentives as a reduction of general and administrative expenses within the consolidated statements of operations for the six months ended June 30, 2021 and 2020, respectively.

AvidXchange, Inc.
Notes to the Unaudited Consolidated Financial Statements

In 2017, the Company entered into a tax incentive agreement for workforce expansion and capital investment in the state of Utah. The fair value of the incentive package is estimated at $359,000. The Company has not received any payments related to the grant or recognized any benefit associated with this grant for either of the six-month periods ending June 30, 2021 or 2020.

Letters of Credit

As of June 30, 2021, the Company has an irrevocable standby letter of credit outstanding that acts as collateral with respect to the lease of the Company's Charlotte corporate headquarters with an availability of approximately $5,953,000 for which the company pays a fee of 2% per annum. The letter of credit reduces the borrowing capacity under the 2019 Revolver. It renews annually and expires on December 1, 2023.

Naming Rights

The Company is party to a sponsorship agreement dated July 7, 2018, at its Charlotte corporate headquarters campus which provides full rights to display the Company's name and logo on signage throughout the venue. The agreement is for a three-year initial term which extends through February 28, 2022 and provides for five 3-year renewal options. Payments for the sponsorship are invoiced annually beginning March 1, 2019, and the Company paid $364,000 and $357,000 during the six months ended June 30, 2021 and 2020, respectively.

13. Related Party Transactions

The Company incurred approximately $290,000 and $185,333 in software and consulting expenses to entities affiliated with the Company's CEO for the six months ended June 30, 2021 and 2020, respectively.

On February 19, 2021, the Company amended and restated its engagement letter with Financial Technology Partners LP and affiliates ("FT Partners"), an investment banking firm whose owner was a member of the Company's board of directors up until the time of the amendment. The amended and restated engagement letter limits the events for which FT Partners will receive fees in the future, reduces the fees paid to FT Partners for future transactions, and eliminates the exclusivity arrangement with FT Partners. Additionally, the controlling stockholder of FT Partners left the Company's board upon the effective date of the amended engagement letter. In connection with this amendment, the Company paid FT Partners approximately $50,000,000, which was recognized in other income (expense) within the unaudited consolidated statements of operations. Concurrently, FT Partners subscribed to purchase 1,020,159 shares of common stock of the Company at their current fair value, and the Company and FT Partners agreed the retention of the payment by the Company satisfied the subscription.

In July 2015, the Company entered into separate consulting agreements with two shareholders to receive certain marketing, business development, analytics, strategy, and support services in exchange for 176,012 common stock warrants. These warrants vest 20% on July 2016 and 10% every six months thereafter for a period of sixty months. These warrants have an exercise price of $8.16 with a fair value of $5.73 on the date of issuance. The warrants, all of which are outstanding as of June 30, 2021, expire on December 11, 2025. In connection with these consulting agreements, the Company recognized approximately $0 and $100,000 as general and administrative expenses within the unaudited consolidated statements of operations for the six months ended June 30, 2021 and 2020, respectively.

AvidXchange, Inc.
Notes to the Unaudited Consolidated Financial Statements

14. Income Taxes

The table below sets forth the components of income tax expense:

	Six Months Ended June 30,	
	2021	2020
Current provision		
Federal	$ —	$ —
State	93,312	26,500
	$ 93,312	$ 26,500
Deferred provision		
Federal	$ 88,529	$ 74,118
State	19,277	16,586
	$ 107,806	$ 90,704
Provision for (benefit from) income taxes	$ 201,118	$ 117,204

15. Subsequent Events

In preparing the unaudited interim financial statements, the Company has evaluated events and transactions for potential recognition and/or disclosure through August 23, 2021, the date that the unaudited interim financial statements were available to be issued and subsequently through September 17, 2021, which represents the date the unaudited interim financial statements were reissued.

Business Combination

In July 2021, the Company entered into a stock purchase agreement for all of the equity interest of FastPay, a leading provider of payments automation solutions for the media industry. This acquisition expands the Company's portfolio of automated payments technologies and services to middle market companies across the media landscape in the United States. The Company paid consideration of approximately $81,000,000 which consisted of approximately $50,000,000 in cash and 632,484 shares of common stock of the Company with an aggregate value of approximately $31,000,000. Additional amounts may be earned upon achievement of future performance goals measured on annual performance for 2021, 2022 and 2023. The aggregate amount of potential additional payments is $9,000,000, evenly split between cash and common stock.

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OUR CULTURE IS OUR DNA

It's what brings us together and makes us who we are.

Our strength lies in leveraging the unique differences our teammates bring to the workplace. We're all entrepreneurs who love to innovate and win. We pride ourselves on being proactive forward-thinkers for our customers – disruptors who thrive on continuous transformation and driving results. We're relentless in solving problems and always restless to grow. And while we take personal ownership of our everyday work, we recognize that we only win as a team.

avidxchange™

Shares

Common Stock

Preliminary Prospectus

, 2021

Goldman Sachs & Co. LLC

J.P. Morgan

BofA Securities

Barclays

Credit Suisse

KeyBanc Capital Markets

Deutsche Bank Securities

Piper Sandler

Nomura

Fifth Third Securities

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other expenses of issuance and distribution.

Estimated expenses, other than underwriting discounts and commissions, of the sale of our common stock, are as follows (in thousands):

SEC registration fee	$10,910*
FINRA filing fee	*
Listing fees and expenses	*
Transfer agent and registrar fees and expenses	*
Printing fees and expenses	*
Legal fees and expenses	*
Accounting expenses	*
Miscellaneous expenses	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of directors and officers.

Limitation of personal liability of directors and indemnification

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to the corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL (regarding, among other things, the payment of unlawful dividends or unlawful stock purchases or redemptions), or (4) for any transaction from which the director derived an improper personal benefit. Our certificate of incorporation will provide for such limitation of liability.

Section 145(a) of the DGCL empowers a corporation to indemnify any director, officer, employee or agent, or former director, officer, employee or agent, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of such person's service as a director, officer, employee or agent of the corporation, or such person's service, at the corporation's request, as a director, officer, employee or agent of another corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; *provided* that such director or officer acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation; and, with respect to any criminal action or proceeding, *provided* that such director or officer had no reasonable cause to believe his conduct was unlawful.

Section 145(b) of the DGCL empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another enterprise, against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit; *provided* that such director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of

the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such director or officer shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such director or officer is fairly and reasonably entitled to indemnity for such expenses that the court shall deem proper. Notwithstanding the preceding sentence, except as otherwise provided in our bylaws, we shall be required to indemnify any such person in connection with a proceeding (or part thereof) commenced by such person only if the commencement of such proceeding (or part thereof) by any such person was authorized by the board of directors.

In addition, our certificate of incorporation will provide that we must indemnify our directors and officers to the fullest extent authorized by law. Under our bylaws, we are also expressly required to advance certain expenses to our directors and officers and we are permitted to, and currently intend to, carry directors' and officers' insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and the directors' and officers' insurance are useful to attract and retain qualified directors and officers.

The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this Registration Statement provides for indemnification of directors and officers of the Registrant by the underwriters against certain liabilities.

Item 15. Recent sales of unregistered securities.

In the three years preceding the filing of this Registration Statement, we have issued and sold the following unregistered securities:

(1) Since June 14, 2018, we granted 1,416,708 stock options to purchase shares of our common stock to our employees, directors and consultants at a weighted-average exercise price of $14.91 per share under our 2017 Amendment and Restatement of the AvidXchange, Inc. 2010 Stock Option Plan, as amended, and $46.70 per share under our AvidXchange, Inc. Equity Incentive Plan, as amended, and 690,656 restricted stock units (RSUs) to employees and consultants under our AvidXchange, Inc. Equity Incentive Plan, as amended.

(2) In October 2019, we issued 2,722,166 shares of senior preferred stock to 4 accredited investors, at a purchase price of $47.7561 per share, for aggregate consideration of $130 million.

(3) On December 27, 2019, we issued and sold an aggregate of 2,652,412 shares of our series F preferred stock, at a purchase price of $49.012 per share, for aggregate consideration of $130,000,016.95.

(4) On April 7, 2020, we issued and sold an aggregate of 2,040,316 shares of our series F preferred stock and an aggregate of 561,087 shares of our common stock, in each case, at a purchase price of $49.012 per share for aggregate consideration of $127,499,963.83.

(5) On May 21, 2020, we issued and sold an aggregate of 163,419 shares of common stock at a purchase price of $49.012 per share for aggregate consideration of $8,009,492.03.

(6) On July 30, 2020, we issued and sold an aggregate of 2,425,891 shares of common stock at a purchase price of $49.012 per share for aggregate consideration of $118,897,769.69.

(7) On September 3, 2020, we issued and sold an aggregate of 1,346,608 shares of common stock at a purchase price of $49.012 per share for aggregate consideration of $65,999,951.31.

(8) In February 2021, we issued 1,020,159 shares of common stock to FT Partners at a purchase price of $49.012 per share for aggregate consideration of $50,000,032.91.

(9) In October 2019, we issued an aggregate of 462,946 shares of common stock to 9 accredited investors as consideration pursuant to an acquisition.

(10) In October 2019, we issued an aggregate of 20,160 shares of common stock to 12 accredited investors as consideration pursuant to an acquisition.

(11) In December 2020, we issued an aggregate of 102,016 shares of common stock to 2 accredited investors as consideration pursuant to an acquisition.

(12) In July 2021, we issued an aggregate of 632,486 shares of common stock to 2 accredited investors as consideration pursuant to an acquisition.

The stock options and the common stock issuable upon the exercise of such options described in paragraph (1) of this Item 15 were issued under the 2017 Amendment and Restatement of the AvidXchange, Inc. 2010 Stock Option Plan, as amended, and the AvidXchange, Inc. Equity Incentive Plan, as amended, each in reliance on the exemption provided by Rule 701 promulgated under the Securities Act. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

The offer, sale, and issuance of the securities described in paragraphs (2) through (12) of this Item 15 were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering. The recipients of the securities in these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the securities issued in these transactions. The recipients of the securities in these transactions were accredited investors as defined in Rule 501 of Regulation D promulgated under the Securities Act.

All certificates representing the securities issued in the transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

Item 16. Exhibits and financial statement schedules.

(a) Exhibits: The list of exhibits set forth under “Exhibit Index” at the end of this Registration Statement is incorporated herein by reference.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes:

(1) that for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective;

(2) that for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will,

unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue; and

(4) to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

EXHIBIT INDEX

Number	Description
1.1*	Form of Underwriting Agreement
2.1	Agreement and Plan of Merger, dated as of March 4, 2021, by and among AvidXchange Holdings, Inc., AvidXchange Holdings Merger Sub, Inc., and AvidXchange, Inc.
3.1	Amended and Restated Certificate of Incorporation of AvidXchange Holdings, Inc., as currently in effect
3.2*	Form of Amended and Restated Certificate of Incorporation of AvidXchange Holdings, Inc., to be in effect immediately prior to the consummation of this offering
3.3*	Form of Amended and Restated Certificate of Incorporation of AvidXchange Holdings, Inc., to be in effect immediately following the consummation of this offering
3.4	Bylaws of AvidXchange Holdings, Inc., as currently in effect
3.5*	Form of Amended and Restated Bylaws of AvidXchange Holdings, Inc., to be in effect immediately following the consummation of this offering
5.1*	Opinion of Paul Hastings LLP
10.1	Eighth Amended and Restated Investor Rights Agreement by and among AvidXchange Holdings, Inc. and certain holders identified therein
10.2*†	Form of Indemnification Agreement entered into by and between AvidXchange Holdings, Inc. and each director and executive officer
10.3*	Lease Agreement, dated October 27, 2015, between Lex Charlotte AXC L.P. and AvidXchange, Inc.
10.4†	AvidXchange, Inc. Nonqualified Deferred Compensation Plan, as amended and restated effective as of January 1, 2019
10.5†	Employment Agreement, entered into as of August 26, 2021, by and between AvidXchange, Inc. and Michael Praeger
10.6†	Employment Agreement, entered into as of August 26, 2021, by and between AvidXchange, Inc. and Joel Wilhite
10.7†	Employment Agreement, entered into as of August 26, 2021, by and between AvidXchange, Inc. and Dan Drees
10.8†	Employment Agreement, entered into as of August 26, 2021, by and between AvidXchange, Inc. and Ryan M. Stahl
10.09†	Employment Agreement, entered into as of August 26, 2021, by and between AvidXchange, Inc. and Todd Cunningham
10.10†	Employment Agreement, entered into as of August 26, 2021, by and between AvidXchange, Inc. and Angelic Gibson
10.11†	AvidXchange, Inc. 2010 Stock Option Plan, as amended
10.12†	AvidXchange, Inc. 2017 Amendment and Restatement of the 2010 Option Plan
10.13†	AvidXchange, Inc. 2020 Equity Incentive Plan, as amended
10.14*†	AvidXchange Holdings, Inc. 2021 Long Term Incentive Award Plan and forms of award agreements thereunder
10.15*†	AvidXchange Holdings, Inc. 2021 Employee Stock Purchase Plan

Number	Description
10.16*	Credit and Guaranty Agreement, dated as of October 1, 2019, by and among AvidXchange, Inc., AvidXchange Financial Services, Inc., Piracle, Inc., Strongroom Solutions Inc., Ariett Business Solutions, Inc., AFV Holdings One, Inc., BTS Alliance, LLC, Certain Other Subsidiaries of AvidXchange, Inc., the guarantors party thereto from time to time, Sixth Street Specialty Lending, Inc., as administrative agent, collateral agent, and the lenders party thereto
10.17*	Amendment No. 1 to the Credit and Guaranty Agreement, dated September 20, 2020, by and among AvidXchange, Inc., AvidXchange Financial Services, Inc., Piracle, Inc., Strongroom Solutions Inc., Ariett Business Solutions, Inc., AFV Holdings One, Inc., BTS Alliance, LLC, Certain Other Subsidiaries of AvidXchange, Inc., the guarantors party thereto, Sixth Street Specialty Lending, Inc., as administrative agent, collateral agent, and the lenders party thereto
10.18*	Amendment No. 2 to the Credit and Guaranty Agreement, dated October 29, 2020, by and among AvidXchange, Inc., AvidXchange Financial Services, Inc., Piracle, Inc., Strongroom Solutions Inc., Ariett Business Solutions, Inc., AFV Holdings One, Inc., BTS Alliance, LLC, Certain Other Subsidiaries of AvidXchange, Inc., the guarantors party thereto, Sixth Street Specialty Lending, Inc., as administrative agent, collateral agent, and the lenders party thereto
10.19*	Amendment No. 3 to the Credit and Guaranty Agreement, dated March 31, 2021, by and among AvidXchange, Inc., AvidXchange Financial Services, Inc., Piracle, Inc., Strongroom Solutions Inc., Ariett Business Solutions, Inc., AFV Holdings One, Inc., BTS Alliance, LLC, Certain Other Subsidiaries of AvidXchange, Inc., the guarantors party thereto, Sixth Street Specialty Lending, Inc., as administrative agent, collateral agent, and the lenders party thereto
10.20*	Pledge and Security Agreement, dated as of October 1, 2019, by and among the grantors identified therein and Sixth Street Specialty Lending, Inc., as collateral agent
10.21+	Comdata MasterCard Corporate Virtual Card Agreement, dated December 23, 2020, by and among AvidXchange, Inc. and Comdata Inc.
10.22+	Amended and Restated Engagement Letter, dated February 19, 2021, AvidXchange, Inc. and Financial Technology Partners LP and FTP Securities LLC
21.1	Subsidiaries of AvidXchange Holdings, Inc.
23.1	Consent of PricewaterhouseCoopers LLP
23.2*	Consent of Paul Hastings LLP (included as part of Exhibit 5.1)
7	Power of Attorney (included in the signature pages of this Registration Statement)
99.1	Consent of Lance Drummond to be Named as Director Nominee
99.2	Consent of Teresa Mackintosh to be Named as a Director Nominee
99.3	Consent of Michael McGuire to be Named as a Director Nominee

* To be filed by amendment.
\+ Portions of this exhibit (indicated by asterisks) have been redacted in compliance with Regulation S-K Item 601(b)(10)(iv).
† Consists of a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended (the "Securities Act"), the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Charlotte, North Carolina, on September 17 , 2021.

AvidXchange Holdings, Inc.

By: /s/ Michael Praeger
Name: Michael Praeger
Title: Chief Executive Officer

Each person whose signature appears below constitutes and appoints Michael Praeger, Joel Wilhite, and Ryan Stahl, and each of them singly, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all (i) amendments (including post-effective amendments) and additions to this Registration Statement and (ii) additional registration statements pursuant to Rule 462 of the Securities Act, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Michael Praeger Michael Praeger	Chief Executive Officer and Chairman of the Board of Directors (*Principal Executive Officer*)	September 17, 2021
/s/ Joel Wilhite Joel Wilhite	Chief Financial Officer (*Principal Financial and Accounting Officer*)	September 17, 2021
/s/ Matthew Harris Matthew Harris	Director	September 17, 2021
/s/ James Hausman James Hausman	Director	September 17, 2021
/s/ John C. Morris John C. Morris	Director	September 17, 2021
/s/ Nigel Morris Nigel Morris	Director	September 17, 2021
/s/ Wendy Murdock Wendy Murdock	Director	September 17, 2021

Exhibit 2.1

Execution Version

AGREEMENT AND PLAN OF MERGER

AMONG

AVIDXCHANGE HOLDINGS, INC.

AVIDXCHANGE HOLDINGS MERGER SUB, INC.

AND

AVIDXCHANGE, INC.

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of March 4, 2021, is made by and among AvidXchange, Inc., a Delaware corporation (the "Company"), AvidXchange Holdings, Inc., a Delaware corporation ("Parent"), and AvidXchange Holdings Merger Sub, Inc., a Delaware corporation ("Buyer").

WHEREAS, Parent desires to acquire one hundred percent of the issued and outstanding Company Shares (as defined herein) through, among certain other steps, the merger of Buyer with and into the Company, with the Company surviving such merger (the "Merger"), all in accordance with the terms and conditions set forth in this Agreement and the Delaware General Corporation Law (as amended from time to time, the "DGCL") and all other applicable law;

WHEREAS, the board of directors of each of Parent, Buyer and the Company (i) determined that this Agreement and the Merger are fair to, and in the best interests of, such company and its stockholders, (ii) approved, declared advisable, and adopted this Agreement, and (iii) resolved to recommend that its stockholders approve and adopt this Agreement and the transactions contemplated by this Agreement, including the Merger;

WHEREAS, Parent, as the sole stockholder of Buyer, approved, adopted and consented to the Merger, the execution, delivery and performance by Parent and Buyer of this Agreement and the consummation of the transactions contemplated by this Agreement (including the Merger) in accordance with the DGCL and all other applicable law; and

WHEREAS, **Annex A** sets forth the definitions of the defined terms used in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in this Agreement, and intending to be legally bound hereby, Parent, Buyer, and the Company hereby agree as follows:

ARTICLE 1
THE MERGER

Section 1.1 Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL, Buyer will be merged with and into the Company at the Effective Time. Following the Effective Time, the separate existence of Buyer will cease and the Company will continue as the surviving company of the Merger (the "Surviving Company") and will succeed to and assume all the rights and obligations of Buyer in accordance with the DGCL.

Section 1.2 Closing of the Merger. The closing of the Merger (the "Closing") will take place remotely within two (2) Business Days of the Company providing notice to Buyer that it has received (i) all required stockholder approvals, (ii) signatures sufficient to adopt the 8th Amended and Restated Investor Rights Agreement by and among the Company and the Stockholders (as defined therein) (the "Amended IRA") allowing for the automatic transfer of the Amended IRA to Parent upon consummation of the Merger, and (iii) all regulatory approvals reasonably necessary pursuant to any state money transmitter licenses or other regulatory requirements to allow the Merger (such closing date, the "Closing Date"), unless another date, time or place is agreed to by the parties.

Section 1.3 Effective Time. Subject to the terms and conditions set forth in this Agreement, on the Closing Date (or such other date as the parties may agree), the parties will cause a certificate of merger in the form of **Exhibit A** (the "Certificate of Merger") to be executed and filed with the Secretary of State of the State of Delaware, at which time the Merger will become effective (the time when the Merger becomes effective, the "Effective Time").

Section 1.4 Effects of the Merger. The Merger will have the effects set forth in this Agreement and the applicable sections of the DGCL.

Section 1.5 Governance of the Surviving Company

(a) Certificate of Incorporation; Bylaws. At the Effective Time, the Company's certificate of incorporation and bylaws will, by virtue of the Merger, be amended and restated in their entirety to read in the form of **Exhibit B** and **Exhibit C**, respectively (the "Surviving Company Restated Certificate" and the "Surviving Company Bylaws"), and, as so amended, will be the certificate of incorporation and bylaws of the Surviving Company until thereafter amended in accordance with their terms and as provided by applicable law.

(b) Board of Directors. At the Effective Time, the board of directors of the Company immediately prior to the Effective Time will be the board of directors of the Surviving Company, and each member thereof will hold office in accordance with the Surviving Company Restated Certificate and applicable law until each such director's successor is duly elected or appointed and qualified.

(c) Officers. At the Effective Time, the officers of the Company immediately prior to the Effective Time will be the officers of the Surviving Company, each to hold office in accordance with the Surviving Company Restated Certificate, Surviving Company Bylaws and applicable law until such officer's successor is duly elected or appointed and qualified.

Section 1.6 Governance of Parent.

(a) Certificate of Incorporation; Bylaws; Investor Rights Agreement. At the Effective Time, the Parent's certificate of incorporation and bylaws will be in the form attached hereto as **Exhibit D** and **Exhibit E** until thereafter amended in accordance with their terms and as provided by applicable law, and the Amended IRA shall be automatically adopted by Parent and in full force and effect.

(b) Board of Directors. At the Effective Time, the board of directors of Parent shall be the same as the Board of Directors of the Company immediately prior to the Effective Time (which will, by virtue of the prior Section 1.5 be the same as the board of directors of the Surviving Company), and each member thereof will hold office in accordance with the applicable law until each such director's successor is duly elected or appointed and qualified.

(c) Officers. At the Effective Time, the officers of Parent shall be the same as the officers of the Company, immediately prior to the Effective Time, each to hold office in accordance with applicable law until such officer's successor is duly elected or appointed and qualified.

Section 1.7 Deliverables. In addition to any deliverables under Article 2, at the Closing:

(a) The Company will deliver or cause to be delivered to Parent and Buyer the following:

(i) a certificate of a Company officer certifying as to the true, correct, and complete copies of (A) the Company's certificate of incorporation, as amended to date (the "Restated Certificate"), (B) the Company's bylaws, as amended to date and (C) resolutions of the board of directors of the Company (1) approving, declaring advisable, and adopting this Agreement and the transactions contemplated by this Agreement (including the Merger)),

(2) recommending that the stockholders of the Company approve and adopt this Agreement and the transactions contemplated by this Agreement (including the Merger), (3) approving and adopting the Transaction Documents to which the Company is a party and the transactions contemplated by such agreements, and (4) adopting any and all actions necessary and appropriate such that all securities of the Company will be treated as set forth in Article 2;

(ii) the Transaction Documents to which the Company is a party, duly executed by the Company, with each such agreement being in full force and effect as of the Effective Time;

(iii) the Transaction Documents to which existing Company stockholders are party, duly executed by such Company stockholders, with each such agreement being in full force and effect as of the Effective Time; and

(iv) the Certificate of Merger, duly executed by the Company.

(b) As applicable, Parent or Buyer will deliver or pay, or cause to be delivered or paid, to the Company or as otherwise set forth below the following:

(i) a certificate of an authorized officer of each of Parent and Buyer certifying as to true, correct, and complete resolutions of the Board of Directors of each such entity (A) approving, declaring advisable, and adopting this Agreement and the transactions contemplated by this Agreement (including the Merger), (B) in the case of Buyer, recommending that Parent, as Buyer's sole owner, approve and adopt this Agreement and the transactions contemplated by this Agreement (including the Merger), and (C) approving and adopting the Transactions Documents to which Parent or Buyer, as applicable, is a party and the transactions contemplated by such agreements.

(ii) the Transaction Documents to which Parent is a party, duly executed by Parent, with each such agreement to be in full force and effect as of the Effective Time.

(iii) deliver to each Company stockholder the Merger Consideration as set forth in Section 2.1.

Section 1.8 Additional Actions. If, at any time after the Effective Time, the Surviving Company will consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Company its right, title or interest in, to or under any of the rights, properties or assets of Buyer or the Company or otherwise to carry out this Agreement, the officers of the Surviving Company will be authorized to execute and deliver, in the name and on behalf of Buyer or the Company, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of Buyer or the Company, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Company or otherwise to carry out this Agreement.

Section 1.9 Intended Tax Treatment. The parties intend that (a) the Merger will qualify as a tax-free reorganization under Section 368(a) of the Code (the "Intended Tax Treatment") and (b) this Agreement constitutes a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g).

ARTICLE 2
EFFECT OF THE MERGER ON THE SECURITIES.

Section 2.1 Effect on the Securities of the Constituent Entities.

(a) Capital Stock of Company. The holders of Company Shares and Company Warrants immediately prior to the Effective Time will be entitled to receive the following as consideration for the Merger, as applicable, and as set forth on an aggregate basis on **Exhibit F**: (i) Each holder of Company Common Stock will be entitled to convert each such share of Company Common Stock into the right to receive one share of Parent Common Stock, (ii) each holder of Company Convertible Common Stock will be entitled to convert each such share of Company Convertible Common Stock into the right to receive one share of Parent Convertible Common Stock, (iii) each holder of Company Preferred Stock will be entitled to convert each such share of Company Preferred Stock into the right to receive one share of Parent Preferred Stock (with the same powers, preferences, rights, relative participation, options or other special rights, qualifications, limitations and restrictions) and (iv) each holder of Company Warrants will be entitled to convert such number of warrants to purchase Company Common Stock into the right to receive warrants to purchase a number of shares of Parent Common Stock equal to the number of shares of Company Common Stock underlying such Company Warrants, with the per share exercise price for the Parent Common Stock equal to the exercise price per share of Company Common Stock at which such warrant was exercisable immediately prior to the Effective Time ((i) through (iv) collectively, the "Merger Consideration"). From and after the Effective Time, all Company capital stock will be deemed for all purposes to represent the number of shares of capital stock of the Surviving Company into which they were converted in accordance with immediately preceding sentence.

(b) Conversion of the Company's Securities.

(i) Conversion. Except as otherwise provided in this Agreement, the Company Shares issued and outstanding immediately prior to the Effective Time will, at the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, be converted into (as provided in and subject to the limitations set forth in this Article 2) the right to receive the Merger Consideration.

(ii) Cancellation. From and after the Effective Time, each Company security converted under Section 2.1(b) will no longer be outstanding and will be automatically cancelled and will cease to exist, and each Company stockholder will cease to have any rights with respect thereto, except the right to receive the Merger Consideration to be paid in consideration therefor, without interest.

(c) Treasury Stock. All Company securities, if any, that are owned by the Company as treasury stock will, at the Effective Time, be cancelled and retired and will cease to exist without any Merger Consideration payable therefor.

(d) Capital Stock of Buyer. At the Effective Time, each share of common stock, par value $0.001 per share, of Buyer issued and outstanding prior to the Effective Time shall be converted into and become one newly issued, fully paid and non-assessable share of common stock of the Surviving Company.

(e) Assumption of Equity Plans. As of the Effective Time, sponsorship of the Company Plans will transfer to and be assumed by Parent, (ii) all equity securities underlying the outstanding option awards under the Plans and all equity securities available for grant or underlying option grants under the Plans shall be Parent Common Stock; (iii) all outstanding award agreements under the Plans shall be assumed by Parent and shall be deemed amended hereby to the extent necessary or appropriate to reflect that such awards have been assumed by Parent; (iv) references in the Plans and outstanding awards to the "Company" shall be revised to mean "AvidXchange Holdings, Inc."; and (v) the name of the Plans shall be the "2020 AvidXchange Holdings, Inc. Incentive Equity Plan," the "2017 AvidXchange Holdings, Inc. Incentive Equity Plan," the "2010 AvidXchange Holdings, Inc. Incentive Equity Plan," and the "2000 AvidXchange Holdings, Inc. Incentive Equity Plan," respectively.

(f) Company Options. As of the Effective Time, each outstanding option to acquire shares of Company Common Stock (the "Assumed Options") shall be assumed by Parent, with the powers of the Company's board of directors with respect to the Assumed Options to instead be powers of the Parent's board of directors. Except as otherwise set forth in this Agreement, each Assumed Option shall continue to have, and be subject to, the same terms and conditions (including vesting terms) set forth in the applicable Company option plan and the option agreements relating thereto, as in effect immediately prior to the Effective Time, except that (x) such Assumed Option shall be exercisable for that number of whole shares of Parent Common Stock equal to the number of shares of Company Common Stock that would have been issuable upon exercise of such Assumed Option immediately prior to the Effective Time, (y) the per share exercise price for the Parent Common Stock issuable upon exercise of such Assumed Option shall be equal to the exercise price per share of Company Common Stock at which such Assumed Option was exercisable immediately prior to the Effective Time. Notwithstanding anything herein to the contrary, the exercise price of the Assumed Options after such assumption, the number of shares of Parent Common Stock purchasable pursuant to such Assumed Option after such assumption, and the terms and conditions of exercise of the Assumed Option shall in all events be determined in order to comply with Section 409A of the Code.

Section 2.2 Transfer Books. At the Effective Time, the transfer books of the Company will be closed and there will be no further registration of transfers of Company securities on the records of the Company. If, after the Effective Time, any certificates or instruments previously representing Company securities are presented to the Surviving Company, they will be cancelled and exchanged for the right to receive the Merger Consideration pursuant to the provisions of this Article 2.

Section 2.3 Investor Rights Agreement. The Amended IRA will be transferred to Parent, and Parent and the Company will cause their respective stockholders to take all reasonable measures to effect such transfer, including through the amendment and restatement of such Amended IRA and adoption by Parent of the Company's obligations thereunder.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Disclosure Schedule attached hereto as **Exhibit G**, the Company hereby represents and warrants to Parent and Buyer as follows:

Section 3.1 Organization and Standing; Governing Instruments. The Company is a corporation duly organized and validly existing under, and by virtue of, the laws of the State of Delaware and is in good standing under such laws. The Company has the requisite authority to own and operate its properties and assets and to carry on its business as currently conducted and as currently proposed to be conducted.

Section 3.2 Power; Authorization, etc.

(a) The Company has all requisite legal authority to execute and deliver this Agreement and the Transaction Documents to which it is a party, and to carry out and perform its obligations under the terms of this Agreement and each Transaction Document to which the Company is a party.

(b) All corporate action on the part of the Company, its officers, directors and holders of capital stock necessary for the authorization, execution and delivery of the Transaction Documents, the performance of all obligations of the Company thereunder and the authorization, issuance and delivery of the Company Shares has been taken or will be taken prior to the Effective Time, and the Transaction Documents, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (c) to the extent the indemnification provisions contained in the Amended IRA may be limited by applicable federal or state securities laws.

Section 3.3 Capitalization. The authorized capital stock of the Company consisted on February 19, 2021 (the "Capitalization Date") of:

(a) 40,472,166 shares of Company Preferred Stock, of which (i) 2,000,000 shares had been designated Company Series A Preferred Stock, 625,547 of which shares were issued and outstanding as of the Capitalization Date, (ii) 5,000,000 shares had been designated Company Series B Preferred Stock, 1,622,366 of which shares were issued and outstanding as of the Capitalization Date, (iii) 4,200,000 shares had been designated Company Series C Preferred Stock, 1,004,770 of which shares were issued and outstanding as of the Capitalization Date, (iv) 1,500,000 shares had been designated Company Series D Preferred Stock, 1,360,447 of which shares were issued and outstanding as of the Capitalization Date, (v) 9,800,000 shares had been designated Company Series E Preferred Stock, 9,250,303 of which shares were issued and outstanding as of the Capitalization Date, (vi) 14,500,000 shares had been designated Company Series F Preferred Stock, 13,405,900 of which shares were issued and outstanding as of the Capitalization Date, (vii) 400,000 shares had been designated Company Junior Series-1 Preferred Stock, 90,497 of which shares were issued and outstanding as of the Capitalization Date, (viii) 2,722,166 shares had been designated Company Senior Preferred Stock, all of which shares were issued and outstanding as of the Capitalization Date, and (ix) 350,000 shares had been designated Company Redeemable Preferred Stock, none of which shares were issued and outstanding as of the Capitalization Date.

(b) 750,000 shares of Company Convertible Common Stock, none of which were issued and outstanding as of the Capitalization Date.

(c) 60,000,000 shares of Company Common Stock, 13,541,616 of which were issued and outstanding as of the Capitalization Date.

(d) The rights, preferences and privileges of the Company Preferred Stock are as stated in the Restated Certificate. All of the outstanding shares of Company Preferred Stock, Company Convertible Common Stock and Company Common Stock had been duly authorized, were fully paid and non-assessable and were issued in compliance with all applicable federal and state securities laws as of the Capitalization Date.

(e) 2,502,017 shares of Company Common Stock reserved for issuance to officers, directors, employees and consultants of the Company pursuant to its 2020 Stock Plan duly adopted by the Company board of directors and approved by the Company stockholders (as amended, the "2020 Stock Plan"). Of such reserved shares of Company Common Stock, none had been issued pursuant to restricted stock purchase agreements, and options to purchase or restricted stock units representing 438,361 shares had been granted and were outstanding as of the Capitalization Date, and 2,086,366 shares of Company Common Stock remained available for issuance to officers, directors, employees and consultants pursuant to the 2020 Stock Plan. The 2020 Stock Plan also automatically reserves for issuance any shares of Company Common Stock subject to an award under the 2017 Stock Plan (as defined below) that expires, is forfeited, is settled in cash or otherwise terminates.

(f) 1,589,754 shares of Company Common Stock reserved for issuance to officers, directors, employees and consultants of the Company pursuant to its 2017 Stock Plan duly adopted by the Company board of directors and approved by the Company stockholders (as amended, the "2017 Stock Plan"). Of such reserved shares of Company Common Stock, none of which shares had been issued pursuant to restricted stock purchase agreements, options to purchase 580,957 shares had been granted and were outstanding as of the Capitalization Date, and no shares of Company Common Stock remained available for issuance to officers, directors, employees and consultants pursuant to the 2017 Stock Plan. The shares of Company Common Stock subject to an award under the 2017 Stock Plan that expires, is forfeited, is settled in cash or otherwise terminates will become shares of Company Common Stock reserved for issuance under the 2020 Stock Plan.

(g) 1,547,404 shares of Company Common Stock reserved for issuance to officers, directors, employees and consultants of the Company pursuant to its 2010 Stock Plan duly adopted by the Company board of directors and approved by the Company stockholders (the "2010 Stock Plan"). Of such reserved shares of Company Common Stock, none of which shares had been issued pursuant to restricted stock purchase agreements, options to purchase 246,499 shares had been granted and were outstanding as of the Capitalization Date, and none of which shares of Company Common Stock remained available for issuance to officers, directors, employees and consultants pursuant to the 2010 Stock Plan.

(h) 1,500,000 shares of Company Common Stock reserved for issuance to officers, directors, employees and consultants of the Company pursuant to its 2000 Stock Plan duly adopted by the Company board of directors and approved by the Company stockholders (the "2000 Stock Plan"). Of such reserved shares of Company Common Stock, none had been issued pursuant to restricted stock purchase agreements, options to purchase zero shares were outstanding, and no shares of Company Common Stock remained available for issuance to officers, directors, employees and consultants pursuant to the 2000 Stock Plan.

(i) Except as set forth in Sections 3.3(e) – 3.3(h) of this Agreement and Section 3.3(i) of the Disclosure Schedule, there were no options, warrants, or other rights (including conversion or preemptive rights) to purchase or acquire any of the Company's securities as of the Capitalization Date.

(j) Except as provided in the 7th Amended and Restated Investor Rights Agreement by and among the Company and the Stockholders party thereto, dated October 1, 2019, as amended, the Company is not under any obligation to register under the Securities Act, any of its currently outstanding securities or any securities issuable upon the conversion or exercise of currently outstanding securities.

Section 3.4 Compliance with Other Instruments; No Conflicts. The Company is not in violation or default of (a) any provisions of the Restated Certificate, or its bylaws, as amended, (b) any term or provision of any mortgage, indebtedness, indenture, contract, agreement, instrument, judgment, or decree, or (c) any order, statute, rule, or regulation applicable to the Company except, in the case of (b) and (c), where such violation would not have a material adverse effect on the Company. The execution, delivery, and performance of and compliance with this Agreement and the other Transaction Documents to which the Company is a party have not resulted and will not result in any violation of, or conflict with, or constitute a default under, the Restated Certificate, and have not and will not result in any material violation of, or materially conflict with, or constitute a material default under, any of its agreements nor result in the creation of any mortgage, pledge, lien, encumbrance, or charge upon any of the properties or assets of the Company, or its business or operations (except for the payment of the Merger Consideration as contemplated hereby).

Section 3.5 Governmental Consent. No consent, approval, or authorization of or designation, declaration, or filing with any Governmental Entity on the part of the Company is required in connection with the valid execution and delivery of this Agreement or any Transaction Document or the consummation of any transaction contemplated hereby or thereby, except (i) the filing of the Certificate of Merger with the office of the Secretary of State of the State of Delaware, and (ii) the qualification (or taking of such action as may be necessary to secure an exemption from qualification, if available) of the issuance of Parent Shares as part of the Merger Consideration under applicable federal securities and "blue sky" laws, which filings and qualifications, if required, will be accomplished in a timely manner.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF PARENT AND BUYER

Except as set forth in the Disclosure Schedule, each of Parent and Buyer hereby represents and warrants to the Company as follows:

Section 4.1 Activities of Buyer. Buyer was organized solely for the purpose of entering into this Agreement, the Transaction Documents to which it is a party, and for consummating the transactions contemplated hereby and thereby. Buyer has not engaged in any activities or business, nor has Buyer incurred any liabilities or obligations whatsoever, in each case, except those incident to its organization, initial capitalization, and the execution of this Agreement and the Transaction Documents to which it is a party, or the consummation of the transactions contemplated hereby and thereby.

Section 4.2 Organization and Standing; Governing Instruments. Each of Parent and Buyer is a corporation duly organized and validly existing under, and by virtue of, the laws of the State of Delaware and is in good standing under such laws. Each of Parent and Buyer has the requisite corporate power and authority to own and operate its properties and assets and to carry on its business as currently conducted and as currently proposed to be conducted.

Section 4.3 Power; Authorization, etc.

(a) Each of Parent and Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a party, and to carry out and perform its obligations under the terms of this Agreement and each Transaction Document to which it is a party.

(b) All corporate action on the part of each of Parent and Buyer, its respective officers, directors, and security holders necessary for the authorization, execution, delivery, and performance by such entity of this Agreement and each Transaction Document that it is a party to, and the performance by it of its obligations under this Agreement and each Transaction Document that it is a party to has been taken or will be taken prior to the Effective Time. This Agreement and each Transaction Document that each of Parent and Buyer is a party to, when

executed and delivered by it, will constitute the legal and binding obligations of such party, enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, and the relief of debtors and other laws of general application affecting the enforcement of creditors' rights generally, rules of law governing specific performance, injunctive relief, and other equitable remedies and limitations of public policy.

(c) Governmental Consent. No consent, approval, or authorization of or designation, declaration, or filing with any Governmental Entity on the part of either Parent or Buyer is required in connection with the valid execution and delivery of this Agreement or any Transaction Document or the consummation of any transaction contemplated hereby or thereby, except (i) the filing of the Certificate of Merger with the office of the Secretary of State of the State of Delaware, and (ii) the qualification (or taking of such action as may be necessary to secure an exemption from qualification, if available) of the issuance of Parent Shares as part of the Merger Consideration under applicable federal securities and "blue sky" laws, which filings and qualifications, if required, will be accomplished in a timely manner.Capitalization of Buyer. As of the date of this Agreement, (a) Parent is the sole owner of Buyer, and (b) there are no options, warrants, or other rights (including conversion or preemptive rights) to purchase or acquire any equity ownership interests of either Parent or Buyer.

(a) Capitalization of Parent. As of the date of this Agreement, Parent is authorized to issue 40,472,166 shares of Parent Preferred Stock, of which (A) 2,000,000 shares have been designated Parent Series A Preferred Stock, (B) 5,000,000 shares have been designated Parent Series B Preferred Stock, (C) 4,200,000 shares have been designated Parent Series C Preferred Stock, (D) 1,500,000 shares have been designated Parent Series D Preferred Stock, (E) 9,800,000 shares have been designated Parent Series E Preferred Stock, (F) 14,500,000 shares have been designated Parent Series F Preferred Stock, (G) 400,000 shares have been designated Parent Junior Series-1 Preferred Stock, (H) 2,722,166 shares have been designated Parent Senior Preferred Stock, and (I) 350,000 shares have been designated Parent Redeemable Preferred Stock;

(b) 750,000 shares of Parent Convertible Common Stock; and

(c) 60,000,000 shares of Parent Common Stock.

ARTICLE 5
MISCELLANEOUS

Section 5.1 Survival of Representations and Warranties. The representations, warranties, covenants and agreements contained in this Agreement or in any schedule, certificate or other instrument delivered pursuant to this Agreement shall terminate at the Closing or upon the termination of this Agreement.

Section 5.2 Notices. All notices and other communications required or permitted under this Agreement shall be in writing and given by certified or registered mail, return receipt requested, nationally recognized overnight delivery service, such as Federal Express, facsimile or email (or like transmission) with confirmation of transmission by the transmitting equipment or personal delivery against receipt to the party to whom it is given, in each case, at such party's address, facsimile number or email address set forth below:

If to the Company, to:

AvidXchange, Inc.
1210 AvidXchange Lane
Charlotte, NC 28206
Attention: General Counsel
Email: rstahl@avidxchange.com

With a copy, which will not constitute notice, to:

Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Tel: (212) 318-6092
Email: chistopheraustin@paulhastings.com
Attn: Christopher J. Austin, Esq.

If to Parent or Buyer, to:

AvidXchange Holdings, Inc.
1210 AvidXchange Lane
Charlotte, NC 28206
Attention: General Counsel
Email: rstahl@avidxchange.com

With a copy, which will not constitute notice, to:

Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Tel: (212) 318-6092
Email: chistopheraustin@paulhastings.com
Attn: Christopher J. Austin, Esq.

or to such other address as the party may have furnished in writing in accordance with the provisions of this Section. Any such notice or other communication shall be deemed to have been given as of the date so personally delivered or transmitted by facsimile or email or like transmission (or if delivered or transmitted after the recipient's normal business hours, on the next Business Day), on the next Business Day when sent by overnight delivery services or five days after the date so mailed if by certified or registered mail. A party may change the address to which notices are to be addressed by giving the other party notice in the manner herein set forth.

Section 5.3 Entire Agreement; Amendments.

(a) This Agreement (including the Disclosure Schedule and any other Schedule or Exhibit hereto or thereto), and the Transactions Documents contain the entire agreement and understanding of the parties with respect to the transactions contemplated hereby and thereby and supersede all prior written or oral commitments, arrangements or understandings with respect hereto and thereto.

(b) This Agreement may not be amended or modified except by written agreement of the parties. No breach of any covenant, agreement, representation or warranty made herein shall be deemed waived unless expressly waived in writing by the party who might assert such breach. The waiver by any party of a breach of any term or provision of this Agreement will not be construed as a waiver of any subsequent breach.

Section 5.4 Governing Law; Related Matters.

(a) This Agreement shall be governed by the laws of the State of Delaware, without regard to any conflicts of law rules or principles that would result in the application of the laws of another jurisdiction.

(b) Each party hereby consents to, and confers exclusive jurisdiction upon, the Court of Chancery of the State of Delaware and the Federal courts of the United States of America located in the State of Delaware, and appropriate appellate courts therefrom, over any action, suit or proceeding arising out of or relating to this Agreement or any Transaction Document. Each party hereby waives, and agrees not to assert, as a defense in any such action, suit or proceeding that it is not subject to such jurisdiction or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that this Agreement or any Transaction Document may not be enforced in or by said courts or that its assets are exempt or immune from execution, that such action, suit or proceeding is brought in an inconvenient forum, or that the venue of such action, suit or proceeding is improper. Each party covenants not to initiate any such action, suit or proceeding in any other jurisdiction. Service of process in any such action, suit or proceeding may be served on any party anywhere in the world, whether within or without the State of Delaware, as provided in Section 5.2.

(c) Each party hereby waives to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any proceeding directly or indirectly arising out of, under or in connection with this Agreement or any Transaction Document or any transaction contemplated hereby or thereby. Each party (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, and (ii) acknowledges that it and the other parties have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph.

Section 5.5 Severability. If any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement will not be affected thereby, and the parties will use their reasonable efforts to substitute one or more valid, legal and enforceable provisions which insofar as practicable implement the purposes and intent of this Agreement. To the extent permitted by applicable law, each party waives any provision of applicable law which renders any provision of this Agreement invalid, illegal or unenforceable in any respect.

Section 5.6 Titles and Subtitles. The headings, subheadings and captions in this Agreement, the Disclosure Schedule and in any other Schedule or Exhibit hereto or thereto are for reference purposes only and are not intended to affect the meaning or interpretation of this Agreement.

Section 5.7 Counterparts. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement and each of which will be deemed an original.

[*Signature pages follow*]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

THE COMPANY

AVIDXCHANGE, INC.

By: /s/ Michael Praeger
Name: Michael Praeger
Title:

PARENT

AVIDXCHANGE HOLDINGS, INC.

By: /s/ Michael Praeger
Name: Michael Praeger
Title:

BUYER

AVIDXCHANGE HOLDINGS MERGER SUB, INC.

By: /s/ Michael Praeger
Name: Michael Praeger
Title:

[Signature Page to Agreement and Plan of Merger]

Defined Terms

For purposes of this Agreement, the terms set forth below have the following meanings:

"2020 Stock Plan" has the meaning set forth in Section 3.3(e).

"2017 Stock Plan" has the meaning set forth in Section 3.3(f).

"2010 Stock Plan" has the meaning set forth in Section 3.3(g).

"2000 Stock Plan" has the meaning set forth in Section 3.3(h).

"Agreement" has the meaning set forth in the Preamble.

"Amended IRA" has the meaning set forth in Section 1.2.

"Business Day" means the period from 12:01 a.m. through 12:00 midnight, New York, New York time on any day of the year, that is not a Saturday or a Sunday, on which national banking institutions in the State of New York are open to the public for conducting business and are not required or authorized by law to close.

"Buyer" has the meaning set forth in the Preamble.

"Certificate of Merger" has the meaning set forth in Section 1.3.

"Closing" has the meaning set forth in Section 1.2.

"Closing Date" has the meaning set forth in Section 1.2.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the Preamble.

"Company Common Stock" means the Company's Common Stock, $0.001 par value per share.

"Company Convertible Common Stock" means the Convertible Common stock, par value $0.001 per share, of the Company.

"Company Junior Series-1 Preferred Stock" means the Junior Series-1 Preferred stock of the Company, par value $0.001 per share.

"Company Plans " means, collectively, the 2020 Stock Plan, the 2017 Stock Plan, the 2010 Stock Plan and the 2000 Stock Plan.

"Company Preferred Stock" means the Company Series A Preferred Stock, the Company Series B Preferred Stock, the Company Series C Preferred Stock, Company Series D Preferred Stock, Company Series E Preferred Stock, Company Series F Preferred Stock, the Company Junior Series-1 Preferred Stock, the Company Senior Preferred Stock and the Company Redeemable Preferred Stock.

"Company Redeemable Preferred Stock" means the Redeemable Preferred stock of the Company, par value $0.001 per share.

"Company Senior Preferred Stock" means the Senior Preferred stock of the Company, par value $0.001 per share.

"Company Series A Preferred Stock" means the Series A Preferred stock of the Company, par value $0.001 per share.

"Company Series B Preferred Stock" means the Series B Preferred stock of the Company, par value $0.001 per share.

"Company Series C Preferred Stock" means the Series C Preferred stock of the Company, par value $0.001 per share.

"Company Series D Preferred Stock" means the Series D Preferred stock of the Company, par value $0.001 per share.

"Company Series E Preferred Stock" means the Series E Preferred stock of the Company, par value $0.001 per share.

"Company Series F Convertible Preferred Stock" means the Series F Convertible Preferred stock of the Company, par value $0.001 per share.

"Company Shares" means the Company Preferred Stock, the shares of Company Common Stock issuable upon conversion of Company Preferred Stock, the Company Convertible Common Stock and the Company Common Stock.

"Company Warrants" means the warrants to purchase shares of Company Common Stock outstanding prior to the Effective Date.

"DGCL" has the meaning set forth in the Recitals.

"Effective Time" has the meaning set forth in Section 1.3.

"Governmental Entity" means any national, federal, state, provincial, county or municipal government, domestic or foreign, any agency, board, bureau, commission, court, department or other instrumentality of any such government, or any arbitrator in any case that has jurisdiction over a party or any of its assets, and shall include for the avoidance of doubt, any competition authority with jurisdiction to review the transactions contemplated by this Agreement.

"Merger" has the meaning set forth in the Recitals.

"Merger Consideration" has the meaning set forth in Section 2.1(a).

"Parent" has the meaning set forth in the Preamble.

"Parent Common Stock" means the Parent's Common Stock, $0.001 par value per share.

"Parent Convertible Common Stock" means the Convertible Common stock, par value $0.001 per share, of Parent.

"Parent Junior Series-1 Preferred Stock" means the Junior Series-1 Preferred stock of Parent, par value $0.001 per share.

"Parent Preferred Stock" means the Parent Series A Preferred Stock, the Parent Series B Preferred Stock, the Parent Series C Preferred Stock, Parent Series D Preferred Stock, Parent Series E Preferred Stock, Parent Series F Preferred Stock, the Parent Junior Series-1 Preferred Stock, the Parent Senior Preferred Stock and the Parent Redeemable Preferred Stock.

"Parent Redeemable Preferred Stock" means the Redeemable Preferred stock of Parent, par value $0.001 per share.

"Parent Senior Preferred Stock" means the Senior Preferred stock of Parent, par value $0.001 per share.

"Parent Series A Preferred Stock" means the Series A Preferred stock of Parent, par value $0.001 per share.

"Parent Series B Preferred Stock" means the Series B Preferred stock of Parent, par value $0.001 per share.

"Parent Series C Preferred Stock" means the Series C Preferred stock of Parent, par value $0.001 per share.

"Parent Series D Preferred Stock" means the Series D Preferred stock of Parent, par value $0.001 per share.

"Parent Series E Preferred Stock" means the Series E Preferred stock of Parent, par value $0.001 per share.

"Parent Series F Preferred Stock" means the Series F Preferred stock of Parent, par value $0.001 per share.

"Parent Shares" means the Parent Preferred Stock, Parent Common Stock issuable upon conversion of Parent Preferred Stock, Parent Convertible Common Stock and Parent Common Stock.

"Parent Certificate of Incorporation" means that certain Amended and Restated Certificate of Incorporation of the Parent in the form of **Exhibit D**.

"Restated Certificate" has the meaning set forth in Section 1.6(a)(i).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder.

"Surviving Company" has the meaning set forth in Section 1.1.

"Surviving Company Bylaws" has the meaning set forth in Section 1.5(a).

"Surviving Company Restated Certificate" has the meaning set forth in Section 1.5(a).

"Transaction Documents" means this (i) Agreement, (ii) the Surviving Company Restated Certificate, (iii) the Surviving Company Bylaws, (iv) the Parent Certificate of Incorporation, and in each case, the other agreements, instruments and documents contemplated by any of the foregoing agreements to be entered into at or prior to the Effective Time, including each annex, exhibit, and schedule hereto and thereto.

Exhibit A

FORM OF CERTIFICATE OF MERGER

[Attached separately]

CERTIFICATE OF MERGER

MERGING

AVIDXCHANGE HOLDINGS MERGER SUB, INC.
(a Delaware Corporation)

WITH AND INTO

AVIDXCHANGE, INC.
(a Delaware Corporation)

Pursuant to Title 8, Section 251 of the General Corporation Law of the State of Delaware

---

AvidXchange, Inc., a Delaware corporation ("**Company**"), does hereby certify as follows:

FIRST: Each of the constituent corporations, Company and AvidXchange Holdings Merger Sub, Inc., a Delaware corporation ("**Merger Sub**"), is a corporation duly organized and existing under the laws of the State of Delaware.

SECOND: An Agreement and Plan of Merger dated as of _____ __, 20__ (the "**Merger Agreement**"), by and among AvidXchange Holdings, Inc., a Delaware corporation (the "**Parent**"), Merger Sub, and Company, setting forth the terms and conditions of the merger of Merger Sub with and into Company (the "**Merger**"), has been approved, adopted, executed and acknowledged by each of the constituent corporations in accordance with Section 251 of the General Corporation Law of the State of Delaware (and with respect to Merger Sub, by written consent of its sole stockholder pursuant to Section 228 of the General Corporation Law of the State of Delaware).

THIRD: The name of the surviving corporation in the Merger (the "**Surviving Corporation**") is AvidXchange, Inc. and the name of the corporation being merged into the Surviving Corporation is AvidXchange Holdings Merger Sub, Inc.

FOURTH: The Certificate of Incorporation of Company, as set forth on **Exhibit A** hereto, shall be the Certificate of Incorporation of the Surviving Corporation.

FIFTH: An executed copy of the Merger Agreement is on file at the principal place of business of the Surviving Corporation at the following address:

AvidXchange, Inc.
1210 AvidXchange Lane,
Charlotte, NC 28206

SIXTH: A copy of the Merger Agreement will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of either Company or Merger Sub.

SEVENTH: The Merger shall become effective upon filing of this Certificate of Merger with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, Company has caused this Certificate of Merger to be executed in its corporate name as of _____ __, 20__.

AVIDXCHANGE, INC.

By: _____
Name:
Title:

[Signature Page to Certificate of Merger]

Exhibit B

FORM OF SURVIVING COMPANY RESTATED CERTIFICATE

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

AVIDXCHANGE, INC.

ARTICLE I

The name of the corporation is AvidXchange, Inc. (the "Corporation").

ARTICLE II

The address of the Corporation's registered office in the state of Delaware is 251 Little Falls Drive, in the city of Wilmington, county of New Castle, zip code 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

ARTICLE IV

The aggregate number of shares which the Corporation shall have authority to issue is One Thousand (1,000) shares of capital stock all of which shall be designated "Common Stock" and have a par value of $0.01 per share.

ARTICLE V

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation. In furtherance of and not in limitation of the powers conferred by the laws of the state of Delaware, the Board of Directors of the Corporation is expressly authorized to make, amend or repeal Bylaws of the Corporation.

ARTICLE VI

To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

Neither any amendment nor repeal of this Article VI, nor the adoption of any provision of the Corporation's Certificate of Incorporation inconsistent with this Article VI, shall eliminate or reduce the effect of this Article VI in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VI, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE VII

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (A) any derivative action or proceeding asserting a claim on behalf of the Corporation, (B) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (C) any action or proceeding asserting a claim against the Corporation arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's Certificate of Incorporation or Bylaws, (D) any action or proceeding asserting a claim as to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery of the State of Delaware, or (E) any action or proceeding asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

Exhibit C

FORM OF SURVIVING COMPANY BYLAWS

BYLAWS

OF

AVIDXCHANGE, INC.

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(continued)

BYLAWS

OF

AVIDXCHANGE, INC.

ARTICLE I

CORPORATE OFFICES

1.1 **Offices**

In addition to the corporation's registered office set forth in the certificate of incorporation, the Board of Directors may at any time establish other offices at any place or places where the corporation is qualified to do business.

ARTICLE II

MEETINGS OF STOCKHOLDERS

2.1 **Place Of Meetings**

Meetings of stockholders shall be held at any place, within or outside the state of Delaware, designated by the Board of Directors. The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law. In the absence of any such designation or determination, stockholders' meetings shall be held at the principal place of business of the corporation.

2.2 **Annual Meeting**

Unless directors are elected by written consent in lieu of an annual meeting as permitted by Section 211(b) of the Delaware General Corporation Law, an annual meeting of stockholders shall be held for the election of directors at such date and time as may be designated by resolution of the Board from time to time. Stockholders may, unless the certificate of incorporation otherwise provides, act by written consent to elect directors; *provided, however,* that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action. Any other proper business may be transacted at the annual meeting.

2.3 **Special Meeting**

A special meeting of the stockholders may be called at any time by the Board of Directors, the chairperson of the board, the chief executive officer, the president or shall be called by the president upon the written request of one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the chairperson of the board, the chief executive officer or the president, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by email, fax, telegraphic or other facsimile or electronic transmission to the chairperson of the board, the chief executive officer, the president or the secretary of the corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The officer receiving the request shall cause notice to be promptly given to the stockholders entitled to vote, in accordance with the provisions of Sections 2.4 and 2.5 of this Article II, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than 35 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after the receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 2.3 shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

2.4 **Notice Of Stockholders' Meetings**

Unless otherwise provided by law, all notices of meetings with stockholders shall be in writing and shall be sent or otherwise given in accordance with Section 2.5 of these bylaws not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting, as of the record date for determining the stockholders entitled to notice of the meeting. The notice shall specify the place (if any), date and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.5 **Manner Of Giving Notice; Affidavit Of Notice**

Written notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic mail or other electronic transmission, in the manner provided in Section 232 of the Delaware General Corporation Law. An affidavit of the secretary or an assistant secretary or of the transfer agent of the corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.6 **Quorum**

The holders of a majority of the shares of stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum is not present or represented at any meeting of the stockholders, then either (a) the chairperson of the meeting or (b) holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, shall have power to adjourn the meeting to another place (if any), date or time.

2.7 **Adjourned Meeting; Notice**

When a meeting is adjourned to another place (if any), date or time, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place (if any), thereof and the means of remote communications (if any) by which stockholders and proxyholders may be deemed to be present and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the place (if any), date and time of the adjourned meeting and the means of remote communications (if any) by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.8 **Organization; Conduct of Business**

Such person as the Board of Directors may have designated or, in the absence of such a person, the chief executive officer, or in his or her absence, the president or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairperson of the meeting. In the absence of the secretary of the corporation, the secretary of the meeting shall be such person as the chairperson of the meeting appoints.

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including the manner of voting and the conduct of business. The date and time of opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

2.9 **Voting**

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.12 of these bylaws, subject to the provisions of Sections 217 and 218 of the Delaware General Corporation Law (relating to voting rights of fiduciaries, pledgors and joint owners of stock and to voting trusts and other voting agreements).

Except as may be otherwise provided in the certificate of incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder. All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively. At any time that, pursuant to the then-effective certificate of incorporation, any shares of stock have more or less than one (1) vote per share on any matter, every reference in these bylaws to a majority or other proportion of the shares shall refer to a majority or other proportion of the votes of the shares.

2.10 **Waiver Of Notice**

Whenever notice is required to be given under any provision of the Delaware General Corporation Law or of the certificate of incorporation or these bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice, or any waiver of notice by electronic transmission, unless so required by the certificate of incorporation or these bylaws.

2.11 **Stockholder Action By Written Consent Without A Meeting**

Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action that may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, is (a) signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and (b) delivered to the corporation in accordance with Section 228 of the Delaware General Corporation Law.

No written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the first date a written consent is delivered to the corporation, a written consent or consents signed by a sufficient number of holders to take action are delivered to the corporation in the manner prescribed in this Section. A telegram, cablegram, electronic mail or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written and signed for purposes of this Section to the extent permitted by law. Any such consent shall be delivered in accordance with Section 228 of the Delaware General Corporation Law.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing (including by electronic mail or other electronic transmission as permitted by law). If the action which is consented to is such as would have required the filing of a certificate under any section of the Delaware General Corporation Law if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given as provided in Section 228 of the Delaware General Corporation Law.

2.12 **Record Date For Stockholder Notice; Voting; Giving Consents**

(a) In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting and, unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for determining the stockholders entitled to vote at such meeting, the record date for determining the stockholders entitled to notice of such meeting shall also be the record date for determining the stockholders entitled to vote at such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than 10 days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than 60 days prior to such other action.

(b) If the Board of Directors does not so fix a record date: (1) the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for the stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 2.12 at the adjourned meeting.

2.13 **Proxies**

Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by an instrument in writing or by an electronic transmission permitted by law filed with the secretary of the corporation, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be deemed signed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, facsimile, electronic or telegraphic transmission or otherwise) by the stockholder or the stockholder's attorney-in-fact. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212(e) of the Delaware General Corporation Law.

ARTICLE III

DIRECTORS

3.1 **Powers**

Subject to the provisions of the Delaware General Corporation Law and any limitations in the certificate of incorporation or these bylaws relating to action required to be approved by the stockholders, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. At any time that, pursuant to the then-effective certificate of incorporation, any director or directors have more or less than one (1) vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

3.2 **Number Of Directors**

The number of directors which shall constitute the entire Board of Directors shall not be fewer than one (1) or greater than thirteen (13). The initial Board of Directors shall be comprised of one (1) director. This number may be changed by a resolution of the Board of Directors or of the stockholders, subject to Section 3.4 of these bylaws. No reduction of the authorized number of directors shall have the effect of removing any director before such director's term of office expires.

3.3 **Election, Qualification And Term Of Office Of Directors**

Except as provided in Section 3.4 of these bylaws, and unless otherwise provided in the certificate of incorporation, directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws, wherein other qualifications for directors may be prescribed. Each director, including a director elected to fill a vacancy, shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Unless otherwise specified in the certificate of incorporation, elections of directors need not be by written ballot.

3.4 **Resignation And Vacancies**

Any director may resign at any time upon written notice to the attention of the Secretary of the corporation. Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the Delaware General Corporation Law, any vacancy or newly created directorship may be filled by a majority of the directors then in office (including any directors that have tendered a resignation effective at a future date), though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy or newly created directorship occurs among the directors elected by the holders of a class or series of stock, the holders of shares of such class or series may override the Board of Directors' action to fill such vacancy or newly created directorship by (i) voting for their own designee to fill such vacancy or newly created directorship at a meeting of the corporation's stockholders or (ii) written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the stockholders.

If at any time, by reason of death or resignation or other cause, the corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the Delaware General Corporation Law.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board (as constituted immediately prior to any such increase), then the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the Delaware General Corporation Law as far as applicable.

3.5 **Place Of Meetings; Meetings By Telephone**

The Board of Directors of the corporation may hold meetings, both regular and special, either within or outside the state of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 **Regular Meetings**

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

3.7 **Special Meetings; Notice**

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairperson of the board, the chief executive officer, the president, the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail, facsimile, electronic transmission, or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. If the notice is mailed, it shall be deposited in the United States mail at least 4 days before the time of the holding of the meeting. If the notice is delivered personally or by facsimile, electronic transmission, telephone or telegram, it shall be delivered at least 24 hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting. The notice need not specify the place of the meeting, if the meeting is to be held at the principal executive office of the corporation. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

3.8 **Quorum**

At all meetings of the Board of Directors, a majority of the total number of duly elected directors then in office (but in no case less than 1/3 of the total number of authorized directors) shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.9 **Waiver Of Notice**

Whenever notice is required to be given under any provision of the Delaware General Corporation Law or of the certificate of incorporation or these bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors, or members of a committee of directors, need be specified in any written waiver of notice unless so required by the certificate of incorporation or these bylaws.

3.10 **Board Action By Written Consent Without A Meeting**

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3.11 **Fees And Compensation Of Directors**

Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. No such compensation shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

3.12 **Approval Of Loans To Officers**

The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

3.13 **Removal Of Directors**

Unless otherwise restricted by statute, by the certificate of incorporation or by these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent; provided, however, that if the stockholders of the corporation are entitled to cumulative voting, if less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

3.14 **Chairperson Of The Board Of Directors**

The corporation may also have, at the discretion of the Board of Directors, a chairperson of the Board of Directors who shall not be considered an officer of the corporation.

ARTICLE IV

COMMITTEES

4.1 **Committees Of Directors**

The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate 1 or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, or in these bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporate Law of Delaware to be submitted to stockholders for approval or (ii) adopting, amending or repealing any Bylaw of the corporation.

4.2 **Committee Minutes**

Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

4.3 **Meetings And Action Of Committees**

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Section 3.5 (place of meetings and meetings by telephone), Section 3.6 (regular meetings), Section 3.7 (special meetings and notice), Section 3.8 (quorum), Section 3.9 (waiver of notice), and Section 3.10 (action without a meeting) of these bylaws, with such changes in the context of such provisions as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board of Directors and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

ARTICLE V

OFFICERS

5.1 **Officers**

The officers of the corporation shall be a president and a secretary. The corporation may also have, at the discretion of the Board of Directors, a chief executive officer, a chief financial officer, a treasurer, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and any such other officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws. Any number of offices may be held by the same person.

5.2 **Appointment Of Officers**

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 or 5.5 of these bylaws, shall be appointed by the Board of Directors, subject to the rights (if any) of an officer under any contract of employment.

5.3 **Subordinate Officers**

The Board of Directors may appoint, or empower the chief executive officer or the president to appoint, such other officers and agents as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board of Directors may from time to time determine.

5.4 **Removal And Resignation Of Officers**

Subject to the rights (if any) of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board of Directors at any regular or special meeting of the board or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom the power of removal is conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the corporation (including written notice by email, fax, telegraphic or other facsimile or electronic transmission). Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights (if any) of the corporation under any contract to which the officer is a party.

5.5 **Vacancies In Offices**

Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

5.6 **Chief Executive Officer**

Subject to such supervisory powers (if any) as may be given by the Board of Directors to the chairperson of the board (if any), the chief executive officer of the corporation (if such an officer is appointed) shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the corporation and shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these bylaws.

The person serving as chief executive officer shall also be the acting president of the corporation whenever no other person is then serving in such capacity.

5.7 **President**

Subject to such supervisory powers (if any) as may be given by the Board of Directors to the chairperson of the board (if any) or the chief executive officer, the president shall have general supervision, direction, and control of the business and other officers of the corporation. He or she shall have the general powers and duties of management usually vested in the office of president of a corporation and such other powers and duties as may be prescribed by the Board of Directors or these bylaws.

The person serving as president shall also be the acting chief executive officer, secretary or treasurer of the corporation, as applicable, whenever no other person is then serving in such capacity.

5.8 **Vice Presidents**

In the absence or disability of the chief executive officer and president, the vice presidents (if any) in order of their rank as fixed by the Board of Directors or, if not ranked, a vice president designated by the Board of Directors, shall perform all the duties of the president and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors, these bylaws, the president or the chairperson of the board.

5.9 **Secretary**

The secretary shall keep or cause to be kept, at the principal executive office of the corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and stockholders. The minutes shall show the time and place of each meeting, the names of those present at directors' meetings or committee meetings, the number of shares present or represented at stockholders' meetings, and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal executive office of the corporation or at the office of the corporation's transfer agent or registrar, as determined by resolution of the Board of Directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates (if any) evidencing such shares, and the number and date of cancellation of every certificate (if any) surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required to be given by law or by these bylaws. He or she shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these bylaws.

5.10 **Chief Financial Officer**

The chief financial officer (if such an officer is appointed) shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall at all reasonable times be open to inspection by any member of the Board of Directors.

The chief financial officer shall render to the chief executive officer, the president, or the Board of Directors, upon request, an account of all his or her transactions as chief financial officer and of the financial condition of the corporation. He or she shall have the general powers and duties usually vested in the office of chief financial officer of a corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these bylaws.

The person serving as the chief financial officer shall also be the acting treasurer of the corporation whenever no other person is then serving in such capacity. Subject to such supervisory powers (if any) as may be given by the Board of Directors to another officer of the corporation, the chief financial officer shall supervise and direct the responsibilities of the treasurer whenever someone other than the chief financial officer is serving as treasurer of the corporation.

5.11 **Treasurer**

The treasurer (if such an officer is appointed) shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records with respect to all bank accounts, deposit accounts, cash management accounts and other investment accounts of the corporation. The books of account shall at all reasonable times be open to inspection by any member of the Board of Directors.

The treasurer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors and shall render to the chief financial officer, the chief executive officer, the president or the Board of Directors, upon request, an account of all his or her transactions as treasurer. He or she shall have the general powers and duties usually vested in the office of treasurer of a corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these bylaws.

The person serving as the treasurer shall also be the acting chief financial officer of the corporation whenever no other person is then serving in such capacity.

5.12 **Representation Of Shares Of Other Corporations**

The chairperson of the board, the chief executive officer, the president, any vice president, the chief financial officer, the secretary or assistant secretary of this corporation, or any other person authorized by the Board of Directors or the chief executive officer or the president or a vice president, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

5.13 **Authority And Duties Of Officers**

In addition to the foregoing authority and duties, all officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the Board of Directors or the stockholders.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

6.1 **Indemnification Of Directors And Officers**

The corporation shall, to the maximum extent and in the manner permitted by the Delaware General Corporation Law, indemnify each of its directors and officers against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the corporation. For purposes of this Section 6.1, a "director" or "officer" of the corporation includes any person (a) who is or was a director or officer of the corporation, (b) who is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was a director or officer of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

6.2 **Indemnification Of Others**

The corporation shall have the power, to the maximum extent and in the manner permitted by the Delaware General Corporation Law, to indemnify each of its employees and agents (other than directors and officers) against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the corporation. For purposes of this Section 6.2, an "employee" or "agent" of the corporation (other than a director or officer) includes any person (a) who is or was an employee or agent of the corporation, (b) who is or was serving at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was an employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

6.3 **Payment Of Expenses In Advance**

Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to Section 6.1 or for which indemnification is permitted pursuant to Section 6.2 following authorization thereof by the Board of Directors shall be paid by the corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that the indemnified party is not entitled to be indemnified as authorized in this Article VI.

6.4 **Indemnity Not Exclusive**

The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that such additional rights to indemnification are authorized in the certificate of incorporation.

6.5 **Insurance**

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of the Delaware General Corporation Law.

6.6 **Conflicts**

No indemnification or advance shall be made under this Article VI, except where such indemnification or advance is mandated by law or the order, judgment or decree of any court of competent jurisdiction, in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the certificate of incorporation, these bylaws, a resolution of the stockholders or an agreement in effect at the time of the accrual of the alleged cause of the action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

ARTICLE VII

RECORDS AND REPORTS

7.1 **Maintenance And Inspection Of Records**

The corporation shall, either at its principal executive offices or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these bylaws as amended to date, accounting books, and other records.

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in each such stockholder's name, shall be open to the examination of any such stockholder for a period of at least 10 days prior to the meeting in the manner provided by law. The stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

If and so long as there are fewer than one hundred (100) holders of record of the corporation's shares, any state law requirement of sending of an annual report to the stockholders of the corporation is hereby expressly waived, to the extent permitted.

7.2 **Inspection By Directors**

Any director shall have the right to examine the corporation's stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The Court may summarily order the corporation to permit the director to inspect any and all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the Court may deem just and proper.

ARTICLE VIII

GENERAL MATTERS

8.1 **Checks**

From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the corporation, and only the persons so authorized shall sign or endorse those instruments.

8.2 **Execution Of Corporate Contracts And Instruments**

The Board of Directors, except as otherwise provided in these bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.3 **Stock Certificates and Notices; Uncertificated Stock; Partly Paid Shares**

The shares of the corporation may be certificated or uncertificated, as provided under Delaware law, and shall be entered in the books of the corporation and recorded as they are issued. Any duly appointed officer of the corporation is authorized to sign share certificates. Any or all of the signatures on any certificate may be a facsimile or electronic signature. In case any officer, transfer agent or registrar who has signed or whose facsimile or electronic signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Within a reasonable time after the issuance or transfer of uncertificated stock and upon the request of a stockholder, the corporation shall send to the record owner thereof a written notice that shall set forth the name of the corporation, that the corporation is organized under the laws of Delaware, the name of the stockholder, the number and class (and the designation of the series, if any) of the shares, and any restrictions on the transfer or registration of such shares of stock imposed by the corporation's certificate of incorporation, these bylaws, any agreement among stockholders or any agreement between stockholders and the corporation.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate (if any) issued to represent any such partly paid shares, or upon the books and records of the corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

8.4 **Special Designation On Certificates and Notices of Issuance**

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock or the notice of issuance to the record owner of uncertificated stock; provided, however, that, except as otherwise provided in Section 202 of the Delaware General Corporation Law, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock or the notice of issuance to the record owner of uncertificated stock, or the purchase agreement for such stock a statement that the corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

8.5 **Lost Certificates**

Except as provided in this Section 8.5, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or notice of uncertificated stock in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

8.6 **Construction; Definitions**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Delaware General Corporation Law shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

8.7 **Dividends**

The directors of the corporation, subject to any restrictions contained in (a) the Delaware General Corporation Law or (b) the certificate of incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock.

The directors of the corporation may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

8.8 **Fiscal Year**

The fiscal year of the corporation shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

8.9 **Transfer Restrictions**

Notwithstanding anything to the contrary, except as expressly permitted in this Section 8.9, a stockholder shall not Transfer (as such term is defined below) any shares of the corporation's stock (or any rights of or interests in such shares) to any person unless such Transfer is approved by the Board of Directors prior to such Transfer, which approval may be granted or withheld in the Board of Directors' sole and absolute discretion. "Transfer" shall mean, with respect to any security, the direct or indirect assignment, sale, transfer, tender, pledge, hypothecation, or the grant, creation or suffrage of a lien or encumbrance in or upon, or the gift, placement in trust, or the Constructive Sale (as such term is defined below) or other disposition of such security (including transfer by testamentary or intestate succession, merger or otherwise by operation of law) or any right, title or interest therein (including, but not limited to, any right or power to vote to which the holder thereof may be entitled, whether such right or power is granted by proxy or otherwise), or the record or beneficial ownership thereof, the offer to make such a sale, transfer, Constructive Sale or other disposition, and each agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing. "Constructive Sale" shall mean, with respect to any security, a short sale with respect to such security, entering into or acquiring an offsetting derivative contract with respect to such security, entering into or acquiring a futures or forward contract to deliver such security, or entering into any other hedging or other derivative transaction that has the effect of materially changing the economic benefits and risks of ownership. Any purported Transfer of any shares of the corporation's stock effected in violation of this Section 8.9 shall be null and void and shall have no force or effect and the corporation shall not register any such purported Transfer.

Any stockholder seeking the approval of the Board of Directors of a Transfer of some or all of its shares shall give written notice thereof to the Secretary of the corporation that shall include: (a) the name of the stockholder; (b) the proposed transferee; (c) the number of shares of the Transfer of which approval is thereby requested; and (d) the purchase price (if any) of the shares proposed for Transfer. The corporation may require the stockholder to supplement its notice with such additional information as the corporation may request.

Certificates representing, and in the case of uncertificated securities, notices of issuance with respect to, shares of stock of the corporation shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

THE TRANSFER OF THE SECURITIES REFERENCED HEREIN IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS SET FORTH IN THE COMPANY'S BYLAWS, A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS. THE COMPANY SHALL NOT REGISTER OR OTHERWISE RECOGNIZE OR GIVE EFFECT TO ANY PURPORTED TRANSFER OF SECURITIES THAT DOES NOT COMPLY WITH SUCH TRANSFER RESTRICTIONS.

The corporation shall take all such actions as are practicable to cause the certificates representing, and notices of issuance with respect to, shares that are subject to the restrictions on transfer set forth in this Section to contain the foregoing legend.

8.10 **Transfer Of Stock**

Upon receipt by the corporation or the transfer agent of the corporation of proper transfer instructions from the record holder of uncertificated shares or upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate or, in the case of uncertificated securities and upon request, a notice of issuance of shares, to the person entitled thereto, cancel the old certificate (if any) and record the transaction in its books.

8.11 **Stock Transfer Agreements**

The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the Delaware General Corporation Law.

8.12 **Stockholders of Record**

The corporation shall be entitled to recognize the exclusive right of a person recorded on its books as the owner of shares to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments the person recorded on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

8.13 **Facsimile or Electronic Signature**

In addition to the provisions for use of facsimile or electronic signatures elsewhere specifically authorized in these bylaws, facsimile or electronic signatures of any stockholder, director or officer of the corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

ARTICLE IX

AMENDMENTS

The Bylaws of the corporation may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that the corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal Bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal Bylaws.

Exhibit D

FORM OF PARENT CERTIFICATE OF INCORPORATION

[Attached separately]

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AVIDXCHANGE HOLDINGS, INC.

Pursuant to Sections 228, 242 and 245
of the General Corporation Law of
the State of Delaware

AvidXchange, Inc., a corporation duly organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify as follows:

1. The name of the Corporation is AvidXchange Holdings, Inc.

2. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on _____ __, 2021 under the name AvidXchange Holdings, Inc.

3. The following Amended and Restated Certificate of Incorporation restates and amends the provisions of the Certificate of Incorporation, as previously amended and restated, of this corporation and has been duly adopted by the Board of Directors and the stockholders of the corporation in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

* * * * * *

ARTICLE I

The name of the corporation is AvidXchange Holdings, Inc. (the "**Corporation"). ARTICLE II**

The address of the Corporation's registered office is 251 Little Falls Drive, Wilmington, County of New Castle, Delaware, 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

The purpose for which the Corporation is organized is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

The total number of shares of stock which the Corporation shall have authority to issue is One Hundred and One Million Two Hundred Twenty-Two Thousand One Hundred Sixty-Six (101,222,166) shares, of which Sixty Million (60,000,000) shares shall be Common Stock, $0.001 par value per share (the "**Common**"), Seven Hundred Fifty Thousand (750,000) shares shall be Convertible Common Stock, $0.001 par value per share (the "**Convertible Common**") and Forty Million Four Hundred Seventy-Two Thousand, One Hundred Sixty-Six (40,472,166) shares shall be Preferred Stock, $0.001 par value per share (the "**Preferred**"). Subject to paragraph IV.E(4)(c) and IV.E(4)(d), the Preferred may be issued from time to time in one or more series. Subject to paragraph IV.E(4)(c) and IV.E(4)(d), the Board of Directors of the Corporation (the "**Board of Directors**") is authorized from time to time to designate by resolution (a "**Series Resolution**"), one or more series of preferred stock in addition to the Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred, Junior Series-1 Preferred, Senior Preferred and Redeemable Preferred designated in this Certificate of Incorporation, and the powers, preferences and rights, and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof as shall be permitted by Delaware law and this Certificate of Incorporation, and, subject to any requirements of this Certificate of Incorporation, to fix or alter the number of shares comprising any such series and the designation thereof.

The following is a statement of the designations and the powers, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation:

A. Dividends.

Subject to any vote of the holders of one or more series of Preferred that may be required by the terms of this Certificate of Incorporation, the holders of the Preferred and the Common shall be entitled, when and if declared by the Board of Directors, consistent with Delaware law, to receive cash dividends and distributions out of funds of the Corporation legally available for that purpose. The Preferred and Convertible Common shall have such dividend rights as designated on the Series Resolution or as hereinafter provided for the Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred, Junior Series-1 Preferred, Senior Preferred, Redeemable Preferred and Convertible Common.

Out of an abundance of caution, whenever in this Amended and Restated Certificate of Incorporation there is a reference to dividends, such reference shall only refer to dividends that were in fact declared and paid (or to be declared and paid) under Section 170 of the Delaware General Corporation Law or its successor, and shall not include some other event (such as a share redemption under Section 160 of the Delaware General Corporation Law or its successor) that is treated for tax purposes as receiving dividend treatment.

B. Voting.

The holders of each share of Common shall have the right to one vote for each such share, and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law. The holders of each share of Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be entitled to the number of votes equal to the number of shares of Common into which each share of Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred could be converted on the record date for the vote or written consent of stockholders and, except as otherwise required by law, shall have voting rights and powers equal to the voting rights and powers of the Common. The holders of each share of Junior Series-1 Preferred shall be entitled to the number of votes equal to 1/10th the number of shares of Common into which each share of Junior Series-1 Preferred could be converted on the record date for the vote or written consent of stockholders and otherwise, except as otherwise required by law, shall have voting rights and powers equal to the voting rights and powers of the Common. Except as required by law, the holders of the Senior Preferred, Redeemable Preferred and Convertible Common shall not be entitled to vote on any matter submitted to the stockholders of the Corporation for a vote, except for the approval and other rights set forth herein. The holders of Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred and Junior Series-1 Preferred shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation and shall vote with holders of the Common upon all other matters submitted to a vote of stockholders, except those matters required to be submitted to a class or series vote pursuant to paragraph IV.D(4), paragraph IV.E(4), paragraph IV.F(4), or by law. For informational purposes only, the holders of Senior Preferred, Redeemable Preferred and Convertible Common shall be entitled to notice of any stockholders' meeting or action by written consent in accordance with the Bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares of Common into which shares of Preferred held by each holder could be converted) shall be rounded to the nearest whole number (with one-half rounded upward to one). The number of authorized shares of Common may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred that may be required by the terms of this Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

C. Liquidation Preference.

1. Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of Senior Preferred shall be entitled to receive in cash, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series

A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the sum of (A) the greater of (i) the Senior Original Issue Price plus an amount equal to any accrued, but unpaid Senior Dividend on such share of Senior Preferred (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like); or (ii) $62.08293 minus an amount equal to any Senior Dividends actually paid in respect of such Senior Preferred (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like) (such greater amount the "**Senior Accrued Preference Amount**") and (B) the Convertible Common Redemption Price (as defined below) for the shares of Convertible Common that would have been issuable upon conversion of such share of Senior Preferred (subject to all of the limitations in paragraph IV.I(2)(b)(iii) and assuming conversion and calculation as of the date of determination) (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like) (such sum, the "**Senior Preference Amount**"). In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of Redeemable Preferred shall be entitled to receive in cash, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the greater of (the amount in (A) or (B), the "**Redeemable Preferred Preference Amount**"): (A) (i) the Redeemable Preferred Original Issue Price plus (ii) an amount equal to the Redeemable Accrued Dividends (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like); or (B) an amount equal to (i) the quotient of One Hundred and Sixty Nine Million ($169,000,000) divided by the aggregate number of shares of Redeemable Preferred immediately after a conversion to Redeemable Preferred pursuant to paragraph IV.G(2) minus (ii) an amount equal to any dividends actually paid in respect of such Redeemable Preferred (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like). Under no event shall both the Senior Preference Amount and the Redeemable Preferred Preference Amount both be paid. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, as the case may be, and any Preferred having a liquidation preference in priority to that of Series F Preferred, the holders of Series F Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series F Preferred (as set forth in the stock purchase agreement executed by the Corporation and the shareholder to whom such share was initially issued by the Corporation) (the "**Series F Price**"), minus (y) an

amount equal to any dividends actually paid in respect of such Series F Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Series F Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the "**Series F Liquidation Preference**"). In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference and any Preferred having a liquidation preference in priority to that of Series E Preferred, the holders of Series E Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series E Preferred (as set forth in the stock purchase agreement executed by the Corporation and the shareholder to whom such share was initially issued by the Corporation) (the "**Series E Price**"), minus (y) an amount equal to any dividends actually paid in respect of such Series E Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Series E Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the "**Series E Liquidation Preference**"). In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference and any Preferred having a liquidation preference in priority to that of Series D Preferred, the holders of Series D Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred, Series B Preferred, Series C Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series D Preferred ($6.82), minus (y) an amount equal to any dividends actually paid in respect of such Series D Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Series D Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the "**Series D Liquidation Preference**"). In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference, the Series D Liquidation Preference and any Preferred having a liquidation preference in priority to that of Series B Preferred or Series C Preferred, the holders of Series B Preferred and Series C Preferred, on a *pari passu* basis, shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred and Junior Series-1 Preferred by reason of their ownership

thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series B Preferred ($0.5220) or Series C Preferred ($1.07549), as applicable, minus (y) an amount equal to any dividends actually paid in respect of such Series B Preferred or Series C Preferred, as the case may be, or (2) the consideration that such holders would receive in the event that such holders converted the Series B Preferred or Series C Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the "**Series B/C Liquidation Preference**"). In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference, Series D Liquidation Preference, the Series B/C Liquidation Preference and any Preferred having a liquidation preference in priority to that of Series A Preferred, the holders of Series A Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common and Junior Series-1 Preferred by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series A Preferred ($2.00) minus (y) an amount equal to any dividends actually paid in respect of such Series A Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Series A Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the "**Series A Liquidation Preference**"). In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference, the Series D Liquidation Preference, the Series B/C Liquidation Preference, the Series A Liquidation Preference and any Preferred having a liquidation preference in priority to that of Junior Series-1 Preferred, the holders of Junior Series-1 Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Junior Series-1 Preferred ($12.02) minus (y) an amount equal to any dividends actually paid in respect of such Junior Series-1 Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Junior Series-1 Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the "**Junior Series-1 Liquidation Preference**"). If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Senior Preferred, the holders of all shares of Senior Preferred shall participate in the distribution of all such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Redeemable Preferred, the holders of all shares of Redeemable Preferred shall

participate in the distribution of all such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series F Preferred, the holders of all shares of Series F Preferred shall participate in the distribution of all such remaining assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount and the Series F Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series E Preferred, the holders of all shares of Series E Preferred shall participate in the distribution of all such remaining assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference and the Series E Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series D Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series D Preferred, the holders of all shares of Series D Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series D Preferred shall participate in the distribution of such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference and the Series D Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series B Preferred, Series C Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series B Preferred and Series C Preferred, the holders of all shares of Series B Preferred, Series C Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series B Preferred and Series C Preferred shall participate in the distribution of such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference, the Series D Liquidation Preference and the Series B/C Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series A Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series A Preferred, the holders of all shares of Series A Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series A Preferred shall participate in the distribution of such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F

Liquidation Preference, the Series E Liquidation Preference, the Series D Liquidation Preference, the Series B/C Liquidation Preference and the Series A Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Junior Series-1 Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Junior Series-1 Preferred, the holders of all shares of Junior Series-1 Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Junior Series-1 Preferred shall participate in the distribution of such assets in proportion to their respective liquidation preferences.

(b) After the payment or the setting apart for payment to the holders of the Preferred of the preferential amounts so payable to them, if assets remain in the Corporation, the holders of the Common shall receive all of the remaining assets of the Corporation pro rata in accordance with the number of shares of Common held by them.

(c) All amounts per share set forth in this paragraph IV.C(1) (or incorporated herein from a stock purchase agreement of the Corporation) shall be appropriately adjusted for any stock splits, stock combinations, stock dividends or similar recapitalizations.

(d) The provisions of this paragraph IV.C(1) shall not in any way limit the right of a holders of Senior Preferred and Convertible Common, as applicable, to elect to convert shares of Senior Preferred into shares of Convertible Common and Redeemable Preferred pursuant to paragraph IV.G(2) or convert shares of Convertible Common into Common pursuant to paragraph IV.I(2)(c), including, without limitation, prior to or in connection with any Liquidation Event or Significant Transaction (each as defined below). For the avoidance of doubt, under no circumstances may the holders of the Senior Preferred receive the Senior Preference Amount and be able to convert shares into Convertible Common and Redeemable Preferred.

2. Noncash Distributions. Subject to the requirement that all payments relating to the Senior Preferred and Redeemable Preferred shall be in cash, if any of the assets of the Corporation are to be distributed other than in cash under this paragraph IV.C or for any purpose, then the Board of Directors shall promptly determine, in its reasonable business judgment and by a Qualified Board Approval (as defined below), the value of the assets to be distributed to the holders of Preferred or Common. The Corporation shall give prompt written notice to each holder of shares of the Preferred or Common of such valuation. If the assets of the Corporation to be distributed under this paragraph IV.C consist of cash and non-cash consideration, after payment of cash to the Senior Preferred and Redeemable Preferred, the remaining portion of such remaining assets consisting of cash consideration and the portion of such assets consisting of non-cash consideration, respectively, shall be allocated among the other holders of capital stock of the Corporation eligible to receive such assets on a pro rata basis. "**Qualified Board Approval**" shall mean the approval or consent of the Board of Directors, including, (i) a Series E Director (as

defined in the Investor Rights Agreement (as defined below)) if such a director is still in office and (ii) a Series F Director (as defined in the Investor Rights Agreement) unless (x) such a director is not then still in office and (y) all Series F Director seats still subsisting under the terms of the Investor Rights Agreement have remained vacant for at least ten (10) days.

3. Significant Transaction. A consolidation or merger of the Corporation or its subsidiaries with or into any other entity or entities, a sale or transfer of shares of capital stock of the Corporation or its subsidiaries or its stockholders in a single transaction or a series of related transactions representing at least 50% of the voting power of the voting securities of the Corporation or its subsidiaries, a stock issuance or series of related stock issuances by the Corporation or its subsidiaries resulting in a change of ownership of more than 50% of the voting power of the voting securities of the Corporation (other than the issuance of Preferred in connection with a bona fide capital raising transaction approved in accordance with the terms hereof) or its subsidiaries, or a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Corporation or its subsidiaries, on a consolidated basis (a "**Significant Transaction**"), shall be deemed to be a liquidation, dissolution or winding up within the meaning of this paragraph IV.C; provided, however, that a "Significant Transaction" shall not include any consolidation, merger or stock issuance in which shares outstanding before such consolidation, merger or stock issuance (or shares received upon conversion or exchange thereof, if applicable) represent a majority of the capital stock of the resulting or surviving entity or the Corporation, as the case may be, based on voting power in the election of directors; provided, however, in the event a transaction occurs that would be deemed a Significant Transaction but for the exception "(other than the issuance of Preferred in connection with a bona fide capital raising transaction approved in accordance with the terms hereof)" then such event shall be deemed a liquidation, dissolution or winding up within the meaning of this paragraph IV.C for the Senior Preferred or Redeemable Preferred, whichever Security is outstanding at such time, but for no other Securities of the Corporation.

4. Effecting a Significant Transaction.

(a) Purchase Agreement. The Corporation shall not have the power to effect any Significant Transaction unless the applicable purchase agreement with respect to such transaction (the "**Purchase Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with this paragraph IV.C.

(b) Asset Sale. In the event of any Significant Transaction structured as an asset sale (including a sale of stock of any subsidiary of the Corporation that would constitute a Significant Transaction) (a "**Deemed Sale**"), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law of the State of Delaware within ninety (90) days after such Deemed Sale, then (i) the Corporation shall notify each holder of Preferred in writing of its rights under this paragraph IV.C(4)(b) and (ii) unless the holders of a majority of the then-

outstanding shares of Preferred (which majority shall include the holders of a majority of the outstanding shares of Senior Preferred or the holders of a majority of the outstanding shares of Redeemable Preferred (whichever Security is outstanding at such time), the holders of a majority of the outstanding shares of Series E Preferred and the holders of a majority of the outstanding shares of Series F Preferred) elect otherwise by written notice sent to the Corporation not later than one hundred twenty (120) days after such Deemed Sale, the Corporation shall use the consideration received by the Corporation for such Deemed Sale**,** together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150th) day after such Deemed Sale, to redeem all outstanding shares of Preferred at a price per share equal to the Senior Preference Amount (with respect to the Senior Preferred) or the Redeemable Preferred Preference Amount (with respect to the Redeemable Preferred), the Series F Liquidation Preference (with respect to the Series F Preferred), Series E Liquidation Preference (with respect to the Series E Preferred), Series D Liquidation Preference (with respect to the Series D Preferred), Series B/C Liquidation Preference (with respect to the Series C Preferred or the Series B Preferred), Series A Liquidation Preference (with respect to the Series A Preferred) or the Junior Series-1 Liquidation Preference (with respect to the Junior Series-1 Preferred), as the case may be, with any amounts remaining to be provided to the holders of Common on a pro rata basis. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Senior Preferred or Redeemable Preferred, the Corporation shall ratably redeem each holder's shares of Senior Preferred or Redeemable Preferred to the fullest extent of such Available Proceeds, and shall redeem the remaining shares (once all shares of Senior Preferred or Redeemable Preferred have been redeemed) as soon as it may lawfully do so under Delaware law governing distributions to stockholders. All shares of Preferred once redeemed pursuant to the provisions of this paragraph IV.C(4)(b) herein will be cancelled immediately upon such redemption with no further rights herein. Prior to the distribution or redemption provided for in this paragraph IV.C(4)(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Sale, except to discharge expenses incurred in connection with such Deemed Sale.

(c) Allocation of Proceeds. In the event of a Significant Transaction, if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Purchase Agreement shall provide that (i) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with paragraph IV.C(1) as if the Initial Consideration were the only consideration payable in connection with such Significant Transaction; and (ii) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital

stock of the Corporation in accordance with paragraph IV.C(1) after taking into account the previous payment of the Initial Consideration and all previously paid Additional Consideration as part of the same transaction. For the purposes of this paragraph IV.C(4)(c), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Significant Transaction shall be deemed to be Additional Consideration.

D. Terms of Series A Preferred.

There is hereby created a series of Two Million (2,000,000) shares of Preferred designated "Series A Convertible Preferred" (the "**Series A Preferred**") having the following powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Series A Dividends. Subject to paragraphs IV.E(1), IV.E(4)(c), IV.E(4)(d), IV.G(1) and IV.H(1), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on the Common unless prior to or simultaneously with such declaration, a dividend or distribution is declared and paid on each share of Series A Preferred in an amount equal to or greater than the amount that would have been received by the holders of the Series A Preferred had such holders, on the record date for the Common dividend or distribution, held the number of shares of Common into which the Series A Preferred would have been convertible upon conversion hereunder.

2. Series A Conversion. The Series A Preferred shall be convertible into Common, as follows:

(a) Right to Convert. Each share of Series A Preferred shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, into the number of shares of Common which results from dividing the Series A Conversion Price (as defined below) per share in effect at the time of conversion into the "**Series A Conversion Value**" per share. The number of shares of Common into which a share of Series A Preferred is convertible is hereinafter referred to as the "**Series A Conversion Rate**." As of the Effective Date, the Series A Conversion Value is $2.00 per share, the Series A Conversion Price per share of Series A Preferred (the "**Series A Conversion Price**") is $1.19, and the Series A Conversion Rate is 1.6806. The Series A Conversion Price shall be subject to adjustment as hereinafter provided.

(b) Automatic Conversion. Each share of Series A Preferred shall automatically be converted into shares of Common at the then effective Series A Conversion Rate immediately prior to the closing of a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering a firm commitment underwritten offering of the Common with aggregate gross proceeds to the Corporation, at the public offering price, of at least $100,000,000, and a minimum equity valuation of the Corporation of at least the

sum of (i) $1,800,000,000, plus (ii) the aggregate amount of proceeds received by the Corporation, between the Effective Date and the date that is ninety days after the Effective Date from sales of shares of Common and Series F Preferred (not including (A) option or warrant exercises or (B) shares of Common and Series F Preferred issued pursuant to merger or acquisition transactions, including pursuant to the BankTEL Agreement), minus (ii) an amount equal to any dividends actually paid in respect to the Securities sold pursuant to (b)(ii) above minus (iii) any amounts actually paid to holders of Securities sold pursuant to (b)(ii) above (a "**Qualified Offering**").

(c) Mechanics of Conversion. Before any holder of Series A Preferred shall be entitled to convert the same into shares of Common as provided in paragraph IV.D(2)(a), he shall surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates), at the office of the Corporation and shall give written notice to the Corporation at such office that he elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred to be converted, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

In the event of an automatic conversion pursuant to paragraph IV.D(2)(b), the outstanding shares of Series A Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common issuable upon such automatic conversion unless the certificates evidencing such shares of Series A Preferred are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Series A Preferred, a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common. Such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of a Qualified Offering, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(d) Fractional Shares. No fractional shares of Common shall be issued upon conversion of the Series A Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Series A Conversion Price.

(e) Adjustment of Series A Conversion Price. The Series A Conversion Price shall be subject to adjustment from time to time as follows:

(i) If the number of shares of Common outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common or by a subdivision or split-up of shares of Common, then, on the date such payment is made or such change is effective, the Series A Conversion Price shall be appropriately decreased so that the number of shares of Common issuable on conversion of the Series A Preferred shall be increased in proportion to such increase of outstanding shares.

(ii) If the number of shares of Common outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common, then, on the effective date of such combination, the Series A Conversion Price shall be appropriately increased so that the number of shares of Common issuable on conversion of the Series A Preferred shall be decreased in proportion to such decrease in outstanding shares.

(iii) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Series A Preferred shall, if such event is not a Significant Transaction, after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Series A Preferred into Common. The provisions of this paragraph IV.D(2)(e)(iii) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(iv) All calculations under this paragraph IV.D(2)(e) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(f) Minimal Adjustments. No adjustment in a Series A Conversion Price need be made if such adjustment would result in a change in a Series A Conversion Price of less than $0.01. Any adjustment of less than $0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of $0.01 or more in a Series A Conversion Price.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Series A Conversion Price pursuant to paragraph IV.D(2)(e), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request at any time of any holder of Series A Preferred, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments,

(ii) the Series A Conversion Price at the time in effect for the Series A Preferred held, and (iii) the number of shares of Common and the amount if any, of other property which at the time would be received upon the conversion of the Series A Preferred.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, the Corporation shall mail to each holder of Series A Preferred at least twenty (20) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common solely for the purpose of effecting the conversion of the shares of the Series A Preferred such number of its shares of Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred; and if at any time the number of authorized but unissued shares of Common shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common to such number of shares as shall be sufficient for such purpose.

(j) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Series A Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of "electronic transmission" (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

(k) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this paragraph IV.D(2) by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.D(2) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred against impairment.

3. Redemption of Series A Preferred.

(a) On or after the date that is seven years from the Effective Date (the "**Redemption Date**"), any holder of Series A Preferred may provide a written request to the Corporation (a "**Series A Redemption Notice**") to redeem any or all of the Series A Preferred of such holder at an amount equal to (i) the consideration per share paid for such Series A Preferred, minus (ii) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise. The Corporation shall, upon each of the six month, twelve-month and eighteen month anniversary of its receipt of a Series A Redemption Notice, redeem for cash 1/3 of the shares of Series A Preferred set forth in the Series A Redemption Notice. Notwithstanding the foregoing, if the Corporation is in receipt of a Redeemable Preferred Election, a Convertible Common Election, or a Series E/F Redemption Notice at any time or has made a Corporation Redemption Election or Corporation Common Convertible Redemption Election when it has unpaid amounts to a holder of Series A Preferred that has submitted a Series A Redemption Notice, the Corporation shall subordinate its payment obligations to the holders of Series A Preferred to its payment obligations to the holders of Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, until the Board of Directors makes a determination that adequate provision has been made to redeem the Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred subject to the Redeemable Preferred Election, Corporation Redemption Election, Convertible Common Election, Corporation Common Convertible Election or Series E/F Redemption Notice on a full and timely basis. If the Corporation fails to timely redeem the Series A Preferred as set forth herein on any specified payment date, then the amount payable in respect of the Series A Preferred as set forth herein shall be increased at the rate of 5.0% per annum, compounding quarterly, for the first twelve months from such specified payment date, and afterwards at a rate of 8.0% per annum, compounding quarterly, until such amount (including interest) shall be paid in full; provided, however, that no such interest shall accrue while the Corporation's payment obligations to the holders of

Series A Preferred are subordinated in accordance with the terms of this paragraph. Notwithstanding anything to the contrary herein, the holders of Series A Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full.

(b) Any Series A Redemption Notice shall be sent by first class certified mail, return receipt requested, postage prepaid, to the Corporation at its then current address, with a copy of any notice or other communication sent by electronic mail.

(c) Once redeemed pursuant to the provisions of this paragraph IV.D(3), shares of Series A Preferred shall be cancelled and not subject to reissuance.

4. Series A Protective Provisions.

So long as any of the Series A Preferred shall be outstanding, the Corporation shall not without obtaining the approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Series A Preferred:

(a) Change of Rights. Materially and adversely alter or change the rights, preferences or privileges of the Series A Preferred or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series A Preferred; provided however, that any Excluded Action (as defined below) shall not be deemed to materially and adversely alter or change the rights, preferences or privileges of the Series A Preferred and therefore shall not require the approval of the Series A Preferred voting as a class. "**Excluded Action**" shall mean, with respect to a series of Preferred, the Corporation: (i) increasing the number of authorized shares of such series of Preferred, (ii) (A) creating any new class or series of shares having preferences over any outstanding shares of Preferred as to dividends or assets, or (B) authorizing or issuing shares of stock of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any shares of stock of this Corporation (other than stock junior in preference and priority as to dividends and assets with respect to shares of such series), (iii) merging or consolidating with, or permitting any of its subsidiaries to merge or consolidate with, any entity, or (iv) selling, leasing, licensing or otherwise disposing of, or permitting any such subsidiary to sell, lease, license or otherwise dispose of, all or substantially all of the consolidated assets of the Corporation in any twelve-month period; or

(b) Reclassification. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges senior to or on a parity with any such preference or priority of the Series A Preferred.

5. Future Financings.

(a) Preemptive Right. The Corporation grants to each holder of at least 50,000 shares of Series A Preferred (each, a "**Major Series A Holder**") a preemptive right to purchase such Major Series A Holder's pro-rata share, as defined below, of any Securities (as defined below). Such Major Series A Holder's "**pro-rata share**" shall be that portion of the Securities proposed to be issued which bears the same relation to all of the Securities proposed to be issued as the shares of Series A Preferred held by such Major Series A Holder (on an as-converted basis) bear to all outstanding shares of the Common and the Convertible Common combined (assuming for the purposes of such calculation the conversion of all outstanding securities which are convertible into Common without payment of additional consideration and, if the Senior Preferred are still outstanding, the total number of shares of Convertible Common that would be issuable assuming a conversion of the Senior Preferred on such date pursuant to paragraph IV.G(2), including those held by the Major Series A Holder), all determined immediately prior to the offering of the Securities. The preemptive right in this paragraph IV.D(5)(a) shall be combined, if applicable, with those preemptive rights set forth in paragraphs IV.E(5)(a), IV.G(4) and IV.I(2)(g) if such Major Series A Holder also is a Series B/C/D/E/F Holder, Senior Preferred Holder and/or Convertible Common Holder such that, (i) pursuant to this paragraph IV.D(5)(a), the Major Series A Holder will receive a preemptive right for its pro rata share based on its Series A Preferred ownership, (ii) pursuant to paragraph IV.E(5)(a), its pro rata share based on its ownership of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and/or Series F Preferred, (iii) pursuant to paragraph IV.G(4), its pro rata share based on its ownership of Senior Preferred, and (iv) pursuant to paragraph IV.I(2)(g), its pro rata share based on its ownership of Convertible Common (to the extent applicable).

(b) Notice. In the event that the Corporation proposes to undertake an issue of Securities, it shall deliver to each Major Series A Holder written notice of its intention, describing such Securities, specifying each Major Series A Holder's pro-rata share and stating the purchase price and other terms upon which it proposes to issue the same (the "**Series A Option Notice**"). For a period of twenty (20) days following the receipt of the Series A Option Notice, each Major Series A Holder shall have the right to elect, by written notice to the Corporation, to purchase all or any portion of such Major Series A Holder's pro-rata share of the Securities described in the Series A Option Notice. The closing of any sale pursuant to this paragraph IV.D(5)(b) shall occur within ninety (90) days of the date that the Series A Option Notice is given.

(c) Sale by the Corporation. In the event any Major Series A Holder fails to exercise its preemptive rights within the specified period, or any Major Series A Holder elects to acquire less than its aggregate pro-rata shares pursuant to the exercise of such right, then, during the 90 day period following the expiration of the periods set forth in paragraph IV.D(5)(b), the Corporation may sell, free of any preemptive right on such Major Series A Holder's part, the portion of such Major Series A Holder's pro-rata shares not purchased pursuant to such preemptive right, upon the same terms specified in the Series A Option Notice. If the Corporation does not enter into an agreement for the sale of the Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Securities shall not be offered unless first reoffered to the Major Series A Holders in accordance with this paragraph IV.D(5).

(d) Exceptions. The preemptive right granted under this Paragraph IV.D(5) shall not apply to (i) the Excluded Stock (as defined below) or (ii) Securities issued for non-cash consideration, or as a so-called "equity feature" (such as a warrant) of a transaction primarily involving debt securities or indebtedness for borrowed money, or pursuant to a merger or acquisition transaction, in each case, approved by the Board of Directors with a Qualified Board Approval.

E. Terms of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred.

There is hereby created (a) a series of Five Million (5,000,000) shares of Preferred designated "Series B Convertible Preferred" (the "**Series B Preferred**"), (b) a series of Four Million Two Hundred Thousand (4,200,000) shares of Preferred designated "Series C Convertible Preferred" (the "**Series C Preferred**"), (c) a series of One Million Five Hundred Thousand (1,500,000) shares of Preferred designated "Series D Convertible Preferred" (the "**Series D Preferred**"), (d) a series of Nine Million Eight Hundred Thousand (9,800,000) shares of Preferred designated "Series E Convertible Preferred" (the "**Series E Preferred**"), and (e) a series of Fourteen Million Five Hundred Thousand (14,500,000) shares of Preferred designated "Series F Convertible Preferred" (the "**Series F Preferred**"), each having the following powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Series B, Series C, Series D, Series E and Series F Dividends.

(a) Subject to paragraph IV.G(1) and IV.H(1), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on any shares of capital stock of the Corporation (other than Senior Preferred or Redeemable Preferred) unless prior to or simultaneously with such declaration, a dividend or distribution is declared and paid on each share of Series F Preferred in an amount equal to or greater than the greatest amount per share that any other holder of capital stock of the Corporation would receive in such dividend or distribution, in each case, on an as-converted basis as of the record date for the such dividend or distribution.

(b) Subject to paragraphs IV.G(1), IVH(1) and IV.E(1)(a), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on any shares of capital stock of the Corporation (other than Senior Preferred, Redeemable Preferred or Series F Preferred) unless prior to or simultaneously with such

declaration, a dividend or distribution is declared and paid on each share of Series E Preferred in an amount equal to or greater than the amount that would have been received by the holders of the Series E Preferred had such holders, on the record date for the such dividend or distribution, held the number of shares of Common into which the Series E Preferred would have been convertible upon conversion hereunder.

(c) Subject to paragraphs IV.G(1), IV.H(1), IV.E(1)(a) and (b), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on the Common or Series A Preferred unless prior to or simultaneously with such

declaration, a dividend or distribution is declared and paid on each share of Series B Preferred, Series C Preferred, and Series D Preferred in an amount equal to or greater than the amount that would have been received by the holders of the Series B Preferred, the holders of the Series C Preferred, and the holders of Series D Preferred had such holders, on the record date for the Common dividend or distribution, held the number of shares of Common into which the Series B Preferred, Series C Preferred, and Series D Preferred would have been convertible upon conversion hereunder.

2. Series B, Series C, Series D, Series E and Series F Conversion.

The Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be convertible into Common, as follows:

(a) Right to Convert. Each share of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation.

(i) Each share of Series B Preferred shall be convertible into the number of shares of Common which results from dividing the Series B Conversion Price (as defined below) per share in effect at the time of conversion into the "**Series B Conversion Value**" per share. The number of shares of Common into which a share of Series B Preferred is convertible is hereinafter referred to as the "**Series B Conversion Rate**." As of the Effective Date, both the Series B Conversion Price per share of Series B Preferred (the "**Series B Conversion Price**") and the Series B Conversion Value are $0.5220. The Series B Conversion Price shall be subject to adjustment as hereinafter provided.

(ii) Each share of Series C Preferred shall be convertible into the number of shares of Common which results from dividing the Series C Conversion Price (as defined below) per share in effect at the time of conversion into the "**Series C Conversion Value**" per share. The number of shares of Common into which a share of Series C Preferred is convertible is hereinafter referred to as the "**Series C Conversion Rate**." As of the Effective Date, both the Series C Conversion Price per share of Series C Preferred (the "**Series C Conversion Price**") and the Series C Conversion Value are $1.07549. The Series C Conversion Price shall be subject to adjustment as hereinafter provided.

(iii) Each share of Series D Preferred shall be convertible into the number of shares of Common which results from dividing the Series D Conversion Price (as defined below) per share in effect at the time of conversion into the "**Series D Conversion Value**" per share. The number of shares of Common into which a share of Series D Preferred is convertible is hereinafter referred to as the "**Series D Conversion Rate**." As of the Effective Date, both the Series D Conversion Price per share of Series D Preferred (the "**Series D Conversion Price**") and the Series D Conversion Value are $6.82. The Series D Conversion Price shall be subject to adjustment as hereinafter provided.

(iv) Each share of Series E Preferred shall be convertible into the number of shares of Common which results from dividing the Series E Conversion Price (as defined below) per share in effect at the time of conversion into the "**Series E Conversion Value**" per share. The number of shares of Common into which a share of Series E Preferred is convertible is hereinafter referred to as the "**Series E Conversion Rate**." As of the Effective Date, both the Series E Conversion Price per share of Series E Preferred (the "**Series E Conversion Price**") and the Series E Conversion Value are $17.96. The Series E Conversion Price shall be subject to adjustment as hereinafter provided.

(v) Each share of Series F Preferred shall be convertible into the number of shares of Common which results from dividing the Series F Conversion Price (as defined below) per share applicable to such share in effect at the time of conversion into the "**Series F Conversion Value**" per share applicable to such share. The number of shares of Common into which a share of Series F Preferred is convertible is hereinafter referred to as the "**Series F Conversion Rate**." As of (October 1, 2019) (the "**Effective Date**") and the date of effectiveness of the first Certificate of Amendment to the Seventh Amended and Restated Certificate of Incorporation of AvidXchange, Inc., for the shares of Series F Preferred deemed to be originally issued prior to 2019 both the Series F Conversion Price per share of Series F Preferred (the "**Earlier Series F Conversion Price**") and the Series F Conversion Value are $34.5454. As of the date of effectiveness of the first Certificate of Amendment to the Seventh Amended and Restated Certificate of Incorporation of AvidXchange, Inc., for shares of Series F Preferred deemed to be originally issued in 2019 or thereafter both the Series F Conversion Price per share of Series F Preferred (the "**Later Series F Conversion Price**") and the Series F Conversion Value are $49.0120. The term "**Series F Conversion Price**" as used herein shall be either the Earlier Series F Conversion Price or the Later Series F Conversion Price, whichever is applicable to such share of Series F Preferred and shall be subject to adjustment as hereinafter provided.

(b) Automatic Conversion. Each share of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall automatically be converted into shares of Common at the then effective Series B Conversion Rate, Series C Conversion Rate, Series D Conversion Rate, Series E Conversion Rate or Series F Conversion Rate, as applicable, immediately prior to the closing of a Qualified Offering.

(c) Mechanics of Conversion. Before any holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred shall be entitled to convert the same into shares of Common as provided in paragraph IV.E(2)(a), he shall surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates), at the office of the Corporation and shall give written notice to the Corporation at such office that he elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred to be converted, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

In the event of an automatic conversion pursuant to paragraph IV.E(2)(b), the outstanding shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common issuable upon such automatic conversion unless the certificates evidencing such shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred, a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common. Such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of a Qualified Offering, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(d) Fractional Shares. No fractional shares of Common shall be issued upon conversion of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price, as applicable.

(e) Adjustment of Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price and Series F Conversion Price. The Series B Conversion Price, the Series C Conversion Price, the Series D Conversion Price, Series E Conversion Price and Series F Conversion Price shall be subject to adjustment from time to time as follows:

(i) If the Corporation shall issue any Common (other than Excluded Stock) ("**Additional Common Shares**") or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock) and (A) if the consideration price per share, on an as-converted basis, is less than the Series B Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series B Conversion Price shall be decreased to such purchase price per share; (B) if the consideration price per share, on an as-converted basis, is less than the Series C Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series C Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula; (C) if the consideration price per share, on an as-converted basis, is less than the Series D Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series D Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula; (D) if the consideration price per share, on an as-converted basis, is less than the Series E Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series E Conversion Price shall be reduced, concurrently with such issue, to a price

(calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula; and (E) if the consideration price per share, on an as-converted basis, is less than the Series F Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series F Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

CP2 = CP1 * (A + B) / (A + C)

For purposes of the foregoing formula, the following definitions shall apply:

"**CP2**" shall mean the Series C Conversion Price (with respect to Series C Preferred), Series D Conversion Price (with respect to Series D Preferred), Series E Conversion Price (with respect to Series E Preferred) or Series F Conversion Price (with respect to Series F Preferred) in effect immediately after such issue of Additional Common Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common);

"**CP1**" shall mean the Series C Conversion Price (with respect to Series C Preferred), Series D Conversion Price (with respect to Series D Preferred), Series E Conversion Price (with respect to Series E Preferred) or Series F Conversion Price (with respect to Series F Preferred) in effect immediately prior to such issue of Additional Common Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common);

"**A**" shall mean the number of shares of Common outstanding and deemed outstanding immediately prior to such issue of Additional Common Shares (treating for this purpose as outstanding all shares of Common issuable upon exercise or conversion of securities directly or indirectly convertible into or exchangeable for Common outstanding immediately prior to such issue);

"**B**" shall mean the number of shares of Common that would have been issued if such Additional Common Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common) had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP1); and

"**C**" shall mean the number of such Additional Common Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common) issued in such transaction.

For the purposes of this paragraph IV.E(2)(e), the following provisions shall also be applicable:

(1) In the case of the issuance of Common for cash, the consideration received therefor shall be deemed to be the amount of cash paid therefor without deducting any discounts or commissions paid or incurred by the Corporation in connection with the issuance and sale thereof;

(2) In the case of the issuance of Common for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors;

(3) In the case of the issuance of (i) options to purchase or rights to subscribe for Common (other than Excluded Stock), (ii) securities by their terms convertible or exchangeable for Common (other than Excluded Stock), or (iii) options to purchase or rights to subscribe for such convertible or exchangeable securities:

(v) the aggregate maximum number of shares of Common deliverable upon exercise of such options to purchase or rights to subscribe for Common shall be deemed to be issuable for a consideration equal to the consideration (determined in the manner provided in subdivisions (1) and (2) above), if any, received by the Corporation upon the issuance of such options or rights plus the minimum purchase price provided in such options or rights for the Common covered thereby;

(w) the aggregate maximum number of shares of Common deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to be issuable for a consideration equal to the consideration received by the Corporation for any such securities and related options or rights, plus the additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subdivisions (1) and (2) above);

(x) the aggregate maximum number of shares of Common deliverable upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such options or rights or securities were issued;

(y) any change in the number of shares of Common deliverable upon exercise of any such options or rights or conversion of or exchange for such convertible or exchangeable securities, or on any change in the minimum purchase price of such options, rights or securities, the Series B Conversion Price, the Series C Conversion Price, the Series D Conversion Price, the Series E Conversion Price and/or the Series F Conversion Price, as applicable, shall forthwith be readjusted to such Series B Conversion Price, Series C Conversion Price, the Series D Conversion Price, the Series E Conversion Price and/or the Series F Conversion Price, as applicable, as would have obtained had the adjustment (and any subsequent adjustments) made upon (x) the issuance of such options, rights or securities not exercised, converted or exchanged prior to such change, as the case may be, been made upon the basis of such change or (y) the options or rights related to such securities not converted or exchanged prior to such change, as the case may be, been made upon the basis of such change; and

(z) on the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Series B Conversion Price, the Series C Conversion Price, the Series D Conversion Price, Series E Conversion Price and/or the Series F Conversion Price, as applicable, shall forthwith be readjusted to such Series B Conversion Price, Series C Conversion Price, the Series D Conversion Price, the Series E Conversion Price and/or the Series F Conversion Price, as applicable, as would have obtained had the adjustment (and any subsequent adjustments) made upon the issuance of such options, rights, convertible or exchangeable securities or options or rights related to such convertible or exchangeable securities, as the case may be, been made upon the basis of the issuance of only the number of shares of Common actually issued upon the exercise of such options or rights, upon the conversion or exchange of such convertible or exchangeable securities or upon the exercise of the options or rights related to such convertible or exchangeable securities, as the case may be.

(ii) "**Excluded Stock**" shall mean:

(1) all shares of Common issued (i) upon the conversion of the shares of the Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred, Junior Series-1 Preferred or Convertible Common, or (ii) upon any stock dividends, subdivisions, split-ups, combinations, dividends or other events, which such events are covered by paragraph IV.E(2)(e)(iii) through paragraph IV.E(2)(e)(v);

(2) up to 1,953,779 shares of Common issued or issuable upon exercise of options or other purchase rights granted under the Corporation's 2000 Stock Option Plan, 2010 Stock Option Plan, the 2017 Amendment and Restatement of the 2010 Stock Option Plan, as amended, or the Corporation's Equity Incentive Plan, as it may be amended from time to time, to employees, officers, directors, or consultants of the Corporation and approved by the Board of Directors or a committee of the Board of Directors;

(3) all shares of Common or other securities (including options, warrants and other purchase rights) issued or to be issued to employees, officers, directors, consultants, affiliates or lenders of the Corporation (i) after receipt of written consent to such issuance from the holders of more than 60% of the then-outstanding Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred, voting together as a single class, and (ii) approved by a Qualified Board Approval;

(4) Securities issued upon conversion or exercise of warrants issued by the Corporation outstanding as of the Effective Date and disclosed under the Senior Preferred Stock Purchase Agreement (as defined herein);

(5) Securities issued pursuant to warrant agreements to advisors, consultants, or existing stockholders to the extent such advisors, consultants or stockholders are providing advisory services to the Corporation at the time of such issuance; provided, however, that such issuance shall not exceed 50,000 shares of Securities per year;

(6) up to 5,786,828 additional shares of Series F Preferred to be issued in the aggregate from time to time with a Qualified Board Approval and at a price equal to or greater than $47.7561 per share (with it being understood that if any such shares of Series F Preferred that are issued for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors);

(7) up to 462,946 additional shares of Common to be issued pursuant to the Securities Purchase Agreement by and among the sellers party thereto, John Bowen, as the seller representative and the Corporation, dated August 23, 2019 (the "**BankTEL Agreement**");

(8) up to 5,675,000 additional shares of Common to be issued in the aggregate from time-to-time with a Qualified Board Approval and at a price equal to or greater than $43.00 per share (with it being understand that if any such shares of Common that are issued for consideration in whole or in part other than cash, the consideration shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors);

(9) up to 2,722,166 shares of Senior Preferred issued pursuant to the Senior Preferred Stock Purchase Agreement by and among the Corporation and the Purchasers listed in Exhibit A thereto dated as of the Effective Date (the "**Senior Preferred Stock Purchase Agreement**"), along with such shares of Redeemable Preferred and Convertible Common as may be issued pursuant to the terms of this Certificate of Incorporation upon conversion of the Senior Preferred; and

(10) Securities issued pursuant to those certain letter agreements by and between the Corporation and Neuberger Berman Investment Advisers LLC dated March 6, 2020 and the Corporation and Lone Pine Capital LLC dated March 6, 2020 and those certain letter agreements (which will be substantially in the same form as determined by the Board as the two letter agreements dated March 6, 2020 described above in this subsection (10)) to be executed by and between the Corporation and SMALLCAP World Fund, Inc. and American Funds Insurance Series Global Small Capitalization Fund (or an affiliate or affiliates of such entities) and by and between the Corporation and CPP Investment Board PMI-2 Inc. (or an affiliate or affiliates of such entity) following Qualified Board Approval and execution of such letters by the Corporation.

Shares of Excluded Stock described in subdivision (2) of paragraph IV.E(2)(e)(ii) shall not be deemed to be outstanding for purposes of the computations of paragraph IV.E(2) above until actually issued."

(iii) If the number of shares of Common outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common or by a subdivision or split-up of shares of Common, then, on the date such payment is made or such change is effective, the Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price and Series F Conversion Price shall each be appropriately decreased so that the number of shares of Common issuable on conversion of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be increased in proportion to such increase of outstanding shares.

(iv) If the number of shares of Common outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common, then, on the effective date of such combination, the Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price and Series F Conversion Price shall each be appropriately increased so that the number of shares of Common issuable on conversion of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred shall be decreased in proportion to such decrease in outstanding shares.

(v) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation

is the continuing entity and which does not result in any change in the Common), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall, if such event is not a Significant Transaction, after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred into Common. The provisions of this paragraph IV.E(2)(e)(v) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(vi) All calculations under this paragraph IV.E(2)(e) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(f) Minimal Adjustments. No adjustment in a Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price need be made if such adjustment would result in a change of less than $0.01. Any adjustment of less than $0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of $0.01 or more in a Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price pursuant to paragraph IV.E(2)(e), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request at any time of any holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price, as applicable, at the time in effect for the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred held, and (iii) the number of shares of Common and the amount if any, of other property which at the time would be received upon the conversion of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, the Corporation shall mail to each holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred at least twenty (20) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common solely for the purpose of effecting the conversion of the shares of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred such number of its shares of Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred; and if at any time the number of authorized but unissued shares of Common shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common to such number of shares as shall be sufficient for such purpose.

(j) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of “electronic transmission” (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

(k) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.E(2) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred against impairment.

3. Redemption of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred.

(a) On or after the Redemption Date, any holder of Series E Preferred or Series F Preferred may provide a written request to the Corporation (a "**Series E/F Redemption Notice**") to redeem any or all of the Series E Preferred or Series F Preferred, as applicable of such holder, at an amount equal to (i) for Series E Preferred (A) the Series E Price, minus (B) any dividends previously declared and paid to such holder in respect of such shares or (ii) for Series F Preferred (A) the Series F Price, minus (B) any dividends previously declared and paid to such holder in respect of such shares. Notwithstanding the foregoing, if the Corporation is in receipt of a Redeemable Preferred Election or Convertible Common Election at any time or has made a Corporation Redemption Election or Corporation Convertible Common Redemption Election when it has unpaid amounts to a holder of Series E Preferred or Series F Preferred that has submitted a Series E/F Redemption Notice, the Corporation shall subordinate its payment obligations to the holders of Series E Preferred or Series F Preferred to its payment obligations to the holders of Redeemable Preferred and/or Convertible Common, as the case may be, until the Board of Directors makes a determination that adequate provision has been made to redeem the Redeemable Preferred and/or Convertible Common, as the case may be, subject to the Redeemable Preferred Election, Convertible Common Election, Corporation Redemption Election or Corporation Convertible Common Redemption Election on a full and timely basis. The Corporation shall, upon each of the six month, twelve-month and eighteen month anniversary of its receipt of a Series E/F Redemption Notice, redeem for cash 1/3 of the shares of Series E Preferred or Series F Preferred, as the case may be, set forth in the Series E/F Redemption Notice; *provided*, that if a Series E/F Redemption Notice has been delivered in respect of shares of Series E Preferred and Series F Preferred, the Corporation shall first redeem all such shares of Series F Preferred before it redeems any shares of Series E Preferred. If the Corporation fails to timely redeem the Series E Preferred or Series F Preferred (as applicable) as set forth herein on any specified payment date, then the amount payable in respect of the Series E Preferred or Series F Preferred, as the case may be, as set forth herein shall be increased at the rate of 5.0% per annum, compounding quarterly, for the first twelve months from such specified payment date, and afterwards at a rate of 8.0% per annum, compounding quarterly, until such amount (including interest) shall be paid in full. Notwithstanding anything to the contrary herein, the holders of Series E Preferred and Series F Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full.

(b) On or after the Redemption Date, any holder of Series B Preferred, Series C Preferred, or Series D Preferred may provide a written request to the Corporation (a "**Series B/C/D Redemption Notice**") to redeem any or all of the Series B Preferred, Series C Preferred or Series D Preferred, as applicable, of such holder, at an amount equal to (i) (A) $0.5220 per share of Series B Preferred, minus (B) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise, (ii) (A) $1.07549 per share of Series C Preferred, minus (B) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise, or (iii) (A) $6.82 per share of Series D Preferred, minus (B) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise. The Corporation shall, upon each of the six month, twelve-month and eighteen month anniversary of its receipt of a Series B/C/D Redemption Notice, redeem for cash 1/3 of the shares of Series B Preferred, Series C Preferred or Series D Preferred, as applicable, set forth in the Series B/C/D Redemption Notice. Notwithstanding the foregoing, if the Corporation is in receipt of a Redeemable Preferred Election, Convertible Common Election, or Series E/F Redemption Notice at any time or has made a Corporation Redemption Election or Corporation Convertible Common Redemption Election when it has unpaid amounts to a holder of Series B Preferred, Series C Preferred or Series D Preferred that has submitted a Series B/C/D Redemption Notice, the Corporation shall subordinate its payment obligations to the holders of Series B Preferred, Series C Preferred or Series D Preferred to its payment obligations to the holders of Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, until the Board of Directors makes a determination that adequate provision has been made to redeem the Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, subject to the Redeemable Preferred Election, Convertible Common Election, Corporation Redemption Election, Corporation Convertible Common Redemption Election or Series E/F Redemption Notice on a full and timely basis. If the Corporation fails to timely redeem the Series B Preferred, Series C Preferred or Series D Preferred, as the case may be, as set forth herein on any specified payment date, then the amount payable in respect of the Series B Preferred, Series C Preferred or Series D Preferred, as the case may be, as set forth herein shall be increased at the rate of 5.0% per annum, compounding quarterly, for the first twelve months from such specified payment date, and afterwards at a rate of 8.0% per annum, compounding quarterly, until such amount (including interest) shall be paid in full; provided, however, that no such interest shall accrue while the Corporation's payment obligations to the holders of Series B Preferred, Series C Preferred or Series D Preferred are subordinated in accordance with the terms of this paragraph. Notwithstanding anything to the contrary herein, the holders of Series B Preferred, Series C Preferred and Series D Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full.

(c) Any Series E/F Redemption Notice or Series B/C/D Redemption Notice shall be sent by first class certified mail, return receipt requested, postage prepaid, to the Corporation at its then current address, with a copy of any notice or other communication sent by electronic mail.

(d) Once redeemed pursuant to the provisions of this paragraph IV.E(3), shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be cancelled and not subject to reissuance.

(e) If, after giving effect to the redemptions set forth in all then unfulfilled Redemption Notices (as defined below) received by the Corporation, such redemptions would cause the voting power of a stockholder of the Corporation to be 10% or more of the voting power of the Corporation (other than a stockholder where, in each Applicable Jurisdiction where, the applicable MTL Authority, as required by applicable law, has consented to (or duly received notice of) such stockholder (together with its affiliates) obtaining control of the Corporation within the meaning of applicable law or determined that consent is not necessary), the Corporation shall deliver to such stockholder written notice thereof (describing the requested redemptions, classes and/or series of shares, amounts and applicable redemption dates) at least sixty (60) days prior to consummating the redemption that causes such voting power threshold to be met. "**Redemption Notice**" shall mean each of a Series A Redemption Notice, Series B/C Redemption Notice, Series D/E Redemption Notice, Junior Series-1 Redemption Notice, Redeemable Preferred Election, Corporation Redemption Election, Convertible Common Election or Corporation Convertible Common Redemption Election.

4. Series B, Series C, Series D, Series E and Series F Protective Provisions and Covenants.

(a) Approval of Series D Preferred. So long as any of the Series D Preferred shall be outstanding, the Corporation shall not without obtaining the approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Series D Preferred:

(i) Preferred Terms. Adversely alter, modify or change the terms, rights, preferences or privileges of the shares of the Series D Preferred or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series D Preferred; provided however, that any Excluded Action shall not be deemed to adversely alter or change the rights, preferences or privileges of the Series D Preferred and therefore shall not require the approval of the Series D Preferred voting as a class; or

(ii) Reclassification. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges senior to or on a parity with any such preference or priority of the Series D Preferred.

(b) Approval of Series B Preferred and Series C Preferred. So long as any of the Series B Preferred or Series C Preferred shall be outstanding, the Corporation shall not without obtaining the approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Series B Preferred and Series C Preferred, voting together as a single class:

(i) Preferred Terms. Adversely alter, modify or change the terms, rights, preferences or privileges of the shares of the Series B Preferred or Series C Preferred or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series B Preferred or Series C Preferred; provided however, that any Excluded Action shall not be deemed to adversely alter or change the rights, preferences or privileges of the Series B Preferred or Series C Preferred and therefore shall not require the approval of the Series B Preferred and Series C Preferred voting as a class; or

(ii) Reclassification. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges senior to or on a parity with any such preference or priority of the Series B or C Preferred.

(c) Approval of Series E Preferred. So long as the Series E Preferred shall be outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Series E Preferred:

(i) Preferred Terms. Adversely alter, modify or change the terms, rights, preferences or privileges of the shares of the Series E Preferred (other than an Excluded Action), or increase the number of Series E Preferred authorized or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series E Preferred; or

(ii) Adverse Amendments. Amend any provision of that certain Eighth Amended and Restated Investor Rights Agreement of the Corporation (the "**Investor Rights Agreement**") in a manner which adversely affects the rights of the Series E Preferred or the holders thereof; or

(iii) Create a New Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences senior to or *pari passu* with the Series E Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges, or

(B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to the Series E Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any other rights, powers, preferences or privileges; or

(iv) Reclassification. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends, or assets or as to any other rights, powers, preferences or privileges senior to or on a parity with any such preference or priority of the Series E Preferred; or

(v) Merger, Consolidation, Sale of Assets. Other than with respect to any transaction arising in connection with a redemption request pursuant to paragraph IV.H(2), enter into or agree to any (A) sale or purchase of assets outside the ordinary course of the Corporation in one or more series of related transactions involving payments to or from the Corporation in excess of the greater of (i) $100,000,000 in the aggregate or (ii) 30% of the Corporation's Available Cash (as defined below) as of the date of such transaction or series of related transactions or (B) Significant Transaction, except to the extent that in connection with such transaction each outstanding share of Series E Preferred receives in cash at least an amount equal to (i) $31.43 per share, minus (ii) an amount equal to any dividends actually paid in respect of such share of Series E Preferred. As used herein, "**Available Cash**", means, as of any date of determination, cash on hand of the Corporation or available under the Corporation's loan agreements or lines of credit as of such date, less (i) the amount of cash necessary or advisable (as determined in good faith by the Board of Directors) to provide for the proper conduct of the Corporation's business (including the payment of operating expenses and taxes), (ii) reserves established by the Board of Directors to fund the foregoing amounts and for future capital expenditures and anticipated credit needs for the next twelve months (as determined in good faith by the Board of Directors), excluding for the purposes of this (ii) all capitalized leases and (y) the amount of cash necessary or advisable (as determined in good faith by the Board of Directors) for the Corporation to comply with applicable law and any of Corporation's debt instruments or other agreements; or

(vi) Payment of Dividends. Purchase or redeem, or pay any dividend with respect to, or make any distributions on, any shares of capital stock of the Corporation, other than (A) dividends payable pursuant to paragraphs IV.G(1) and IV.H(1), (B) dividends payable solely in shares of Common, (C) the redemption of Preferred as expressly set forth herein, or (D) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at a price not to exceed the then-current fair market value thereof as approved by the Board of Directors (not to exceed 20,000 shares in any given calendar year); or

(vii) Indebtedness. Pledge any assets or directly or indirectly, create, incur, assume, have outstanding or be or remain liable with respect to any indebtedness or obligation in excess of, as of any date of determination, an amount equal to, in the aggregate, 4.0 multiplied by the last twelve months of EBITDA of the Corporation, if any, preceding such date of determination, in any single transaction or series of related transactions, excluding, for purposes of the foregoing calculation, indebtedness or obligations existing under, available (whether committed or uncommitted) under or permitted by the financing contemplated by (collectively, the "**New Permitted Debt**") that certain Credit and Guaranty Agreement dated as of the Effective Date (as amended, restated, amended and restated, supplemented, replaced, or otherwise modified from time to time, the "**New Credit Agreement**") among the Corporation, AvidXchange Financial Services, Inc., a Delaware corporation, Piracle, Inc., a Utah corporation, Strongroom Solutions, Inc., a Texas corporation, Ariett Business Solutions, Inc., a Massachusetts corporation, and AFV Holdings One, Inc., a North Carolina corporation, certain other subsidiaries of the Corporation as borrowers or Guarantors thereunder from time to time, certain financial institutions as Lenders thereunder, the collateral agent and administrative agent thereunder, the joint lead arrangers thereunder, and the joint book runners thereunder, or (ii) in the event the Corporation enters into a debt facility in replacement of the New Credit Agreement in compliance with this subsection (b)(ii) (the "**Replacement Credit Facility**"), any amounts existing under, available (whether committed or uncommitted) under, or permitted by such Replacement Credit Facility (the "**Replacement Permitted Debt**") provided that the Replacement Credit Facility (including the debt negative covenant thereunder) shall, in the aggregate (other than in respect of customary fees and changes in interest rates), be materially consistent with the New Credit Agreement; provided, that this subsection (b) shall not prohibit the Corporation from entering into the Replacement Credit Facility provided that such facility does not increase the aggregate principal amount of the loans available by more than $25,000,000 in the aggregate more than the original aggregate principal amount available (whether committed or uncommitted) as of the Effective Date under the New Credit Agreement; provided, further the Corporation will not increase the principal amounts of the loans available under the New Permitted Debt by more than $100,000,000 in the aggregate from the amounts that are available (whether committed or uncommitted) or permitted by the New Permitted Debt as of the Effective Date without the approval of the holders of a majority of the Series E Preferred as provided herein; or

(viii) Related Parties. Except for employment related arrangements in the ordinary course of business, enter into any material transaction or agreement, including without limitation any lease or other rental or purchase agreement or any agreement providing for loans or extensions of credit by or to the Corporation, or any modification of any of the foregoing ("**contract**"), with any person or entity which is a shareholder, officer or director of the Corporation, a relative by blood or marriage of, a trust or estate for the benefit of, or a person or entity which directly or indirectly controls, is controlled by, or is under common control with, any such person or entity (hereinafter referred to as a "**Related Party**") or with respect to which any Related Party has or is to have a direct or indirect material interest, unless such contract is on terms no less favorable to the Corporation than would be obtained in a transaction with a person that is not a Related Party and has been approved by no less than a majority of the number of directors constituting the whole Board of Directors or the Audit Committee of the Board of Directors (excluding for both the Board or the Committee, as the case may be, any member having a direct or indirect interest in the contract in question), excluding, in each case, contracts in effect on July 21, 2015 and disclosed to the holders of Series E Preferred; or

(ix) Corporate Existence. Liquidate, dissolve or wind up the Corporation; or

(x) Non-Wholly Owned Subsidiary. Create or cause or permit any subsidiary of the Corporation to become, a non-wholly owned subsidiary of the Corporation.

(d) Approval of Series F Preferred. So long as any shares of Series F Preferred shall be outstanding, and subject to paragraph IV.E(4)(e), the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Series F Preferred:

(i) Preferred Terms. Adversely alter, modify or change the terms, rights, preferences or privileges of the shares of the Series F Preferred (other than an Excluded Action), or increase the number of Series F Preferred authorized, or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series F Preferred; or

(ii) Adverse Amendments. Amend any provision of the Investor Rights Agreement in a manner which adversely affects the rights of the Series F Preferred or the holders thereof; or

(iii) Create a New Senior Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences senior to the Series F Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges, or (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to or *pari passu* with the Series F Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any other rights, powers, preferences or privileges; or

(iv) Reclassification to Senior. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends, or assets or as to any other rights, powers, preferences or privileges senior to any such preference or priority of the Series F Preferred; or

(v) Corporate Existence. Liquidate, dissolve or wind up the Corporation; or

(vi) Create a New Pari Passu Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences *pari passu* with the Series F Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges, or (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to the Series F Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any other rights, powers, preferences or privileges; or

(vii) Reclassification to Pari Passu. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends, or assets or as to any other rights, powers, preferences or privileges on a parity with any such preference or priority of the Series F Preferred; or

(viii) Merger, Consolidation, Sale of Assets. Other than with respect to any transaction arising in connection with a redemption request pursuant to paragraph IV.H(2), enter into or agree to any (A) sale or purchase of assets outside the ordinary course of the Corporation in one or more series of related transactions involving payments to or from the Corporation in excess of the greater of (i) $100,000,000 in the aggregate or (ii) 30% of the Corporation's Available Cash as of the date of such transaction or series of related transactions or (B) Significant Transaction, except to the extent that in connection with such transaction each outstanding share of Series F Preferred receives in cash at least an amount equal to (i) $60.4545 per share, minus (ii) an amount equal to any dividends actually paid in respect of such share of Series F Preferred; or

(ix) Payment of Dividends. Purchase or redeem, or pay any dividend with respect to, or make any distributions on, any shares of capital stock of the Corporation, other than (A) dividends payable pursuant to paragraphs IV.G(1) and IV.H(1), (B) dividends payable solely in shares of Common, (C) the redemption of Preferred as expressly set forth herein, or (D) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at a price not to exceed the then-current fair market value thereof as approved by the Board of Directors (not to exceed 20,000 shares in any given calendar year); or

(x) Indebtedness. Pledge any assets or directly or indirectly, create, incur, assume, have outstanding or be or remain liable with respect to any indebtedness or obligation in excess of, as of any date of determination, an amount equal to, in the aggregate, 4.0 multiplied by the last twelve months of EBITDA of the Corporation, if any, preceding such date of determination, in any single transaction or series of related transactions, excluding, for purposes of the foregoing calculation, indebtedness or obligations existing under, available (whether committed or uncommitted) under or permitted by the New Permitted Debt and the Replacement Permitted Debt; provided, that the Replacement Credit Facility (including the debt negative covenant thereunder) shall, in the aggregate (other than in respect of customary fees and changes in interest rates), be materially consistent with the New Credit Agreement; provided, that the foregoing shall not prohibit the Corporation from entering into a Replacement Credit Facility provided that such facility does not increase the aggregate principal amount of the loans available by more than $25,000,000 in the aggregate more than the original aggregate principal amount available (whether committed or uncommitted) as of the Effective Date under the New Credit Agreement; provided, further the Corporation will not increase the principal amounts of the loans available under the New Permitted Debt by more than $100,000,000 in the aggregate from the amounts that are available (whether committed or uncommitted) or permitted by the New Permitted Debt as of the Effective Date without the approval of the holders of a majority of the Series F Preferred as provided herein; or

(xi) Related Parties. Except for employment related arrangements in the ordinary course of business, enter into any material transaction or agreement, including without limitation any lease or other rental or purchase agreement or any agreement providing for loans or extensions of credit by or to the Corporation, or any modification of any of the foregoing ("**contract**"), with any person or entity which is a shareholder, officer or director of the Corporation, a relative by blood or marriage of, a trust or estate for the benefit of, or a person or entity which directly or indirectly controls, is controlled by, or is under common control with, any such person or entity (hereinafter referred to as a "**Related Party**") or with respect to which any Related Party has or is to have a direct or indirect material interest, unless such contract is on terms no less favorable to the Corporation than would be obtained in a transaction with a person that is not a Related Party and has been approved by no less than a majority of the number of directors constituting the whole Board of Directors or the Audit Committee of the Board of Directors (excluding for both the Board or the Committee, as the case may be, any member having a direct or indirect interest in the contract in question), excluding, in each case, contracts in effect on the Effective Date and disclosed to the holders of Series F Preferred; or

(xii) Non-Wholly Owned Subsidiary. Create or cause or permit any subsidiary of the Corporation to become, a non-wholly owned subsidiary of the Corporation.

The matters referred to in clauses (vi) through (xii) this paragraph IV.E(4)(d) are each referred to herein as a "**Series F Qualified Voting Matter**").

(e) Adjustment of Series F Voting with respect to Series F Qualified Voting Matters.

(i) Certain Definitions. For the purposes of this paragraph IV.E(4)(e), the following definitions shall apply:

(1) "**Applicable Jurisdiction**" means each legal jurisdiction (whether state, federal, foreign or otherwise) in (A) which the Corporation has either, as of the most recent date the Series F Holder has acquired shares of Series F Preferred (x) been licensed or approved as a money transmitter by the governmental regulatory authority overseeing such matters (with respect to such jurisdiction, the "**MTL Authority**") or (y) submitted an application requesting licensing or approval from the MTL Authority as of such date (unless such license or approval has not been obtained as of thirty (30) days after such date) and (B) which "control" of a licensed money transmitter is defined by (x) a percentage of a "class of voting securities" (or similar terminology) (a "**Voting Securities Jurisdiction**") or (y) a "controlling influence" (or similar terminology) (a "**Controlling Influence Jurisdiction**"), and, in each case, consent or notice relating to a change of "control" is required.

(2) "**Applicable Limit**" means, with respect to a Series F Holder, (A) the lowest percentage of ownership of a "class of voting securities" (or similar terminology) that constitutes control of a money transmitter in any Voting Securities Jurisdiction or (B) twenty-five percent (25%) in any Controlling Influence Jurisdiction that does not also define control as a percentage of a "class of voting securities" (or similar terminology) of less than twenty-five percent (25%), excluding in each case any Applicable Jurisdiction where the applicable MTL Authority, as required by applicable law, has consented to (or duly received notice of) such Series F Holder (together with its affiliates) obtaining control of the Corporation within the meaning of applicable law or determined that consent is not necessary or the Corporation and such Series F Holder have determined that consent is not necessary.

(3) "**Applicable Share Limit**" means, with respect to a Series F Holder, the product of (x) such Series F Holder's Applicable Limit and (y) the number of outstanding shares of Series F Preferred, minus one share of Series F Preferred.

(4) "**Control Restricted Holder**" means each Series F Holder for which there exists an Applicable Jurisdiction in which (i) the applicable MTL Authority has not, as required by applicable law, consented to (or duly received notice of) such Series F Holder (together with its affiliates) obtaining control of the Corporation within the meaning of applicable law, or the Corporation or the applicable MTL Authority has determined that consent is not necessary and (ii) the number of votes such Series F Holder would be entitled to cast in respect of its shares of Series F Preferred, as compared to the total number of votes all Series F Holders would be entitled to in respect of their shares of Series F Preferred, in each case, absent operation of this paragraph IV.E(4)(e), would meet or exceed (x) in a Voting Securities Jurisdiction, the percentage of ownership of a "class of voting securities" (or similar terminology) sufficient for obtaining control of the Corporation in such Voting Securities Jurisdiction or (y) in a Controlling Influence Jurisdiction that does not also define control as a percentage of a "class of voting securities" (or similar terminology) of less than twenty-five percent (25%), twenty-five percent (25%).

(5) "**Series F Holder**" means each holder of record of shares of Series F Preferred.

(6) "**Unrestricted Holder**" means each holder of record of shares of Series F Preferred that is not a Control Restricted Holder.

(ii) Adjustment of Votes. Notwithstanding paragraph IV.E(4)(d), with respect to any Series F Qualified Voting Matter, the number of votes each Series F Holder shall be entitled to cast with respect to a request for approval (by vote or written consent, as provided by law) of the holders of the outstanding shares of Series F Preferred pursuant to such paragraph shall be adjusted as follows:

(1) If, as of the time such approval is requested, there is at least one Unrestricted Holder, (x) each Series F Holder that is then a Control Restricted Holder shall be entitled to the number of votes equal to the lesser of (A) the number of votes such holder would ordinarily be entitled to in respect of its shares of Series F Preferred and (B) such Control Restricted Holder's Applicable Share Limit and (y) the aggregate votes that the Control Restricted Holders would be entitled to cast, in the aggregate, under clause (A) but for the limits of clause (B), if any, shall be reallocated proportionally among the Unrestricted Holders (with the largest Unrestricted Holder in terms of shares of Series F Preferred held entitled to any fractional votes resulting from such allocation). In no event shall an Unrestricted Holder receive an allocation that would make it a Control Restricted Holder. If any votes remain, such votes shall be allocated to a designee of the Board of Directors to vote in accordance with the manner determined by the Board of Directors with respect to such Series F Qualified Voting Matter but not to any Series F Holder that already holds its Applicable Share Limit. By way of illustration:

	Votes	Vote %	Applicable Limit	Vote Reduction	Vote Rellocation	Adj. Votes	Adj. Vote %
Unrestricted Holder A	300	30%	N/A	N/A	190	490	49.0%
Unrestricted Holder B	100	10%	N/A	N/A	63	163	16.3%
Control Restricted Holder A	200	20%	10%	101		99	9.9%
Control Restricted Holder B	200	20%	10%	101		99	9.9%
Control Restricted Holder C	200	20%	15%	51		149	14.9%
Totals:	1,000	100%		253	253	1000	100%

(2) If, as of the time such approval is requested, there is no Unrestricted Holder, (x) each Series F Holder shall be entitled to the number of votes equal to the lesser of (A) the number of votes such holder would ordinarily be entitled to in respect of its shares of Series F Preferred and (B) such Series F Holder's Applicable Share Limit, (y) the aggregate votes that the Series F Holders would be entitled to cast under clause (A) but for the limits of clause (B), shall be allocated among each Series F Holder that holds fewer shares than its Applicable Share Limit (a "**Below Limit Series F Holder**"), sequentially in order of Below Limit Series F Holders by the greatest to least number of shares of Series F held, until each successive Below Limit Series F Holder is entitled to the number of votes equal to such Below Limit Series F Holder's Applicable Shares Limit and (z) if any votes remain, such votes shall be allocated to a designee of the Board of Directors to vote in accordance with the manner determined by the Board of Directors with respect to such Series F Qualified Voting Matter but not to any Series F Holder that already holds its Applicable Share Limit. By way of illustration:

	Votes	Percent	Applicable Limit	Vote Reduction	Max Add. Votes	Vote Rellocation	Adj. Votes	Adj. Vote %
Control Restricted Holder A*	225	19%	30%	—	134	134	359	29.9%
Control Restricted Holder B*	175	15%	30%	—	184	70	245	20.4%
Control Restricted Holder C	200	17%	15%	21			179	14.9%
Control Restricted Holder D	200	17%	15%	21			179	14.9%
Control Restricted Holder E	200	17%	10%	81			119	9.9%
Control Restricted Holder F	200	17%	10%	81			119	9.9%
Totals:	1,200	100%		204		204	1200	100%

* Below Limit Series F Holder for purposes of this illustration

(3) For the avoidance of doubt, (x) if, at the time a request for approval (by vote or written consent, as provided by law) of the holders of the outstanding shares of Series F Preferred is requested for a Series F Qualified Voting Matter, there are no Control Restricted Holders, then this paragraph IV.E(4)(e) shall not apply and (y) a Series F Holder may become a Control Restricted Holder as a result of the redemption or repurchase by the Corporation of shares of its capital stock from other stockholders and thereafter this paragraph IV.E(4)(e) shall apply.

(f) Covenants. So long as any of the Series E Preferred shall be outstanding, the Corporation shall make available the following reports to holders of the Series E Preferred and so long as any of the Series F Preferred shall be outstanding, the Corporation shall make available the following reports to holders of the Series F Preferred:

(i) Annual Financial Statements. As soon as practicable, but in any event within 120 days after the end of each fiscal year of the Corporation, a consolidated statement of earnings for such fiscal year, a consolidated balance sheet of the Corporation as of the end of such year, and a consolidated statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles, and audited and certified by an independent public accounting firm selected by the Audit Committee of the Board of Directors.

(ii) Quarterly Financial Statements. Within 60 days of the end of each calendar quarter, an unaudited statement of earnings, balance sheet and statement of cash flow for or as of the end of such quarter, in reasonable detail.

(iii) Budgets. As soon as practicable, but in any event within 30 days after the beginning of each relevant fiscal year of the Corporation, a budget for such fiscal year as approved by the Corporation's Board of Directors.

(iv) Other Information. Copies of all information and reports delivered to the Corporation's lenders simultaneous with or immediately following the delivery of such information or reports to the Corporation's lenders.

The Corporation shall permit each holder of Series F Preferred, Series E Preferred, Series D Preferred, Series C Preferred, and Series B Preferred, at such holder's expense, to visit and inspect the Corporation's properties; examine its books of account and records; and discuss the Corporation's affairs, finances, and accounts with its officers, during normal business hours of the Corporation as may be reasonably requested by such holder.

5. Future Financings.

(a) Preemptive Right. The Corporation grants to each holder of shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and/or Series F Preferred (each, a "**Series B/C/D/E/F Holder**") a preemptive right to purchase such Series B/C/D/E/F Holder's pro-rata share, as defined below, of any equity securities of the Corporation or any of its subsidiaries, including shares of Common and/or Preferred and/or securities of any type convertible into, or entitling the holder thereof to purchase shares of, Common or Preferred (collectively, the "**Securities**"), proposed to be issued by the Corporation subsequent to the date hereof. Such Series B/C/D/E/F Holder's "**pro-rata share**" shall be that portion of the Securities proposed to be issued which bears the same relation to all of the Securities proposed to be issued as the Securities held by such Series B/C/D/E/F Holder (on an as-converted basis) bear to all outstanding shares of the Common and the Convertible Common combined (assuming for the purposes of such calculation the conversion of all outstanding securities which are convertible into Common without payment of additional consideration, and, if the Senior Preferred are still outstanding, the total number of shares of Convertible Common that would be issuable assuming a conversion of the Senior Preferred on such date pursuant to paragraph IV.G(2), including those held by the Series B/C/D/E/F Holder), all determined immediately prior to the offering of the Securities. For the avoidance of doubt, the preemptive right in this paragraph IV.E(5)(a) shall be combined, if applicable, with those preemptive rights set forth in paragraphs IV.D(5)(a), IV.G(4) and IV.I(2)(g) if such Series B/C/D/E/F Holder also is a Major Series A Holder, Senior Preferred Holder and/or Convertible Common Holder such that, (i) pursuant to this paragraph IV.E(5)(a), the Series B/C/D/E/F Holder will receive a preemptive right for its pro rata share based on its ownership of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and/or Series F Preferred, (ii) pursuant to paragraph IV.D(5)(a), its pro rata share based on its ownership of Series A Preferred, (iii) pursuant to paragraph IV.G(4), its pro rata share based on its ownership of Senior Preferred, and (iv) pursuant to paragraph IV.I(2)(g), its pro rata share based on its ownership of Convertible Common (to the extent applicable).

(b) Notice. In the event that the Corporation proposes to undertake an issue of Securities, it shall deliver to each Series B/C/D/E/F Holder written notice of its intention, describing such Securities, specifying each Series B/C/D/E/F Holder's pro-rata share and stating the purchase price and other terms upon which it proposes to issue the same (the "**Option Notice**"). For a period of twenty (20) days following the receipt of the Option Notice, each Series B/C/D/E/F Holder shall have the right to elect, by written notice to the Corporation, to purchase all or any portion of such Series B/C/D/E/F Holder's pro rata share of the Securities described in the Option Notice. The closing of any sale pursuant to this paragraph IV.E(5)(b) shall occur within ninety (90) days of the date that the Option Notice is given.

(c) Sale by the Corporation. If all of the Securities are not elected to be purchased or acquired as provide in paragraph IV.E(5)(b) then, during the 90 day period following the expiration of the periods set forth in paragraph IV.E(5)(b), the Corporation may sell, free of any preemptive right on such Series B/C/D/E/F Holder's part, the portion of such Series B/C/D/E/F Holder's pro-rata shares not purchased pursuant to such preemptive right, upon the same terms specified in the

Option Notice. If the Corporation does not enter into an agreement for the sale of the Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Securities shall not be offered unless first reoffered to the Series B/C/D/E/F Holders in accordance with this paragraph IV.E(5).

(d) Exceptions. The preemptive right granted under this Paragraph IV.E(5) shall not apply to (i) the Excluded Stock or (ii) Securities issued for non-cash consideration, or as a so-called "equity feature" (such as a warrant) of a transaction primarily involving debt securities or indebtedness for borrowed money, or pursuant to a merger or acquisition transaction, in each case, approved by a Qualified Board Approval.

F. Terms of Junior Series-1 Preferred.

There is hereby created a series of Four Hundred Thousand (400,000) shares of Preferred designated "Junior Series-1 Convertible Preferred" (the "**Junior Series-1 Preferred**") having the following powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Junior Series-1 Dividends.

Subject to paragraphs IV.E(1), IV.E(4)(c), IV.E(4)(d), IV.G(1) and IV.H(1), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on the Common unless prior to or simultaneously with such declaration, a dividend or distribution is declared and paid on each share of Junior Series-1 Preferred in an amount equal to or greater than the amount that would have been received by the holders of the Junior Series-1 Preferred had such holders, on the record date for the Common dividend or distribution, held the number of shares of Common into which the Junior Series-1 Preferred would have been convertible upon conversion hereunder.

2. Junior Series-1 Conversion.

The Junior Series-1 Preferred shall be convertible into Common, as follows:

(a) Right to Convert. Each share of Junior Series-1 Preferred shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, into the number of shares of Common which results from dividing the Junior Series-1 Conversion Price (as defined below) per share in effect at the time of conversion into the "**Junior Series-1 Conversion Value**" per share. The number of shares of Common into which a share of Junior Series-1 Preferred is convertible is hereinafter referred to as the "**Junior Series-1 Conversion Rate**." As of the Effective Date, both the Junior Series-1 Conversion Price per share of Junior Series-1 Preferred (the "**Junior Series-1 Conversion Price**") and the Junior Series-1 Conversion Value are $12.02. The Junior Series-1 Conversion Price shall be subject to adjustment as hereinafter provided.

(b) Automatic Conversion. Each share of Junior Series-1 Preferred shall automatically be converted into shares of Common at the then effective Junior Series-1 Conversion Rate immediately prior to the closing of a Qualified Offering.

(c) Mechanics of Conversion. Before any holder of Junior Series-1 Preferred shall be entitled to convert the same into shares of Common as provided in paragraph IV.F(2)(a), he shall surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates), at the office of the Corporation and shall give written notice to the Corporation at such office that he elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Junior Series-1 Preferred a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Junior Series-1 Preferred to be converted, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

In the event of an automatic conversion pursuant to paragraph IV.F(2)(b), the outstanding shares of Junior Series-1 Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common issuable upon such automatic conversion unless the certificates evidencing such shares of Junior Series-1 Preferred are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Junior Series-1 Preferred, a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common. Such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of a Qualified Offering, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(d) Fractional Shares. No fractional shares of Common shall be issued upon conversion of the Junior Series-1 Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Junior Series-1 Conversion Price.

(e) Adjustment of Junior Series-1 Conversion Price. The Junior Series- 1 Conversion Price shall be subject to adjustment from time to time as follows:

(i) [Reserved]

(ii) If the number of shares of Common outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common or by a subdivision or split-up of shares of Common, then, on the date such payment is made or such change is effective, the Junior Series-1 Conversion Price shall be appropriately decreased so that the number of shares of Common issuable on conversion of the Junior Series-1 Preferred shall be increased in proportion to such increase of outstanding shares.

(iii) If the number of shares of Common outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common, then, on the effective date of such combination, the Junior Series-1 Conversion Price shall be appropriately increased so that the number of shares of Common issuable on conversion of the Junior Series-1 Preferred shall be decreased in proportion to such decrease in outstanding shares.

(iv) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Junior Series-1 Preferred shall, if such event is not a Significant Transaction, after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Junior Series-1 Preferred into Common. The provisions of this paragraph IV.F(2)(e)(iv) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(v) All calculations under this paragraph IV.F(2)(e) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(f) Minimal Adjustments. No adjustment in a Junior Series-1 Conversion Price need be made if such adjustment would result in a change in a Junior Series-1 Conversion Price of less than $0.01. Any adjustment of less than $0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of $0.01 or more in a Junior Series-1 Conversion Price.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Junior Series-1 Conversion Price pursuant to paragraph IV.F(2)(e), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Junior Series-1 Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request at any time of any holder of Junior Series-1 Preferred, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Junior Series-1 Conversion Price at the time in effect for the Junior Series-1 Preferred held, and (iii) the number of shares of Common and the amount if any, of other property which at the time would be received upon the conversion of the Junior Series-1 Preferred.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, the Corporation shall mail to each holder of Junior Series-1 Preferred at least twenty (20) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common solely for the purpose of effecting the conversion of the shares of the Junior Series-1 Preferred such number of its shares of Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Junior Series-1 Preferred; and if at any time the number of authorized but unissued shares of Common shall not be sufficient to effect the conversion of all then outstanding shares of the Junior Series-1 Preferred, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common to such number of shares as shall be sufficient for such purpose.

(j) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Junior Series-1 Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of "electronic transmission" (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement.

(k) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.F(2) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Junior Series-1 Preferred against impairment.

3. Redemption of Junior Series-1 Preferred.

(a) On or after the Redemption Date, any holder of Junior Series-1 Preferred may provide a written request to the Corporation (a "**Junior Series-1 Redemption Notice**") to redeem any or all of the Junior Series-1 of such holder at an amount equal to (i) $12.02 per share, minus (ii) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise. The Corporation shall, upon each of the six month, twelve-month and eighteen month anniversary of its receipt of a Junior Series-1 Redemption Notice, redeem for cash 1/3 of the shares of Junior Series-1 set forth in the Junior Series-1 Redemption Notice. Notwithstanding the foregoing, if the Corporation is in receipt of a Redeemable Preferred Election, Convertible Common Election, or Series E/F Redemption Notice at any time or has made a Corporation Redemption Election or Corporation Convertible Common Redemption Election when it has unpaid amounts to a holder of Junior Series-1 Preferred that has submitted a Junior Series-1 Redemption Notice, the Corporation shall subordinate its payment obligations to the holders of Junior Series-1 Preferred to its payment obligations to the holders of Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, until the Board of Directors makes a determination that adequate provision has been made to redeem the Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, subject to the Redeemable Preferred Election, Convertible Common Election, Corporation Redemption Election, Corporation Convertible Common Redemption Election or Series E/F Redemption Notice on a full and timely basis. If the Corporation fails to timely redeem the Junior Series-1 Preferred as set forth herein on any specified payment date, then the amount payable in respect of the Junior Series-1 Preferred as set forth herein shall be increased at the rate of 5.0% per annum, compounding quarterly, for the first twelve months from such specified payment date, and afterwards at a rate of 8.0% per annum, compounding quarterly, until such amount (including interest) shall be paid in full; provided, however, that no such interest shall accrue while the Corporation's payment obligations to the holders of Junior Series-1 Preferred are subordinated in accordance with the terms of this paragraph.

Notwithstanding anything to the contrary herein, the holders of Junior Series-1 Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full.

(b) Any Junior Series-1 Redemption Notice shall be sent by first class certified mail, return receipt requested, postage prepaid, to the Corporation at its then current address, with a copy of any notice or other communication sent by electronic mail.

(c) Once redeemed pursuant to the provisions of this paragraph IV.F(3), shares of Junior Series-1 Preferred shall be cancelled and not subject to reissuance.

4. Junior Series-1 Protective Provisions.

So long as any of the Junior Series-1 Preferred shall be outstanding, the Corporation shall not without obtaining the approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Junior Series-1 Preferred:

(a) Change of Rights. Materially and adversely alter or change the rights, preferences or privileges of the Junior Series-1 Preferred; provided however, that any Excluded Action shall not be deemed to materially and adversely alter or change the rights, preferences or privileges of the Junior Series-1 Preferred and therefore shall not require the approval of the Junior Series-1 Preferred voting as a class; or

(b) Reclassification. Reclassify any class or series of any Common into shares having any preference or priority as to dividends or assets superior to or on a parity with any such preference or priority of the Junior Series-1 Preferred.

G. Terms of Senior Preferred.

There is hereby created a series of Two million seven hundred and twenty two thousand one hundred and sixty six (2,722,166) shares of Preferred designated "Senior Convertible Preferred" (the "**Senior Preferred**") having the following powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Senior Preferred Dividends. The holders of Senior Preferred shall be entitled to receive cumulative dividends at the rate of 12% of the applicable Senior Base Amount (as defined below) per share per annum (appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like) on each outstanding share of Senior Preferred payable in cash out of funds legally available therefore (the "**Senior Dividend**"), which dividends shall accrue and accumulate daily and be compounded quarterly, whether or not such dividends are declared by the Board of Directors or paid. The Board of Directors shall have the right to pay any portion of the accrued Senior

Dividend at any time and the Senior Dividend shall be payable only when, as and if declared by the Board of Directors, but the Senior Dividend shall be payable in preference to any declaration or payment of any dividend on the Series A Preferred, the Series B Preferred, the Series C Preferred, the Series D Preferred, the Series E Preferred, the Series F Preferred, the Junior Series-1 Preferred, the Convertible Common and the Common (collectively, the "Other Junior Stock"). The "**Senior Base Amount**" equals $47.7561 per share (appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like) (the "**Senior Original Issue Price**") plus all accrued, but unpaid dividends as of the applicable date of determination. After the foregoing dividends on the Senior Preferred shall have been paid, then the Corporation may (when, as and if declared by the Board of Directors) declare and distribute dividends among the holders of Senior Preferred, the holders of the other series of Preferred and the holders of Common pro rata based on the number of shares of Common held by each, determined on an as-if-converted basis (assuming full conversion of all such Senior Preferred and Convertible Common) as of the record date with respect to the declaration of such dividends.

2. Senior Preferred Conversion. Shares of Senior Preferred shall be converted into Convertible Common and Redeemable Preferred in accordance with the following:

(a) Voluntary Conversion. Upon the written election of at least a majority of the outstanding shares of Senior Preferred (a "**Senior Majority**"), and without payment of any additional consideration, all of the outstanding shares of Senior Preferred shall be converted into fully paid and nonassessable shares of Redeemable Preferred and Convertible Common as follows: (i) that number of shares of Senior Preferred equal to the quotient of (A) the Senior Accrued Preference Amount (but for the purposes of this calculation, ignoring subsection (A)(ii) in the definition of Senior Accrued Preference Amount) for all such shares of Senior Preferred, divided by (B) $1,000, shall convert at a one-to-one ratio (each such amount appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like) into fully paid and nonassessable shares of Redeemable Preferred (the "**Redeemable Conversion Rate**"), and (ii) each remaining share of Senior Preferred after the conversion set forth in (i) above is complete (collectively, such shares, the "**Remaining Senior Preferred**") shall be converted into a number of shares of Convertible Common equal to the quotient of (A) Convertible Common Number, divided by and (B) the number of shares of Remaining Senior Preferred (the "**Common Conversion Rate**"). The "**Convertible Common Number**" initially equals 696,402 (appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like); Any election by a Senior Majority pursuant to this Section G.2(a) shall be made by written notice to the Corporation and the other holders of Senior Preferred, and such notice may be given at any time after the first issuance of Senior Preferred (the "**Senior Closing Date**") through and including the time which is immediately prior to the closing of any Liquidation Event or Significant Transaction. Upon such election, all holders of the Senior Preferred shall be deemed to have elected to voluntarily convert all outstanding shares of Senior Preferred into shares of Redeemable Preferred and Convertible Common pursuant to this paragraph IV.G(2)(a) and such election shall bind all holders of Senior Preferred.

(b) Automatic Conversion. Upon the occurrence of an Auto Conversion Event (as defined below), all shares of Senior Preferred shall automatically be converted, without the payment of any additional consideration, into fully paid and nonassessable shares of Redeemable Preferred and Convertible Common as follows: (i) that number of shares of Senior Preferred equal to the quotient of (A) the Senior Accrued Preference Amount (but for the purposes of this calculation ignoring subsection (A)(ii) in the definition of Senior Accrued Preference Amount) for all such shares of Senior Preferred, divided by (B) $1,000, shall convert at the Redeemable Conversion Rate, and (b) each share of Remaining Senior Preferred shall be converted into shares of Convertible Common at the Common Conversion Rate. An "**Auto Conversion Event**" shall mean the earliest of the following events: (i) the written request by a Senior Majority to redeem Redeemable Preferred or Convertible Common, only to the extent such Securities if outstanding would be subject to redemption pursuant to paragraph IV.H(2) and IV.I(2)(b), such conversion to be conditioned on the consummation of such redemption immediately after such conversion, (ii) the written request of the Corporation provided it is delivered simultaneously with an irrevocable redemption request with respect to Redeemable Preferred (that shall be subject to the terms of paragraph IV.H(2)), such conversion to be conditioned on the consummation of such redemption immediately after such conversion, and (iii) as of immediately prior, and in all cases subject to, the closing of (each an "**Offering**") a direct listing of the Corporation's securities or the Corporation's first underwritten public offering on a firm commitment basis by a nationally recognized investment banking organization or organizations pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common.

(c) Procedure for Conversion.

(i) Voluntary Conversion. Upon election to convert pursuant to paragraph IV.G(2)(a), the relevant holder or holders of Senior Preferred shall surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates) at the Corporation's principal executive office. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Senior Preferred a certificate or certificates for the number of shares of Redeemable Preferred and Convertible Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Senior Preferred to be converted, and the person or persons entitled to receive the shares of Redeemable Preferred and Convertible Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Redeemable Preferred and Convertible Common on such date.

(ii) Automatic Conversion. As of the date of automatic conversion pursuant to paragraph IV.G(2)(b) (the "**Automatic Conversion Date**"), all applicable shares of Senior Preferred shall be converted automatically into shares of Convertible Common and Redeemable Preferred without any further action by the holders of such shares and whether or not the certificates representing such shares of Senior Preferred are surrendered to the Corporation. On the Automatic Conversion Date, all rights with respect to the Senior Preferred so converted shall terminate, except (A) any of the rights of the holders thereof upon surrender of their certificate or certificates therefor or delivery of an affidavit of loss thereof to receive certificates for the number of shares of Convertible Common and Redeemable Preferred into which such shares of Senior Preferred have been converted and (B) for the avoidance of doubt, such termination shall not impact or otherwise limit or terminate any of the rights of the holders of Redeemable Preferred and Convertible Common issuable upon conversion of such Senior Preferred (including any right to elect redemption which may have been made prior to any such conversion). The Corporation shall not be obligated to issue certificates evidencing the shares of Convertible Common and Redeemable Preferred issuable upon such automatic conversion unless the certificates evidencing such shares of Senior Preferred are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Senior Preferred, a certificate or certificates for the number of shares of Convertible Common or Redeemable Preferred to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Convertible Common or Redeemable Preferred. If the Auto Conversion Event was due to an Offering, such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of the Offering, and the person or persons entitled to receive the shares of Redeemable Preferred and Convertible Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Redeemable Preferred and Convertible Common on such date.

(iii) Fractional Shares. No fractional shares of Convertible Common or Redeemable Preferred shall be issued upon conversion of the Senior Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Board of Directors good faith business judgment of the fair market value of a share of Redeemable Preferred or Convertible Common, as applicable.

(iv) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common, Convertible Common and Redeemable Preferred, solely for the purpose of effecting the conversion of the shares of Senior Preferred, such number of its shares of Common, Convertible Common and Redeemable Preferred as shall from time to time be sufficient to effect the conversion of all outstanding shares of Senior Preferred; and if at any time the number of authorized but unissued shares of Common, Convertible Common and Redeemable Preferred shall not be sufficient to effect the conversion of all outstanding shares of Senior Preferred, the Corporation will take such corporate action as may, in the opinion of counsel, be necessary to increase its authorized but unissued shares of Common, Convertible Common and Redeemable Preferred to such number of shares as shall be sufficient for such purpose, and to reserve the appropriate number of shares of Common, Convertible Common and Redeemable Preferred for issuance upon such conversion.

(v) No Closing of Transfer Books. The Corporation shall not close its books against the transfer of shares of Senior Preferred in any manner that would interfere with the timely conversion of any shares of Senior Preferred.

(d) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.G(2) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Senior Preferred against impairment.

3. Approval of Senior Preferred. So long as any shares of Senior Preferred shall be outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the Senior Majority:

(a) Preferred Terms. Amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would adversely affect the rights, powers, preferences or privileges of the holders of Senior Preferred or Redeemable Preferred (including, without limitation, increasing the total number of shares of Senior Preferred and Redeemable Preferred that the Corporation shall have the authority to issue); provided, however, that for the avoidance of doubt, any such amendments or

alterations that adversely affect only the rights of the Convertible Common or Common without regard to the rights of the Senior Preferred or Redeemable Preferred shall not require the separate consent of the holders of the Senior Preferred; provided further however, that (i) increasing the number of authorized shares of Common or of any series of Preferred junior in dividend, liquidation and redemption rights to the Senior Preferred and Redeemable Preferred or (ii) creating a new series of Preferred junior in dividend, liquidation and redemption rights to the Senior Preferred and Redeemable Preferred, shall in either case not be deemed to adversely alter, modify, change or affect the terms, rights, powers, preferences or privileges of the holders of Senior Preferred or Redeemable Preferred and therefore shall not require the approval of the Senior Preferred voting as a class;

(b) Create a New Senior Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences senior or *pari passu* to the Senior Preferred or Redeemable Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges (other than voting, approval and conversion rights), (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to the Senior Preferred and Redeemable Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any other rights, powers, preferences or privileges (other than voting, approval and conversion rights) or (C) permit any subsidiary of the Corporation to issue any capital stock, or securities convertible into or exercisable or exchangeable for capital stock or other securities of such subsidiary, to any person or entity other than the Corporation; or

(c) Payment of Dividends. Purchase or redeem, or pay any dividend with respect to, or make any distributions on, any shares of capital stock of the Corporation, other than (A) dividends payable to the Senior Preferred as required pursuant to Section IV.G.1, (B) dividends payable solely in shares of Common, (C) the redemption of Preferred as expressly set forth herein, provided that the holders of any series of stock other than the Senior Preferred and Redeemable Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full, or (D) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at a price not to exceed the then-current fair market value thereof as approved by the Board of Directors (not to exceed 20,000 shares in any given calendar year, including in such total any shares redeemed from any subsidiary of the Corporation).

4. Future Financings.

(a) Preemptive Right. The Corporation grants to each holder of shares of Senior Preferred (each, a "**Senior Preferred Holder**") a preemptive right to purchase such Senior Preferred Holder's pro-rata share, as defined below, of any Securities proposed to be issued by the Corporation subsequent to the date hereof. Such Senior Preferred Holder's "**pro-rata share**" shall be that portion of the Securities proposed to be issued which bears the same relation to all of the Securities proposed to be issued as the number of shares of Convertible Common held by such Senior Preferred Holder (assuming a conversion of the Senior Preferred on such date pursuant to paragraph IV.G(2)) bear to all outstanding shares of the Common (assuming for the purposes of such calculation the conversion of all outstanding securities which are convertible into Common without payment of additional consideration, and the total number of shares of Convertible Common that would be issuable assuming a conversion of Senior Preferred on such date pursuant to paragraph IV.G(2), including those held by the Senior Preferred Holder), all determined immediately prior to the offering of the Securities. For the avoidance of doubt, the preemptive right in this paragraph IV.G(4) shall be combined, if applicable, with those preemptive rights set forth in paragraphs IV.D(5)(a) and IV.E(5)(a) if such Senior Preferred Holder also is a Major Series A Holder or Series B/C/D/E/F Holder such that, (i) pursuant to this paragraph IV.G(4), the Senior Preferred Holder will receive a preemptive right for its pro rata share based on its ownership of Senior Preferred, (ii) pursuant to paragraph IV.D(5)(a), its pro rata share based on its ownership of Series A Preferred, and (iii) pursuant to paragraph IV.E(5)(a), its pro rata share based on its ownership of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred.

(b) Notice. In the event that the Corporation proposes to undertake an issue of Securities, it shall deliver to each Senior Preferred Holder written notice of its intention, describing such Securities, specifying each Senior Preferred Holder's pro-rata share and stating the purchase price and other terms upon which it proposes to issue the same (the "**Senior Preferred Option Notice**"). For a period of twenty (20) days following the receipt of the Senior Preferred Option Notice, each Senior Preferred Holder shall have the right to elect, by written notice to the Corporation, to purchase all or any portion of such Senior Preferred Holder's pro rata share of the Securities described in the Senior Preferred Option Notice. The closing of any sale pursuant to this paragraph IV.G(4)(b) shall occur within ninety (90) days of the date that the Senior Preferred Option Notice is given.

(c) Sale by the Corporation. If all of the Securities are not elected to be purchased or acquired as provided in paragraph IV.G(4)(b) then, during the 90 day period following the expiration of the periods set forth in paragraph IV.G(4)(b), the Corporation may sell, free of any preemptive right on such Senior Preferred Holder's part, the portion of such Senior Preferred Holder's pro-rata shares not purchased pursuant to such preemptive right, upon the same terms specified in the Senior Preferred Option Notice. If the Corporation does not enter into an agreement for the sale of the Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Securities shall not be offered unless first reoffered to the Senior Preferred Holders in accordance with this paragraph IV.G(4).

(d) Exceptions. The preemptive right granted under this Paragraph IV.G(4) shall not apply to (i) the Excluded Stock or (ii) Securities issued for non-cash consideration, or as a so-called "equity feature" (such as a warrant) of a transaction primarily involving debt securities or indebtedness for borrowed money, or pursuant to a merger or acquisition transaction, in each case, approved by a Qualified Board Approval.

5. Notice; Adjustments; Waivers.

(a) Liquidation Events, Etc. In the event (i) the Corporation establishes a record date to determine the holders of any class of securities who are entitled to receive any dividend or other distribution (other than pursuant to IV.G(1) or IV.H(1)) or who are entitled to vote at a meeting (or by written consent) in connection with any of the transactions identified in clause (ii) hereof, or (ii) any Liquidation Event, Significant Transaction or Offering becomes reasonably likely to occur, the Corporation shall use commercially reasonable efforts to provide written notice to each holder of Senior Preferred at least ten (10) days prior to such record date specified therein or the expected effective date of any such transaction, whichever is earlier, a notice specifying (A) the date of such record date for the purpose of such dividend or distribution or meeting or consent and a description of such dividend or distribution or the action to be taken at such meeting or by such consent, (B) the date on which any such Liquidation Event, Significant Transaction or Offering is expected to become effective, and (C) the date on which the books of the Corporation shall close or a record shall be taken with respect to any such event. Such notice shall be accompanied by a certificate prepared by the chief financial officer of the Corporation describing in reasonable detail (1) the facts of such transaction, (2) the amount(s) per share of Senior Preferred, Redeemable Preferred or Common each holder of Senior Preferred would receive pursuant to the applicable provisions of this Certificate of Incorporation (or if such amounts are unknown, a reasonable estimate or range of such amounts), and (3) the facts upon which such amounts were determined.

(b) Adjustments; Calculations. Upon the occurrence of each adjustment or readjustment of the Common Conversion Rate or the Redeemable Conversion Rate, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Senior Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. All such calculations shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share as the case may be.

(c) Waiver of Notice. The holders of a Senior Majority may, at any time upon written notice to the Corporation, waive any notice or certificate delivery provisions specified herein for the benefit of such holders, and any such waiver shall be binding upon all holders of such securities.

(d) Other Waivers. The holders of a Senior Majority may, at any time upon written notice to the Corporation, waive compliance by the Corporation with any term or provision herein, provided that any such waiver does not affect any holder of outstanding shares of Senior Preferred in a manner materially different than any other holder, and any such waiver shall be binding upon all holders of Senior Preferred and their respective transferees.

(e) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Senior Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of "electronic transmission" (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

6. No Reissuance of Senior Preferred. No share or shares of Senior Preferred acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

H. Terms of Redeemable Preferred.

There is hereby created a series of Three Hundred and Fifty Thousand (350,000) shares of Preferred designated "Redeemable Preferred" (the "**Redeemable Preferred**") having the following powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Redeemable Preferred Dividends. The holders of Redeemable Preferred shall be entitled to receive cumulative dividends at the rate of 12% of the applicable Redeemable Preferred Base Amount (as defined below) per share per annum (appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like) on each outstanding share of Redeemable Preferred payable in cash out of funds legally available therefore (the "**Redeemable Preferred Dividend**"), which dividends shall accrue and accumulate daily and be compounded quarterly, whether or not such dividends are declared by the Board of Directors or paid. The Board of Directors shall have the right to pay any portion of the accrued Redeemable Preferred Dividend at any time and the Redeemable Preferred Dividend shall be payable only when, as and if declared by the Board of Directors, but the Redeemable Preferred Dividend shall be payable in preference to any declaration or payment of any dividend on the Other Junior Stock. The "**Redeemable Preferred Base Amount**" initially equals $1,000 per share (appropriately adjusted for any

stock splits, dividends, combinations, recapitalization and the like) (the "**Redeemable Preferred Original Issue Price**") but will include all accrued, but unpaid dividends on the Redeemable Preferred (collectively, "**Redeemable Accrued Dividends**") as of the applicable date of determination on the Redeemable Preferred. After the foregoing dividends on the Redeemable Preferred shall have been paid, then the Corporation may (when, as and if declared by the Board of Directors) declare and distribute dividends among the holders of the other series of Preferred and the holders of Common pro rata based on the number of shares of Common held by each, determined on an as-if-converted basis (assuming full conversion of all such Convertible Common) as of the record date with respect to the declaration of such dividends.

2. Redemption of Redeemable Preferred.

(a) Optional Redemption by Holders; Redemption Date. On or after the date that is six years from the Effective Date, the holders of at least a majority of the outstanding shares of Redeemable Preferred (a "**Redeemable Preferred Majority**") (or, to the extent that the Redeemable Preferred has not been converted as of a Redeemable Preferred Redemption Date (as defined below), a Senior Majority) may elect to have all of the then (or the to-be) outstanding shares of Redeemable Preferred redeemed (a "**Redeemable Preferred Election**"). In such event, the Corporation shall, to the extent not prohibited by applicable law, redeem that number of shares of Redeemable Preferred as requested by the Redeemable Preferred Majority (or Senior Majority, as applicable) for an amount in cash per share equal to the Redeemable Preferred Redemption Price (as defined below). Without limiting the provisions of paragraph IV.H(2)(d) and also the Corporation's election below to make payments in 1/2 or 1/3 tranches, upon such event, the Corporation shall apply its assets to any such redemption, except to the extent prohibited by applicable law. Any elections by the Redeemable Preferred Majority (or Senior Majority, as applicable) pursuant to this IV.H(2)(a) shall be made by written notice to the Corporation and the other then or potential future holders of Redeemable Preferred (which may be delivered beginning at any time from and after the five and a half year (5 ½) year anniversary of the Effective Date) and at least one hundred eighty (180) days prior to the elected redemption date (such elected date, a "**Redeemable Preferred Redemption Date**"). Such election shall bind all holders of Redeemable Preferred. Notwithstanding the foregoing, upon receipt of any Redeemable Preferred Election, the Corporation may elect (via notice sent within thirty (30) days after such receipt): (i) to redeem for cash on the original Redeemable Preferred Redemption Date no less than one-half (1/2) of the shares of Redeemable Preferred, and to redeem for cash on the date that is six (6) months after the original Redeemable Preferred Redemption Date the remainder of the shares of Redeemable Preferred (and each such date of payment shall be deemed a "Redeemable Preferred Redemption Date" with respect to such shares); or (ii) to redeem for cash on the original Redeemable Preferred Redemption Date no less than one-third (1/3) of the shares of Redeemable Preferred, to redeem for cash on the date that is six (6) months after the original Redeemable Preferred Redemption Date one-third (1/3) of the shares of Redeemable Preferred, and to redeem for cash

on the date that is twelve (12) months after the original Redeemable Preferred Redemption Date the remainder of the shares of Redeemable Preferred (and each such date of payment shall be deemed a "**Redeemable Preferred Redemption Date**" with respect to such shares); provided, in each of (i) and (ii), that dividends will continue to accrue on any outstanding shares of Redeemable Preferred in accordance with paragraph IV.H(1) until fully paid.

(b) Optional Redemption by Corporation; Redemption Date. Subject to paragraph IV.H(2)(a), at any time, the Corporation may irrevocably elect to redeem all of the then-outstanding shares of Redeemable Preferred (a "**Corporation Redemption Election**"). In such event, the Corporation shall, to the extent not prohibited by applicable law, redeem such shares of Redeemable Preferred for an amount in cash per share equal to the Redeemable Preferred Redemption Price. Without limiting the provisions of paragraph IV.H(2)(d) and also the Corporation's election below to make payments in 1/2 or 1/3 tranches, upon such event, the Corporation shall apply its assets to any such redemption, except to the extent prohibited by applicable law. Any election by the Corporation pursuant to this paragraph IV.H(2)(b) shall be made by written notice to the holders of Redeemable Preferred at least thirty (30) days prior (but no more than ninety (90) days prior) to the elected redemption date (such elected date, a "**Redeemable Preferred Redemption Date**"). Such election shall bind all holders of Redeemable Preferred. Notwithstanding the foregoing, the Corporation may elect in its Corporation Redemption Election: (i) to redeem for cash one-half (1/2) of the shares on the original Redeemable Preferred Redemption Date, and to redeem for cash on the date that is six (6) months after the original Redeemable Preferred Redemption Date the remainder of the shares of Redeemable Preferred (and each such date of payment shall be deemed a "Redeemable Preferred Redemption Date" with respect to such shares); or (ii) to redeem for cash on an original Redeemable Preferred Redemption Date no less than one-third (1/3) of the shares of Redeemable Preferred, to redeem for cash on the date that is six (6) months after the original Redeemable Preferred Redemption Date one-third (1/3) of the shares of Redeemable Preferred, and to redeem for cash on the date that is twelve (12) months after the original Redeemable Preferred Redemption Date the remainder of the shares of Redeemable Preferred (and each such date of payment shall be deemed a "Redeemable Preferred Redemption Date" with respect to such shares); provided, in each of (i) and (ii), that dividends will continue to accrue on any outstanding shares of Redeemable Preferred in accordance with paragraph IV.H(1) until fully paid.

(c) Redemption Price. The price for each share of Redeemable Preferred (the "**Redeemable Preferred Redemption Price**") shall be an amount equal to the Redeemable Preferred Preference Amount. The aggregate Redeemable Preferred Redemption Price shall be payable in cash in immediately available funds to the respective holders of Redeemable Preferred on the Redeemable Preferred Redemption Date.

(d) Insufficient Funds. Except to the extent prohibited by applicable law, the Corporation shall use its best efforts to effect the redemption of the applicable shares of Redeemable Preferred on the Redeemable Preferred Redemption Date, including, without limitation, (i) take any action necessary or appropriate, to the extent lawful and reasonably within its control, to remove promptly any impediments to its ability to redeem the total number of shares of Redeemable Preferred required to be so redeemed, including, without limitation, (A) to the extent permissible under applicable law, reducing the stated capital of the Corporation or causing a revaluation of the assets of the Corporation under Section 154 of the General Corporation Law to create sufficient surplus to make such redemption, (B) raising equity financing necessary to make such redemption and (C) modifying any existing indebtedness of the Corporation or incurring any indebtedness necessary to make such redemption, and (ii) in any event, use any funds that are legally available to redeem the maximum possible number of such shares from the holders of such shares to be redeemed in proportion to the respective number of such shares that otherwise would have been redeemed if all such shares had been redeemed in full. In the event that all such shares are not redeemed on the applicable Redeemable Preferred Redemption Date, the Corporation shall continue to use such best efforts and at any time thereafter when additional funds of the Corporation are legally available to redeem such shares of Redeemable Preferred, the Corporation shall immediately use such funds to redeem the balance of the shares that the Corporation became obligated to redeem on the Redeemable Preferred Redemption Date (but which it has not yet redeemed).

(e) Interest. If any shares of Redeemable Preferred are not redeemed on the Redeemable Preferred Redemption Date for any reason for six (6) months, all such unredeemed shares shall remain outstanding and entitled to all the rights, powers and preferences provided herein, and the Corporation shall pay interest on the Redeemable Preferred Redemption Price applicable to such unredeemed shares (retroactive to the Redeemable Preferred Redemption Date) at an aggregate per annum rate equal to 1 percent (1%) (increased by 1% at the end of each six (6) month period thereafter until the Redeemable Preferred Redemption Price, and any interest thereon, is paid in full), with such interest to accrue daily in arrears and to be compounded quarterly; provided, however, that in no event shall such interest exceed the lower of (x) ten percent (10%) and (y) the maximum permitted rate of interest under applicable law provided that the Corporation shall take all actions as may be necessary, including without limitation, making any applicable governmental filings, to cause the Maximum Permitted Rate to be the highest possible rate (the lower of (x) and (y), "Maximum Permitted Rate"). In the event that fulfillment of any provision hereof results in such rate of interest being in excess of the Maximum Permitted Rate, the amount of interest required to be paid hereunder shall automatically be reduced to eliminate such excess; provided, however, that any subsequent increase in the maximum permitted rate of interest under applicable law (provided that such increase does not cause the interest rate to be greater than ten percent (10%)) shall be retroactively effective to the applicable Redeemable Preferred Redemption Date to the extent permitted by law. In no event shall the interest rate provided in this paragraph IV.H(2) exceed twenty-two percent (22%).

(f) Rights After Redemption Date. Without limitation of paragraph IV.H(2)(e), in the event that shares of Redeemable Preferred are not redeemed on the Redeemable Preferred Redemption Date for any reason and continue to be outstanding, such shares shall continue to be entitled to all the powers, preferences and rights of the Redeemable Preferred until the date on which the Corporation actually redeems such shares and the applicable Redeemable Preferred Redemption Price shall be adjusted upward as applicable with respect to accruing and accumulating dividends.

(g) Surrender of Certificates. Each holder of shares of Redeemable Preferred to be redeemed shall surrender the certificate or certificates representing such shares to the Corporation, duly endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, at the principal executive office of the Corporation. Each surrendered certificate shall be canceled and retired and the Corporation shall thereafter make payment of the applicable Redeemable Preferred Redemption Price by certified check or wire transfer and, in the event that less than all of the shares of Redeemable Preferred represented by a certificate are redeemed, the Corporation shall issue a new certificate evidencing the unredeemed shares of Redeemable Preferred. In furtherance of the foregoing, in the event that all shares of Redeemable Preferred are not redeemed on the Redeemable Preferred Redemption Date for any reason, each such holder shall, in addition to receiving the payment of the portion of the aggregate Redeemable Preferred Redemption Price applicable to the shares of Redeemable Preferred so redeemed, receive a new stock certificate for those shares of Redeemable Preferred not so redeemed.

(h) Redemption Request Prior to Conversion. A written redemption request made by the Corporation to the holders of Senior Preferred, or by a Senior Majority to the Corporation, proposing to convert the Senior Preferred in order to effect a redemption of the Redeemable Preferred received upon such conversion, shall apply to the as-converted number of shares of Redeemable Preferred if the Senior Preferred is converted into Redeemable Preferred and Convertible Common after such request has been made and immediately prior to such redemption (including via automatic conversion), with references to Redeemable Preferred Majority in this paragraph IV.H(2) to refer to the Senior Majority prior to such conversion.

(i) Certain Approvals. In the event leading up to or after a Redeemable Preferred Redemption Date, the Corporation would need to seek an approval from the Senior Preferred or Redeemable Preferred for any action pursuant to IV.G(3) or IV.H(3) that will directly enable the Corporation to raise the funds for the complete

redemption pursuant to this IV.H(2), such Senior Preferred or Redeemable Preferred approval will not be necessary provided that any such action requiring consent shall be conditioned on payment in full of the Redeemable Preferred Redemption Price in cash on the effective date of such action and such payment is made on such date and holders of Redeemable Preferred have no ongoing exposure or liability with respect to the payment of the Redeemable Preferred Redemption Price.

3. Approval of Redeemable Preferred. So long as any shares of Redeemable Preferred shall be outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Redeemable Preferred:

(a) Preferred Terms. Amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would adversely affect the rights, powers, preferences or privileges of the holders of Redeemable Preferred (including, without limitation, increasing the total number of shares of Redeemable Preferred that the Corporation shall have the authority to issue); provided, however, that for the avoidance of doubt, any such amendments or alterations that adversely affect only the rights of the Convertible Common or Common without regard to the rights of the Redeemable Preferred shall not require the separate consent of the holders of the Redeemable Preferred; provided further however, that (i) increasing the number of authorized shares of Common or of any series of Preferred junior in dividend, liquidation and redemption rights to the Redeemable Preferred or (ii) creating a new series of Preferred junior in dividend, liquidation and redemption rights to the Redeemable Preferred, shall, in either case, not be deemed to adversely alter, modify, change or affect the terms, rights, powers, preferences or privileges of the holders of Redeemable Preferred and therefore shall not require the approval of the Redeemable Preferred voting as a class;

(b) Create a New Senior Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences senior or *pari passu* to the Redeemable Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges (other than voting, approval and conversion rights), (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to the Redeemable Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any other rights, powers, preferences or privileges (other than voting, approval and conversion rights) or (C) permit any subsidiary of the Corporation to issue any capital stock, or securities convertible into or exercisable or exchangeable for capital stock or other securities of such subsidiary, to any person or entity other than the Corporation; or

(c) Payment of Dividends. Purchase or redeem, or pay any dividend with respect to, or make any distributions on, any shares of capital stock of the Corporation, other than (A) dividends payable to the Redeemable Preferred as required pursuant to Section IV.H.1, (B) dividends payable solely in shares of Common, (C) the redemption of Preferred as expressly set forth herein, provided that the holders of any series of stock other than the Senior Preferred and Redeemable Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full, or (D) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at a price not to exceed the then-current fair market value thereof as approved by the Board of Directors (not to exceed 20,000 shares in any given calendar year, including in such total any shares redeemed from any subsidiary of the Corporation).

4. [Reserved.]

5. Notice; Waivers.

(a) Liquidation Events Etc. In the event (i) the Corporation establishes a record date to determine the holders of any class of securities who are entitled to receive any dividend or other distribution (other than pursuant to IV.G(1) or IV.H(1)) or who are entitled to vote at a meeting (or by written consent) in connection with any of the transactions identified in clause (ii) hereof, or (ii) any Liquidation Event, Significant Transaction or Offering becomes reasonably likely to occur, the Corporation shall use commercially reasonable efforts to provide written notice to each holder of Redeemable Preferred at least ten (10) days prior to such record date specified therein or the expected effective date of any such transaction, whichever is earlier, a notice specifying (A) the date of such record date for the purpose of such dividend or distribution or meeting or consent and a description of such dividend or distribution or the action to be taken at such meeting or by such consent, (B) the date on which any such Liquidation Event, Significant Transaction or Offering is expected to become effective, and (C) the date on which the books of the Corporation shall close or a record shall be taken with respect to any such event. Such notice shall be accompanied by a certificate prepared by the chief financial officer of the Corporation describing in reasonable detail (1) the facts of such transaction, (2) the amount(s) per share of Redeemable Preferred or Common each holder of Redeemable Preferred would receive pursuant to the applicable provisions of this Certificate of Incorporation (or, if such amounts are unknown, a reasonable estimate or range of such amounts), and (3) the facts upon which such amounts were determined.

(b) Waiver of Notice. A Redeemable Preferred Majority may, at any time upon written notice to the Corporation, waive any notice or certificate delivery provisions specified herein for the benefit of such holders, and any such waiver shall be binding upon all holders of such securities.

(c) Other Waivers. A Redeemable Preferred Majority may, at any time upon written notice to the Corporation, waive compliance by the Corporation with any term or provision herein, provided that any such waiver does not affect any holder of outstanding shares of Redeemable Preferred in a manner materially different than any other holder, and any such waiver shall be binding upon all holders of Redeemable Preferred and their respective transferees.

(d) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Redeemable Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of "electronic transmission" (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

6. No Reissuance of Redeemable Preferred. No share or shares of Redeemable Preferred acquired by the Corporation by reason of redemption, purchase, conversion, exchange or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation is authorized to issue.

I. Convertible Common

1. [Reserved.]

2. **Terms of Convertible Common**.

The shares designated as Convertible Common shall have the following powers, special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

(a) Dividends. Subject to the payment in full of all preferential dividends to which the holders of Senior Preferred, Redeemable Preferred, Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred and Junior Series-1 Preferred are entitled and the other restrictions hereunder, if the Board of Directors issues dividends to the holders of Common, the holders of Convertible Common shall be entitled to participate on a pari passu basis in any such dividends with the holders of Common on an as-if converted to Common basis.

(b) Redemption of Convertible Common.

(i) Optional Redemption by Holders; Redemption Date. At any time (x) immediately prior to and from and after a Significant Transaction (unless the Senior Preferred is paid the full Senior Preference Amount), (y) on or after the date that is six years from the Effective Date, or (z) immediately prior to an Offering, the holders of at least a majority of the

outstanding shares of Convertible Common, voting together as a separate class (a "**Convertible Common Majority**") (or, to the extent that the Convertible Common has not been converted as of a Convertible Common Redemption Date (as defined below), a Senior Majority) may elect to have all of the then (or the to-be) outstanding shares of Convertible Common redeemed (each a "**Convertible Common Election**"). In connection with any Convertible Common Election, the Corporation shall, to the extent not prohibited by applicable law, redeem that number of shares of Convertible Common as requested by the Convertible Common Majority (or Senior Majority, as applicable) for an amount in cash per share equal to the Convertible Common Redemption Price (as defined below). Without limiting the provisions of paragraph IV.I(2)(b)(iv) and also the Corporation's election below to make payments in 1/2 or 1/3 tranches , upon such event, the Corporation shall apply its assets to any such redemption, except to the extent prohibited by applicable law. Any elections by the Convertible Common Majority (or Senior Majority, as applicable) pursuant to this paragraph IV.I(2)(b)(i) shall be made by written notice to the Corporation and the other then or potential future holders of Convertible Common, which may be delivered (A) at any time immediately prior to or after a Significant Transaction, (B) five (5) days prior to the expected Offering or (C) at any time from and after the five and a half (5 ½) year anniversary of the Effective Date (a "**Time Based Election**") and, with respect only to a Time Based Election, at least one hundred eighty (180) days prior to the elected redemption date (each such elected date, a "**Convertible Common Redemption Date**"). Such election shall bind all current and future holders of Convertible Common. Notwithstanding the foregoing, upon receipt of any Convertible Common Election pursuant to clause (y) above, the Corporation may elect (via notice sent within twenty (20) days after such receipt): (i) to redeem for cash on the original Convertible Common Redemption Date no less than one-half (1/2) of the shares of Convertible Common, and to redeem for cash on the date that is six (6) months after the original Convertible Common Redemption Date the remainder of the shares of Convertible Common (and each such date of payment shall be deemed a "**Convertible Common Redemption Date**" with respect to such shares); or (ii) to redeem for cash on the original Convertible Common Redemption Date no less than one-third (1/3) of the shares of Convertible Common, to redeem for cash on the date that is six (6) months after the original Convertible Common Redemption Date one-third (1/3) of the shares of Convertible Common, and to redeem for cash on the date that is twelve (12) months after the original Convertible Common Redemption Date the remainder of the shares of Convertible Common (and each such date of payment shall be deemed a "**Convertible Common Redemption Date**" with respect to such shares).

(ii) Optional Redemption by Corporation; Redemption Date. Subject to paragraph IV.I(2)(b)(i), conditioned upon and coterminous with the occurrence of a Significant Transaction, the Corporation may irrevocably elect to redeem all of the then-outstanding shares of Convertible Common (a "**Corporation Convertible Common Redemption Election**"). In such event, the Corporation shall redeem such shares of Convertible Common for an amount in cash per share equal to the Convertible Common Redemption Price on the date of the consummation of such Significant Transaction (such elected date, the "**Convertible Common Redemption Date**").

(iii) Redemption Price Calculations.

(A) Redemption Price. The price for each share of Convertible Common (the "**Convertible Common Redemption Price**") shall be an amount equal to the product of (A) the Common Stock Adjustment Rate (as defined below), and (B) the difference between (i) the Equity Value Per Share (as defined below) as of the Convertible Common Redemption Date and (ii) $47.7561 (appropriately adjusted for any stock splits, dividends, combinations, recapitalizations and the like) (the "**Convertible Common Issue Price**").

The "**Common Stock Adjustment Rate**" is equal to the quotient of (A) the Convertible Common Issue Price, divided by (B) the Convertible Common Conversion Price in effect as of the date of conversion. The initial "**Convertible Common Conversion Price**" per share for shares of Convertible Common shall be $47.7561, subject to adjustment as set forth in paragraph IV.I(2)(f).

(B) The term "**Equity Value Per Share**" means a good faith calculation of the consideration to be received per share of Common in the event of a Liquidation Event or Significant Transaction or, in the event of an Offering, the consideration to be received by the Corporation per share of Common in the Offering, provided that if a redemption is not in connection with such an event or no such value is otherwise reasonably determinable, then it shall mean the quotient of (i) the Equity Valuation (as defined below), divided by (ii) the Fully Diluted Capital Stock Number (as defined below), in each case as of the Convertible Common Redemption Date.

(C) The term "**Equity Valuation**" means: (i) the Enterprise Valuation (as defined below), less (ii) total indebtedness for borrowed money (excluding the capital lease obligations, if any), less (iii) the total aggregate Redeemable Preferred Preference Amount (to the extent not paid prior to the date of determination), plus (iv) cash and cash equivalents (net of related transaction expenses, including advisory fees), such amount to also include the exercise price of all outstanding warrants and stock options.

(D) The term "**Fully Diluted Capital Stock**" means the fully-diluted number of outstanding shares as of the Convertible Common Redemption Date (using the treasury method and including, without limitation, any stock options, warrants or other securities convertible into or exercisable for shares of the Corporation's capital stock).

(E) The term "**Agreed Method**" shall mean the valuation as mutually agreed upon by the Corporation and the Convertible Common Majority provided that if the Corporation and the Convertible Common Majority fail to reach agreement within a 5-day period, the calculation shall be determined by appraisal as set forth as follows. The Corporation and the Convertible Common Majority shall select a mutually agreeable appraiser to determine the valuation, with such determination to be binding on all concerned. If the Corporation and the Convertible Common Majority shall fail to agree on the selection of such appraiser within five (5) days following the expiration of the 5-day period specified above, then the Corporation shall select one independent appraiser and the Convertible Common Majority shall select another independent appraiser and such appraisers shall promptly designate a third independent appraiser which shall determine calculation. The calculation under such circumstances shall be the calculation arrived at by the third appraiser within twenty (20) days following its appointment. The calculation determination shall be conclusive, final and binding on all parties hereto and shall be enforceable in any court having any jurisdiction over a proceeding brought to seek enforcement. All fees and expenses incurred in connection with an appraisal under this definition shall be borne fifty percent (50%) by the Corporation and fifty percent (50%) by the holders of the Convertible Common.

(F) The term "**Enterprise Valuation**" shall mean the enterprise valuation of the Corporation as calculated via the Agreed Method. The calculation shall be determined on the basis of the following assumptions: (i) "fully diluted" basis (such dilution to be determined in accordance with generally accepted accounting principles consistently applied) shall be calculated as if the Senior Preferred (or, if applicable, the Redeemable Preferred) was paid off via liquidation and the Common (on an as-converted basis) was sold as part of an arms-length sale of all of the capital stock of the Corporation; (ii) as though all outstanding securities which are then convertible into, exercisable for or exchangeable into shares of Common (including, without limitation, vested options and warrants) had been converted into, exercised for or exchanged into Common and any amounts payable upon such conversion, exercise or exchange paid to the Corporation, including for these purposes an

amount per share of Convertible Common equal to $47.7561 per share (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like) and that such Convertible Common were converted to Common at the Common Stock Adjustment Rate, (iii) without any reduction in value for lack of control or the inherent lack of liquidity of non-public minority interests; (iv) giving full effect to the revenue and, if applicable, earnings history and prospects of the Corporation; and (v) otherwise on a basis which values all Common at the same per share price.

(G) Notwithstanding the foregoing, in the event that the sum of the Convertible Common Redemption Price and any Redeemable Preferred Preference Amount paid to the holders of Redeemable Preferred as of the date of the Convertible Common Redemption Date (or in the event the Redeemable Preferred Preference Amount that has not been paid to holders of Redeemable Preferred as of such date, the amount equal to the Redeemable Preferred Preference Amount that would be payable to holders of Redeemable Preferred if such amount was payable on the Convertible Common Redemption Date) (such sum, the "**Aggregate Value**") is more than the Threshold Amount (as defined below), then the Convertible Common Redemption Price shall be reduced (but in no event below zero) by an amount equal to sixty percent (60.0%) of the Aggregate Value in excess of the Threshold Amount. The term "**Threshold Amount**" shall mean, as of a given date, the greater of: (i) $95.5122 (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like) and (ii) an amount equal to a cumulative internal rate of return (IRR) equal to fifteen percent (15%) per annum (accrued daily and compounded quarterly from October 1, 2019) on the Senior Original Issue Price (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like), calculated as of the Convertible Common Redemption Date.

(iv) Insufficient Funds. Except to the extent prohibited by applicable law, the Corporation shall use its best efforts to effect the redemption of the applicable shares of Convertible Common on the Convertible Common Redemption Date, including, without limitation, (i) take any action necessary or appropriate, to the extent lawful and reasonably within its control, to remove promptly any impediments to its ability to redeem the total number of shares of Convertible Common required to be so redeemed, including, without limitation, (A) to the extent permissible under applicable law, reducing the stated capital of the Corporation or causing a revaluation of the assets of the Corporation under Section 154 of the Delaware General Corporation Law to create sufficient surplus to make

such redemption, (B) raising equity financing necessary to make such redemption and (C) modifying any existing indebtedness of the Corporation or incurring any indebtedness necessary to make such redemption, and (ii) in any event, use any funds that are legally available to redeem the maximum possible number of such shares from the holders of such shares to be redeemed in proportion to the respective number of such shares that otherwise would have been redeemed if all such shares had been redeemed in full. In the event that all such shares are not redeemed on the applicable Convertible Common Redemption Date, the Corporation shall continue to use such best efforts and at any time thereafter when additional funds of the Corporation are legally available to redeem such shares of Convertible Common, the Corporation shall immediately use such funds to redeem the balance of the shares that the Corporation became obligated to redeem on the Convertible Common Redemption Date (but which it has not yet redeemed).

(v) Interest. If any shares of Convertible Common are not redeemed on the Convertible Common Redemption Date for any reason for six (6) months, all such unredeemed shares shall remain outstanding and entitled to all the rights, powers and preferences provided herein, and the Corporation shall pay interest on the Convertible Common Redemption Price applicable to such unredeemed shares (retroactive to the Convertible Common Redemption Date) at an aggregate per annum rate equal to 1 percent (1%) (increased by 1% at the end of each six (6) month period thereafter until the Convertible Common Redemption Price, and any interest thereon, is paid in full), with such interest to accrue daily in arrears and to be compounded quarterly; provided, however, that in no event shall such interest exceed the lower of (x) ten percent (10%) and (y) the maximum permitted rate of interest under applicable law provided that the Corporation shall take all actions as may be necessary, including without limitation, making any applicable governmental filings, to cause the Maximum Permitted Rate to be the highest possible rate (the lower of (x) and (y), "**Maximum Permitted Rate**"). In the event that fulfillment of any provision hereof results in such rate of interest being in excess of the Maximum Permitted Rate, the amount of interest required to be paid hereunder shall automatically be reduced to eliminate such excess; provided, however, that any subsequent increase in the maximum permitted rate of interest under applicable law (provided that such increase does not cause the interest rate to be greater than ten percent (10%)) shall be retroactively effective to the applicable Convertible Common Redemption Date to the extent permitted by law. In no event shall the interest rate provided in this paragraph IV.I(2)(b) exceed twenty-two percent (22%).

(vi) Rights After Redemption Date. Without limitation of paragraph IV.I(2)(b)(v), in the event that shares of Convertible Common are not redeemed on the Convertible Common Redemption Date for any reason and continue to be outstanding, such shares shall continue to be entitled to all the powers, preferences and rights of the Convertible Common until the date on which the Corporation actually redeems such shares and the applicable Convertible Common Redemption Price shall be adjusted upward as applicable with respect to accruing and accumulating dividends, if any.

(vii) Surrender of Certificates. Each holder of shares of Convertible Common to be redeemed shall surrender the certificate or certificates representing such shares to the Corporation, duly endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), or, if the holder notifies the Corporation that such certificate(s) are lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, at the principal executive office of the Corporation. Each surrendered certificate shall be canceled and retired and the Corporation shall thereafter make payment of the applicable Convertible Common Redemption Price by certified check or wire transfer and, in the event that less than all of the shares of Convertible Common represented by a certificate are redeemed, the Corporation shall issue a new certificate evidencing the unredeemed shares of Convertible Common. In furtherance of the foregoing, in the event that all shares of Convertible Common are not redeemed on the Convertible Common Redemption Date for any reason, each such holder shall, in addition to receiving the payment of the portion of the aggregate Convertible Common Redemption Price applicable to the shares of Convertible Common so redeemed, receive a new stock certificate for those shares of Convertible Common not so redeemed.

(viii) Redemption Request Prior to Conversion. A written redemption request made by the Corporation to the holders of Senior Preferred, or by a Senior Majority to the Corporation, proposing to convert the Senior Preferred in order to effect a redemption of the Convertible Common received upon such conversion, shall apply to the as-converted number of shares of Convertible Common as if the Senior Preferred is converted into Redeemable Preferred and Convertible Common after such request has been made and immediately prior to such redemption (including via automatic conversion), with references to Convertible Common Majority in this paragraph IV.I(2)(b) to refer to the Senior Majority prior to such conversion.

(ix) Certain Approvals. In the event leading up to or after a Convertible Common Redemption Date, the Corporation would need to seek an approval from the Senior Preferred or Convertible Common for any action pursuant to IV.G(3) or IV.I(2)(e) that will directly enable the Corporation to raise the funds for the complete redemption pursuant to this IV.I(2)(b), such Senior Preferred or Convertible Common approval shall not be necessary provided that any such action requiring consent shall be conditioned on payment in full of the Convertible Common Redemption Price in cash on the effective date of such action and such payment is made on such date and holders of Convertible Common have no ongoing exposure or liability with respect to the payment of the Convertible Common Redemption Price.

(c) Conversion. Shares of Convertible Common shall be convertible into Common in accordance with the following:

(i) Automatic Conversion. Immediately prior to any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, (the "**Liquidation Event**"), Significant Transaction or Offering, if the shares of Convertible Common are not redeemed in connection with such events, then each outstanding share of Convertible Common shall be converted into, without payment of any additional consideration, the number of fully paid and nonassessable shares (or that portion of a share) of Common equal to the product of (x) the Common Stock Adjustment Rate and (y) the quotient of (1) the Convertible Common Redemption Price (for the avoidance of doubt, as calculated pursuant to paragraph IV.I(2)(b), including the application of paragraph IV.I(2)(b)(iii)(G), but in both instances using the date of conversion for such calculations as there will not be a Convertible Common Redemption Date in this circumstance), divided by (2) the Equity Value Per Share (using the date of conversion for such calculation instead of the Convertible Common Redemption Date).

(ii) Procedure for Conversion. Upon any conversion pursuant to paragraph IV.I(2)(c)(i) surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates) at the Corporation's principal executive office. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Convertible Common a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Convertible Common to be converted, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(iii) Fractional Shares. No fractional shares of Common shall be issued upon conversion of the Convertible Common. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Board of Directors good faith business judgment of the fair market value of a share of Common.

(iv) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common, solely for the purpose of effecting the conversion of the shares of Convertible Common, such number of its shares of Common as shall, in the reasonable view of the Board of Directors, from time to time be sufficient to effect the conversion of all outstanding shares of Convertible Common; and if at any time the number of authorized but unissued shares of Common shall not be sufficient to effect the conversion of all outstanding shares of Convertible Common, the Corporation will take such corporate action as may, in the opinion of counsel, be necessary to increase the number of its authorized but unissued shares of Common to such number of shares as shall be sufficient for such purpose, and to reserve the appropriate number of shares of Common for issuance upon such conversion.

(v) No Closing of Transfer Books. The Corporation shall not close its books against the transfer of shares of Convertible Common in any manner that would interfere with the timely conversion of any shares of Convertible Common.

(vi) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.I(2)(c) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Convertible Common against impairment.

(vii) Expiration. If there are outstanding shares of Convertible Common as of the date that is the fifteenth (15th) anniversary of the Effective Date, such shares shall automatically convert to Common pursuant to the conversion mechanics in paragraph IV.I(2)(c)(i).

(d) [Reserved.]

(e) Covenants. So long as any shares of Convertible Common shall be outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the Convertible Common Majority, amend, alter or repeal any provision of this paragraph IV.I(2) of the Certificate of Incorporation;

(f) Adjustments. The Convertible Common Conversion Price shall be subject to adjustment from time to time as follows:

(i) If the Corporation shall issue any Common (other than Excluded Stock) ("**Additional Common Stock Shares**") or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock) and if the consideration price per share, on an as-converted basis, is less than the Convertible Common Conversion Price as in effect immediately prior to the issuance of such Additional Common Stock Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Convertible Common Conversion Price shall be decreased, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

CP2 = CP1 * (A + B) / (A + C)

For purposes of the foregoing formula, the following definitions shall apply:

"CP2" shall mean the Convertible Common Conversion Price in effect immediately after such issue of Additional Common Stock Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common);

"CP1" shall mean the Convertible Common Conversion Price in effect immediately prior to such issue of Additional Common Stock Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common);

"A" shall mean the number of shares of Common outstanding and deemed outstanding immediately prior to such issue of Additional Common Stock Shares (treating for this purpose as outstanding all shares of Common issuable upon exercise or conversion of securities directly or indirectly convertible into or exchangeable for Common outstanding immediately prior to such issue);

"B" shall mean the number of shares of Common that would have been issued if such Additional Common Stock Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common) had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP1); and

"C" shall mean the number of such Additional Common Stock Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common) issued in such transaction.

For the purposes of this paragraph IV.I(2)(f), the following provisions shall also be applicable:

(1) In the case of the issuance of Common for cash, the consideration received therefor shall be deemed to be the amount of cash paid therefor without deducting any discounts or commissions paid or incurred by the Corporation in connection with the issuance and sale thereof;

(2) In the case of the issuance of Common for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors;

(3) In the case of the issuance of (i) options to purchase or rights to subscribe for Common (other than Excluded Stock), (ii) securities by their terms convertible or exchangeable for Common (other than Excluded Stock), or (iii) options to purchase or rights to subscribe for such convertible or exchangeable securities:

(v) the aggregate maximum number of shares of Common deliverable upon exercise of such options to purchase or rights to subscribe for Common shall be deemed to be issuable for a consideration equal to the consideration (determined in the manner provided in subdivisions (1) and (2) above), if any, received by the Corporation upon the issuance of such options or rights plus the minimum purchase price provided in such options or rights for the Common covered thereby;

(w) the aggregate maximum number of shares of Common deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to be issuable for a consideration equal to the consideration received by the Corporation for any such securities and related options or rights, plus the additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subdivisions (1) and (2) above);

(x) the aggregate maximum number of shares of Common deliverable upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such options or rights or securities were issued;

(y) any change in the number of shares of Common deliverable upon exercise of any such options or rights or conversion of or exchange for such convertible or exchangeable securities, or on any change in the minimum purchase price of such options, rights or securities and/or the Convertible Common Conversion Price shall forthwith be readjusted to such Convertible Common Conversion Price, as would have obtained had the adjustment (and any subsequent adjustments) made upon (A) the issuance of such options, rights or securities not exercised, converted or exchanged prior to such change, as the case may be, been made upon the basis of such change or (B) the options or rights related to such securities not converted or exchanged prior to such change, as the case may be, been made upon the basis of such change; and

(z) on the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Convertible Common Conversion Price shall forthwith be readjusted to such Convertible Common Conversion Price as would have obtained had the adjustment (and any subsequent adjustments) made upon the issuance of such options, rights, convertible or exchangeable securities or options or rights related to such convertible or exchangeable securities, as the case may be, been made upon the basis of the issuance of only the number of shares of Common actually issued upon the exercise of such options or rights, upon the conversion or exchange of such convertible or exchangeable securities or upon the exercise of the options or rights related to such convertible or exchangeable securities, as the case may be.

(ii) If the number of shares of Common outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common or by a subdivision or split-up of shares of Common, then, on the date such payment is made or such change is effective, the Convertible Common Conversion Price shall be appropriately decreased so that the number of shares of Common issuable on conversion of the Convertible Common shall be increased in proportion to such increase of outstanding shares.

(iii) If the number of shares of Common outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common, then, on the effective date of such combination, the Convertible Common Conversion Price shall be appropriately increased so that the number of shares of Common issuable on conversion of the Convertible Common shall be decreased in proportion to such decrease in outstanding shares.

(iv) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Convertible Common, if such event is not a Significant Transaction, after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Convertible Common into Common. The provisions of this paragraph IV.I(2)(f)(iv) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(v) All calculations under this paragraph IV.I(2)(f) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(vi) Minimal Adjustments. No adjustment in a Convertible Common Conversion Price need be made if such adjustment would result in a change in a Convertible Common Conversion Price of less than $0.01. Any adjustment of less than $0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of $0.01 or more in a Convertible Common Conversion Price.

(g) Future Financings.

(i) Preemptive Right. The Corporation grants to each holder of shares of Convertible Common (each, a "**Convertible Common Holder**") a preemptive right to purchase such Convertible Common Holder's pro-rata share, as defined below, of any Securities proposed to be issued by the Corporation subsequent to the date hereof. Such Convertible Common Holder's "**pro-rata share**" shall be that portion of the Securities proposed to be issued which bears the same relation to all of the Securities proposed to be issued as the shares of Convertible Common held by such Convertible Common Holder bear to all outstanding shares of the Common and Convertible Common combined (assuming for the purposes of such calculation the conversion of all outstanding securities which are

convertible into Common without payment of additional consideration), all determined immediately prior to the offering of the Securities. For the avoidance of doubt, the preemptive right in this paragraph IV.I(2)(g) shall be combined, if applicable, with those preemptive rights set forth in paragraphs IV.D(5)(a) and IV.E(5)(a) if such Convertible Common Holder also is a Major Series A Holder or Series B/C/D/E/F Holder such that, (i) pursuant to this paragraph IV.I(2)(g), the Convertible Common Holder will receive a preemptive right for its pro rata share based on its ownership of Convertible Common, (ii) pursuant to paragraph IV.D(5)(a), its pro rata share based on its ownership of Series A Preferred and (iii) pursuant to paragraph IV.E(5)(a), its pro rata share based on its ownership of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred (to the extent applicable).

(ii) Notice. In the event that the Corporation proposes to undertake an issue of Securities, it shall deliver to each Convertible Common Holder written notice of its intention, describing such Securities, specifying each Convertible Common Holder's pro-rata share and stating the purchase price and other terms upon which it proposes to issue the same (the "**Convertible Common Option Notice**"). For a period of twenty (20) days following the receipt of the Convertible Common Option Notice, each Convertible Common Holder shall have the right to elect, by written notice to the Corporation, to purchase all or any portion of such Convertible Common Holder's pro rata share of the Securities described in the Convertible Common Option Notice. The closing of any sale pursuant to this paragraph IV.I(2)(g)(ii) shall occur within ninety (90) days of the date that the Convertible Common Option Notice is given.

(iii) Sale by the Corporation. If all of the Securities are not elected to be purchased or acquired as provide in paragraph IV. I(2)(g)(ii) then, during the 90 day period following the expiration of the periods set forth in paragraph IV. I(2)(g)(ii), the Corporation may sell, free of any preemptive right on such Convertible Common Holder's part, the portion of such Convertible Common Holder's pro-rata shares not purchased pursuant to such preemptive right, upon the same terms specified in the Convertible Common Option Notice. If the Corporation does not enter into an agreement for the sale of the Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Securities shall not be offered unless first reoffered to the Convertible Common Holders in accordance with this paragraph IV.I(2)(g).

(iv) Exceptions. The preemptive right granted under this Paragraph IV.I(2)(g) shall not apply to (i) the Excluded Stock or (ii) Securities issued for non-cash consideration, or as a so-called "equity feature" (such as a warrant) of a transaction primarily involving debt securities or indebtedness for borrowed money, or pursuant to a merger or acquisition transaction, in each case, approved by a Qualified Board Approval.

(h) Notice; Adjustments; Waivers.

(i) Liquidation Events, Etc. In the event (i) the Corporation establishes a record date to determine the holders of any class of securities who are entitled to vote at a meeting (or by written consent) in connection with any of the transactions identified in clause (ii) hereof, or (ii) any Liquidation Event, Significant Transaction or Offering becomes reasonably likely to occur, the Corporation shall use commercially reasonable efforts to provide written notice to each holder of Convertible Common at least ten (10) days prior to such record date specified therein or the expected effective date of any such transaction, whichever is earlier, a notice specifying (A) the date of such record date for the purpose of such meeting or consent and a description of such action to be taken at such meeting or by such consent, (B) the date on which any such Liquidation Event, Significant Transaction or Offering is expected to become effective, and (C) the date on which the books of the Corporation shall close or a record shall be taken with respect to any such event. Such notice shall be accompanied by a certificate prepared by the chief financial officer of the Corporation describing in reasonable detail (1) the facts of such transaction, (2) the amount(s) per share of Convertible Common or Common each holder of Convertible Common or Common would receive pursuant to the applicable provisions of this Amended and Restated Certificate of Incorporation (or, if such amounts are unknown, a reasonable estimate or range of such amounts), and (3) the facts upon which such amounts were determined.

(ii) Adjustments; Calculations. Upon the occurrence of each adjustment or readjustment of the Common Stock Adjustment Rate, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Convertible Common a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. All such calculations shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share as the case may be.

(iii) Waiver of Notice. The holder or a Convertible Common Majority may, at any time upon written notice to the Corporation, waive any notice or certificate delivery provisions specified herein for the benefit of such holders, and any such waiver shall be binding upon all holders of such securities.

(iv) Other Waivers. The holder or a Convertible Common Majority may, at any time upon written notice to the Corporation, waive compliance by the Corporation with any term or provision herein, provided that any such waiver does not affect any holder of outstanding shares of Convertible Common in a manner materially different than any other holder, and any such waiver shall be binding upon all holders of Convertible Common and their respective transferees.

(v) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Convertible Common shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of "electronic transmission" (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

(i) No Reissuance of Convertible Common. No share or shares of Convertible Common acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

ARTICLE V

In furtherance and not in limitation of the powers conferred by statute and subject to the rights of any series of Preferred herein, the Board of Directors shall have the power, both before and after receipt of any payment for any of the Corporation's capital stock, to adopt, amend, repeal or otherwise alter the Bylaws of the Corporation without any action on the part of the stockholders; provided, however, that the grant of such power to the Board of Directors shall not divest the stockholders of nor limit their power to adopt, amend, repeal or otherwise alter the Bylaws of the Corporation.

ARTICLE VI

Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

ARTICLE VII

(A) To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

(B) The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil,
administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

(C) Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of the Corporation's Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE VIII

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Series E Preferred, holder of Series F Preferred, holder of Senior Preferred, Redeemable Preferred or Convertible Common or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

ARTICLE IX

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, this Certificate of Incorporation or the Bylaws or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article IX.

Exhibit E

FORM OF PARENT BYLAWS

[Attached separately]

BYLAWS

OF

AVIDXCHANGE

HOLDINGS, INC.

BYLAWS

OF

AVIDXCHANGE

HOLDINGS, INC.

ARTICLE I
OFFICES

1. Principal Office. The principal office of AvidXchange Holdings, Inc. (the "Corporation") shall be located in Mecklenburg County, North Carolina or such other place as is designated by the board of directors of the Corporation (the "Board of Directors").

2. Registered Office. The address of the registered office of the Corporation in the State of Delaware shall be at Corporation Service Company, 251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808 or such other place as is designated by the Board of Directors.

3. Other Offices.The Corporation may have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or as the affairs of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

1. Place of Meetings. All meetings of stockholders shall be held at the principal office of the Corporation or at such other place, either within or without the State of Delaware, as shall be designated as set forth herein. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("DGCL").

2. Annual Meeting. The annual meeting of the stockholders shall be held at such date, time and place as is determined by the Board of Directors, for the purpose of electing directors of the Corporation and for the transaction of such other business as may be properly brought before the meeting and set forth in the meeting notice.

3. Special Meetings. Special meetings of the stockholders may be called by the Board of Directors or the President, and shall be held at such place, on such date, and at such time as it or he/she shall fix.

4. Adjournments. Any meeting of the stockholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any, and notice need not be given of any such adjourned meeting if the time, place, if any, thereof and the means of remote communication, if any, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date is fixed for stockholders entitled to vote at the adjourned meeting, the Board of Directors shall fix a new record date for notice of the adjourned meeting and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at the adjourned meeting as of the record date fixed for notice of the adjourned meeting.

5. Notice of Meetings. Notice of the place, if any, date, hour, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and means of remote communication, if any, of every meeting of stockholders shall be given by the Corporation not less than ten days nor more than 60 days before the meeting (unless a different time is specified by law) to every stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called. Except as otherwise provided herein or permitted by applicable law, notice to stockholders shall be in writing and delivered personally or mailed to the stockholders at their address appearing on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, notice of meetings may be given to stockholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any stockholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the stockholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

6. List of Stockholders. The officer of the Corporation who has charge of the stock ledger shall prepare a complete list of the stockholders entitled to vote at any meeting of stockholders (provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares of each class of capital stock of the Corporation registered in the name of each stockholder at least ten days before any meeting of the stockholders. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, on a reasonably accessible electronic network if the information required

to gain access to such list was provided with the notice of the meeting or during ordinary business hours, at the principal place of business of the Corporation for a period of at least ten days before the meeting. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting the whole time thereof and may be inspected by any stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for inspection by any stockholder during the whole time of the meeting as provided by applicable law. Except as provided by applicable law, the stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger and the list of stockholders or to vote in person or by proxy at any meeting of stockholders.

7. Quorum of Stockholders. Unless otherwise required by law, the Corporation's Certificate of Incorporation (the "Certificate of Incorporation") or these bylaws, at each meeting of the stockholders, a majority in voting power of the shares of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power, by the affirmative vote of a majority in voting power thereof, to adjourn the meeting from time to time, in the manner provided in Section 2.4, until a quorum shall be present or represented. A quorum, once established, shall not be broken by the subsequent withdrawal of enough votes to leave less than a quorum. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the meeting originally called. Where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.

8. Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of the stockholders as it shall deem appropriate. At every meeting of the stockholders, the President, or in his or her absence or inability to act, the Treasurer, or, in his or her absence or inability to act, the person whom the President shall appoint, shall act as chairman of, and preside at, the meeting. The Secretary or, in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint as secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) rules and procedures for maintaining order at the meeting and the safety of those present; (d) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (f) limitations on the time allotted to questions or comments by participants.

9. Voting; Proxies. Unless otherwise required by law or the Certificate of Incorporation or unless directors are elected by written consent in lieu of an annual meeting, the election of directors shall be by written ballot and shall be decided by a plurality of the votes cast at a meeting of the stockholders by the holders of stock entitled to vote in the election. Unless otherwise required by law, the Certificate of Incorporation or these bylaws, any matter, other than the election of directors, brought before any meeting of stockholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Where a separate vote by a class or series or classes or series is required by law or the Certificate of Incorporation, other than the election of directors, the affirmative vote of the majority of shares of such class or series or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series or classes or series. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Otherwise voting at meetings of stockholders need not be by written ballot.

10. Inspectors at Meetings of Stockholders. The Board of Directors, in advance of any meeting of stockholders, may, and shall if required by law, appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board of Directors may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board of Directors, the date and time of the opening and the closing of

the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

11. Written Consent of Stockholders Without a Meeting. Any action to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action to be so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to (a) its registered office in the State of Delaware (by hand or by certified or registered mail, return receipt requested), (b) its principal place of business or (c) an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.11, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by applicable law, be given to those stockholders who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

12. Fixing the Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than ten days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record

entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of stockholders entitled to vote therewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting: (i) when no prior action by the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware (by hand, or by certified or registered mail, return receipt requested), its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE III
BOARD OF DIRECTORS

1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these bylaws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

2. Number; Term of Office. The number of directors of the Corporation shall be a number as directed by a resolution adopted by the Board of Directors between the range of one to thirteen directors. Each director shall hold office until such director's death, resignation, retirement, removal, disqualification, or such director's successor is elected and qualifies. Directors need not be residents of the State of Delaware or stockholders of the Corporation.

3. Resignation. Any director may resign at any time by notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the date of receipt of such notice by the Corporation or at such later time as is therein specified.

4. Removal. Directors may be removed from office with or without cause by a vote of stockholders holding a majority of the outstanding shares entitled to vote at an election of directors. If a director is elected by a voting group of stockholders, only the stockholders of that voting group may participate in the vote to remove him. If any directors are so removed, new directors may be elected at the same meeting.

5. Vacancies. Except as set forth in the following sentence, a vacancy occurring in the Board of Directors, including, without limitation, a vacancy created by an increase in the authorized number of directors, may be filled solely by the affirmative votes of a majority of the remaining members of the Board of Directors, even if less than a quorum or by the sole remaining director. If, however, the vacant office was held by a director elected by a voting group that does not constitute all the stockholders, only the remaining director or directors elected by that voting group by the holders of shares of that voting group are entitled to fill the vacancy. A director elected to fill a vacancy shall be elected to hold office until the earlier of the expiration of the term of office of the director whom he or she has replaced, a successor is duly elected and qualified or the earlier of such director's death, resignation or removal.

6. Compensation. The Board of Directors may provide for the compensation of directors for their services as such and may provide for the payment of any and all expenses incurred by the directors in connection with such services.

7. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it to the extent so authorized by the Board of Directors. Unless the Board of Directors provides otherwise,

at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board of Directors provides otherwise, each committee designated by the Board of Directors may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to these bylaws.

ARTICLE IV
MEETINGS OF DIRECTORS

1. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such times and at such places as may be determined from time to time by the Board of Directors or its chairman.

2. Special Meetings. Special meetings of the Board of Directors may be held at such times and at such places as may be determined by the chairman or the President on at least 24 hours notice to each director given by one of the means specified in Section 4.3 hereof other than by mail or on at least three days notice if given by mail. Special meetings shall be called by the chairman or the President in like manner and on like notice on the written request of either (i) any two or more directors, (ii) any director nominated by the holders of the Corporation's Series E Preferred Stock, (iii) any director nominated by the holders of the Corporation's Series F Preferred Stock or (iv) the Senior Preferred Director (as such term is defined in the Corporation's Seventh Amended and Restated Investor Rights Agreement.

3. Notices. Subject to Section 4.2, Section 4.4 and Section 4.9 hereof, whenever notice is required to be given to any director by applicable law, the Certificate of Incorporation or these bylaws, such notice shall be deemed given effectively if given in person or by telephone, mail addressed to such director at such director's address as it appears on the records of the Corporation, facsimile, e-mail or by other means of electronic transmission.

4. Waiver of Notice. Whenever notice to directors is required by applicable law, the Certificate of Incorporation or these bylaws, a waiver thereof, in writing signed by, or by electronic transmission by, the director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except when the director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board of Directors or committee meeting need be specified in any waiver of notice.

5. Quorum of Directors. The presence of a majority of the directors in office immediately before the meeting shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

6. Action By Majority Vote. Except as otherwise expressly required by these bylaws, the Certificate of Incorporation or by applicable law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

7. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee in accordance with applicable law.

8. Telephone Meetings. Board of Directors or Board of Directors committee meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other and be heard. Participation by a director in a meeting pursuant to this Section 4.8 shall constitute presence in person at such meeting.

9. Adjourned Meetings. A majority of the directors present at any meeting of the Board of Directors, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours notice of any adjourned meeting of the Board of Directors shall be given to each director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 4.3 hereof other than by mail, or at least three days notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

10. Organization. At each meeting of the Board of Directors, the chairman or, in his or her absence, another director selected by the Board of Directors shall preside. The secretary shall act as secretary at each meeting of the Board of Directors. If the secretary is absent from any meeting of the Board of Directors, an assistant secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the secretary and all assistant secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

ARTICLE V
OFFICERS

1. Positions. The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such Vice Presidents, and other officers as the Board of Directors may from time to time elect. Any two or more offices, other than that of President and Secretary, may be held by the same person. In no event, however, may an officer act in more than one capacity where action of two or more officers is required.

2. Election. The officers of the Corporation shall be elected by the Board of Directors. Such election may be held at any regular or special meeting of the Board of Directors or without a meeting by consent as provided in Section 4.7 of these bylaws.

3. Term. Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors at any time with or without cause by the majority vote of the members of the Board of Directors then in office. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Should any vacancy occur among the officers, the position shall be filled for the unexpired portion of the term by appointment made by the Board of Directors.

4. President. The President shall be the chief executive officer of the Corporation (and if elected as the Chief Executive Officer shall serve for the purposes of these bylaws as President as well) and, subject to the control of the Board of Directors, shall supervise and control the management of the Corporation in accordance with these bylaws. He or she shall, in the absence of a chairman of the Board of Directors, preside at all meetings of the Board of Directors. He or she is empowered to sign, with any other proper officer as authorized by the Board of Directors (as necessary), certificates for shares of the Corporation and any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5. Vice Presidents. The Vice Presidents shall perform such other duties and have such other powers as the President or the Board of Directors shall prescribe. The Board of Directors may designate one or more Vice Presidents to be responsible for certain functions, including, without limitation, Marketing, Finance, Manufacturing and Personnel.

6. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of stockholders, Board of Directors and, when required, committees. He or she shall give, or cause to be given, all notices required by law and

by these bylaws. He or she shall have general charge of the corporate books and records and of the corporate seal, and he or she shall affix the corporate seal to any lawfully executed instrument requiring it. He or she shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

7. Treasurer. The Treasurer shall be appointed by the Board of Directors and, unless a different individual is selected by the Board of Directors, shall be the chief financial officer of the Corporation (and, if elected as the Chief Financial Officer without the Board of Directors choosing a separate Treasurer, shall serve for the purposes of these bylaws as Treasurer as well) and shall have custody of *all* funds and securities belonging to the Corporation, except as otherwise provided by the Board of Directors, and shall receive, deposit or disburse the same under the direction of the Board of Directors. He or she shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose, which may be consolidated or combined statements of the Corporation and one or more of its subsidiaries as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of cash flows for the year unless that information appears elsewhere in the financial statements. The Treasurer shall, in general, perform all duties incident to the office of Treasurer and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

8. Duties of Officers May Be Delegated. In case any officer is absent, or for any other reason that the Board of Directors may deem sufficient, the President or the Board of Directors may delegate for the time being the powers or duties of such officer to any other officer or to any director.

ARTICLE VI
CONTRACTS, CHECKS AND DEPOSITS

1. Contracts. The Board of Directors or the President may authorize any officer or officers, or employee or employees, to enter into any contract or execute and deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

2. Checks, Notes, Drafts, Etc. All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

3. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depository or depositories as the Board of Directors or Treasurer, or any other officer of the Corporation to whom power in this respect shall have been given by the Board of Directors, shall direct.

ARTICLE VII
STOCK CERTIFICATES AND THEIR TRANSFER

1. Certificates Representing Shares. The shares of stock of the Corporation shall be represented by certificates; provided that the Board of Directors may provide by resolution or resolutions that some or all of any class or series shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock. If shares are represented by certificates, such certificates shall be in the form, other than bearer form, approved by the Board of Directors. These certificates shall be signed by the President or any Vice President or a person who has been designated as the chief executive officer of the Corporation and by the Secretary, Assistant Secretary, Treasurer or Assistant Treasurer and sealed with the seal of the Corporation or a facsimile thereof. The signatures of any such officers upon a certificate may be facsimiles or may be engraved or printed or omitted if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the Corporation itself or an employee of the Corporation. In case any officer who has signed or whose facsimile or other signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue. The certificates shall be consecutively numbered or otherwise identified; and the name and address of the persons to whom they are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation.

2. Transfers of Stock. Stock of the Corporation shall be transferable in the manner prescribed by law and in these bylaws. Transfers of stock shall be made on the books of the Corporation only by the holder of record thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated shares, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

3. Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

4. Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate or uncertificated shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate or uncertificated shares.

5. Other Regulations. The issue, transfer, conversion and registration of certificate of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VIII
INDEMNIFICATION

1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 8.3 below with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1 above, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 8.2 or otherwise.

3. Right of Indemnitee to Bring Suit. If a claim under Section 8.1 or 8.2 above is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. To the fullest extent permitted by law, if successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

4. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VIII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation, bylaws, agreement, vote of stockholders or directors or otherwise.

5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

6. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

7. Nature of Rights. The rights conferred upon indemnitees in this Article VIII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VIII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

ARTICLE IX
GENERAL PROVISIONS

1. Dividends. Subject to applicable law and the Certificate of Incorporation, dividends upon the shares of capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting of the Board of Directors. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock, unless otherwise provided by applicable law or the Certificate of Incorporation.

2. Seal. The seal of the Corporation shall be in such form as shall be approved by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board of Directors.

3. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

4. Books and Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be maintained on any information storage device or method; *provided that* the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

5. Conflict with Applicable Law or Certificate of Incorporation. These bylaws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these bylaws may conflict with any applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

6. Forum Selection. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, the Certificate of Incorporation or the bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

7. Amendment. Subject to the provisions of the Corporation's Certificate of Incorporation, (a) these bylaws may be amended, altered, changed, adopted and repealed or new bylaws adopted by the Board of Directors, and (b) the stockholders, through the affirmative vote of stockholders entitled to exercise a majority of the voting power of the Corporation on an as-converted basis, may make additional bylaws, and may amend, alter, change, adopt and repeal any bylaws whether such bylaws were originally adopted by them or otherwise.

8. Other Provisions. All terms used in these bylaws shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the context may require.

Exhibit F

MERGER CONSIDERATION

[Attached separately]

MERGER CONSIDERATION

	AvidXchange, Inc. Issued and Outstanding Shares (Prior to Effective Time)	AvidXchange Holdings, Inc. Issued and Outstanding Shares (After Effective Time)
Common Stock	13,541,616	13,541,616
Total	**13,541,616**	**13,541,616**
Series A	625,547	625,547
Series B	1,622,366	1,622,366
Series C	1,004,770	1,004,770
Series D	1,360,447	1,360,447
Series E	9,250,303	9,250,303
Series F	13,405,900	13,405,900
Junior Series-1	90,497	90,497
Senior Preferred	2,722,166	2,722,166
Total	**30,081,996**	**30,081,996**

	Authorized and Issued Shares/ Options (Prior to Merger)	Authorized and Issued Shares/ Options (Post-Merger)
Warrants to Purchase Common Stock	199,413	199,413
Total	**199,413**	**199,413**

Exhibit G

COMPANY DISCLOSURE SCHEDULES

SECTION 3.3

Capitalization

(i)

1. There were warrants outstanding to purchase 199,413 shares of Company Common Stock as of the Capitalization Date.

Exhibit 3.1

Delaware
The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "AVIDXCHANGE HOLDINGS, INC.", FILED IN THIS OFFICE ON THE NINTH DAY OF JULY, A.D. 2021, AT 2:44 O'CLOCK P.M.

/s/ Jeffery W. Bullock
Jeffery W. Bullock, Secreatary of State

4888337 8100
SR# 20212667352

Authentication: 203639369
Date: 07-09-21

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:44 PM 07/09/2021
FILED 02:44 PM 07/09/2021
SR 20212667352—File Number 4888337

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF AVIDXCHANGE HOLDINGS, INC.

Pursuant to Sections 241 and 245 of the General Corporation Law of the State of Delaware

AvidXchange, Inc., a corporation duly organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify as follows:

1. The name of the Corporation is AvidXchange Holdings, Inc.

2. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on January 27, 2021 under the name AvidXchange Holdings, Inc.

3. The Corporation has not received any payment for any of its stock, and the following Amended and Restated Certificate of Incorporation restates and amends the provisions of the Certificate of Incorporation of this Corporation and has been duly adopted by the Board of Directors of the Corporation in accordance with Sections 241 and 245 of the General Corporation Law of the State of Delaware.

* * * * * *

ARTICLE I

The name of the corporation is AvidXchange Holdings, Inc. (the **"Corporation").**

ARTICLE II

The address of the Corporation's registered office is 251 Little Falls Drive, Wilmington, County of New Castle, Delaware, 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

The purpose for which the Corporation is organized is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

The total number of shares of stock which the Corporation shall have authority to issue is One Hundred and One Million Two Hundred Twenty-Two Thousand One Hundred Sixty-Six (101,222,166) shares, of which Sixty Million (60,000,000) shares shall be Common Stock, $0.001 par value per share (the **"Common"),** Seven Hundred Fifty Thousand (750,000) shares shall be Convertible Common Stock, $0,001 par value per share (the **"Convertible Common")** and Forty Million Four Hundred Seventy-Two Thousand, One Hundred Sixty-Six (40,472,166) shares shall be Preferred Stock, $0.001 par value per share (the **"Preferred").** Subject to paragraph IV.E(4)(c) and IV.E(4)(d), the Preferred may be issued from time to time in one or more series. Subject to paragraph IV.E(4)(c) and IV.E(4)(d), the Board of Directors of the Corporation (the **"Board ofDirectors")** is authorized from time to time to designate by resolution (a **"Series Resolution"),** one or more series of preferred stock in addition to the Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred, Junior Series-1Preferred, Senior Preferred and Redeemable Preferred designated in this Certificate of Incorporation, and the powers, preferences and rights, and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof as shall be permitted by Delaware law and this Certificate of Incorporation, and, subject to any requirements of this Certificate of Incorporation, to fix or alter the number of shares comprising any such series and the designation thereof.

The following is a statement of the designations and the powers, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation:

A. Dividends.

Subject to any vote of the holders of one or more series of Preferred that may be required by the terms of this Certificate of Incorporation, the holders of the Preferred and the Common shall be entitled, when and if declared by the Board of Directors, consistent with Delaware law, to receive cash dividends and distributions out of funds of the Corporation legally available for that purpose. The Preferred and Convertible Common shall have such dividend rights as designatedon the Series Resolution or as hereinafter provided for the Series A Preferred, Series B Preferred,Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred, Junior Series-1Preferred, Senior Preferred, Redeemable Preferred and Convertible Common.

Out of an abundance of caution, whenever in this Amended and Restated Certificate of Incorporation there is a reference to dividends, such reference shall only refer to dividends that were in fact declared and paid (or to be declared and paid) under Section 170 of the Delaware General Corporation Law or its successor, and shall not include some other event (such as a share redemption under Section 160 of the Delaware General Corporation Law or its successor) that is treated for tax purposes as receiving dividend treatment.

B. Voting.

The holders of each share of Common shall have the right to one vote for each such share, and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law. The holders of each share of Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be entitled to the number of votes equal to the number of shares of Common into which each share of Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred could be converted on the record date for the vote or written consent of stockholders and, except as otherwise required by law, shall have voting rights and powers equal to the voting rights and powers of the Common. The holders of each share of Junior Series-1 Preferred shall be entitled to the number of votes equal to 1/10 the number of shares of Common into which each share of Junior Series-1 Preferred could be converted on the record date for the vote or written consent of stockholders and otherwise, except as otherwise required by law, shall have voting rights and powers equal to the voting rights and powers of the Common. Except as required by law, the holders of the Senior Preferred, Redeemable Preferred and Convertible Common shall not been titled to vote on any matter submitted to the stockholders of the Corporation for a vote, except for the approval and other rights set forth herein. The holders of Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred and Junior Series-1 Preferred shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation and shall vote with holders of the Common upon all other matters submitted to a vote of stockholders, except those matters required to be submitted to a class or series vote pursuant to paragraph IV.D(4), paragraph IV.E(4), paragraph IV.F(4), or by law. For informational purposes only, the holders of Senior Preferred, Redeemable Preferred and Convertible Common shall be entitled to notice of any stockholders' meeting or action by written consent in accordance with the Bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares of Common into which shares of Preferred held by each holder could be converted) shall be rounded to the nearest whole number (with one-half rounded upward to one). The number of authorized shares of Common may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred that may be required by the terms of this Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

C. Liquidation Preference.

1. Preference.

(a) In the event of any liquidation, dissolution or winding up of theCorporation, whether voluntary or involuntary, the holders of Senior Preferred shall be entitled to receive in cash, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series

A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the sum of (A) the greater of (i) the Senior Original Issue Price plus an amount equal to any accrued, but unpaid Senior Dividend on such share of Senior Preferred (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like); or (ii) $62.08293 minus an amount equal to any Senior Dividends actually paid in respect of such Senior Preferred (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like) (such greater amount the **"Senior Accrued Preference Amount")** and (B) the Convertible Common Redemption Price (as defined below) for the shares of Convertible Common that would have been issuable upon conversion of such share of Senior Preferred (subject to all of the limitations in paragraph IV.I(2)(b)(iii) and assuming conversion and calculation as of the date of determination) (such amount to be adjusted appropriately for stock splits, dividends, combinations,recapitalizations and the like) (such sum, the **"Senior Preference Amount").** In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of Redeemable Preferred shall be entitled to receive in cash, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred,Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the greater of (the amount in (A) or (B), the **"Redeemable Preferred Preference Amount"):** (A) (i) the Redeemable Preferred Original Issue Price plus (ii) an amount equal to the Redeemable Accrued Dividends (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like); or (B) an amount equal to (i) the quotient of One Hundred and Sixty Nine Million ($169,000,000) divided by the aggregate number of shares of Redeemable Preferred immediately after aconversion to Redeemable Preferred pursuant to paragraph IV.G(2) minus (ii) an amount equal to any dividends actually paid in respect of such Redeemable Preferred (such amount to be adjusted appropriately for stock splits, dividends,combinations, recapitalizations and the like). Under no event shall both the Senior Preference Amount and the Redeemable Preferred Preference Amount both be paid. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, as the case may be, and any Preferred having a liquidation preference in priority to that of Series F Preferred, the holders of Series F Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred, Series B Preferred, Series C Preferred,Series D Preferred, Series E Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series F Preferred (as set forth in the stock purchase agreement executed by the Corporation and the shareholder to whom such share was initially issued by the Corporation) (the **"Series** F **Price"),** minus (y) an

amount equal to any dividends actually paid in respect of such Series F Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Series F Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the **"Series** F **Liquidation Preference").** In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or in voluntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference and any Preferred having a liquidation preference in priority to that of Series E Preferred, the holders of Series E Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series E Preferred (as set forth in the stock purchase agreement executed by the Corporation and the shareholder to whom such share was initially issued by the Corporation) (the **'Series** E **Price"),** minus (y) an amount equal to any dividends actually paid in respect of such Series E Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Series E Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the **"Series** E **Liquidation Preference").** In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or in voluntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference and any Preferred having a liquidation preference in priority to that of Series D Preferred, the holders of Series D Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred, Series B Preferred, Series C Preferred and Junior Series-1 Preferred, by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series D Preferred ($6.82), minus (y) an amount equal to any dividends actually paid in respect of such Series D Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Series D Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the **"Series D Liquidation Preference").** In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or in voluntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference, the Series D Liquidation Preference and any Preferred having a liquidation preference in priority to that of Series B Preferred or Series C Preferred, the holders of Series B Preferred and Series C Preferred, on a *pari passu* basis, shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common, Series A Preferred and Junior Series-1 Preferred by reason of their ownership

thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series B Preferred ($0.5220) or Series C Preferred ($1.07549), as applicable, minus (y) an amount equal to any dividends actually paid in respect of such Series B Preferred or Series C Preferred, as the case may be, or (2) the consideration that such holders would receive in the event that such holders converted the Series B Preferred or Series C Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the **"Series** B/C **Liquidation Preference").** In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference, Series D Liquidation Preference, the Series B/C Liquidation Preference and any Preferred having a liquidation preference in priority to that of Series A Preferred, the holders of Series A Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common and Junior Series-1 Preferred by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Series A Preferred ($2.00) minus (y) an amount equal to any dividends actually paid in respect of such Series A Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Series A Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the **"Series** A **Liquidation Preference").** In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or in voluntary, after payment of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference, the Series D Liquidation Preference, the Series B/C Liquidation Preference, the Series A Liquidation Preference and any Preferred having a liquidation preference in priority to that of Junior Series-1 Preferred, the holders of Junior Series-1 Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common by reason of their ownership thereof, an amount per share equal to the greater of (1) (x) the consideration per share paid for such Junior Series-1 Preferred ($12.02) minus (y) an amount equal to any dividends actually paid in respect of such Junior Series-1 Preferred, or (2) the consideration that such holders would receive in the event that such holders converted the Junior Series-1 Preferred into Common immediately prior to such liquidation, dissolution or winding up of the Corporation (such greater amount, in the aggregate, the **"Junior Series-1 Liquidation Preference").** If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Senior Preferred, the holders of all shares of Senior Preferred shall participate in the distribution of all such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Redeemable Preferred, the holders of all shares of Redeemable Preferred shall

participate in the distribution of all such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series F Preferred, the holders of all shares of Series F Preferred shall participate in the distribution of all such remaining assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount and the Series F Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series E Preferred, the holders of all shares of Series E Preferred shall participate in the distribution of all such remaining assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference and the Series E Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series D Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series D Preferred, the holders of all shares of Series D Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series D Preferred shall participate in the distribution of such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference and the Series D Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series B Preferred, Series C Preferred and any other series of Preferred having priority on liquidation *paripassu* to that of Series B Preferred and Series C Preferred, the holders of all shares of Series B Preferred, Series C Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series B Preferred and Series C Preferred shall participate in the distribution of such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F Liquidation Preference, the Series E Liquidation Preference, the Series D Liquidation Preference and the Series B/C Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Series A Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Series A Preferred, the holders of all shares of Series A Preferred and any other series of Preferred having priority on liquidation *paripassu* to that of Series A Preferred shall participate in the distribution of such assets in proportion to their respective liquidation preferences. If, upon any such liquidation, dissolution or winding up of the Corporation and payment in full of the Senior Preference Amount or the Redeemable Preferred Preference Amount, the Series F

Liquidation Preference, the Series E Liquidation Preference, the Series D Liquidation Preference, the Series B/C Liquidation Preference and the Series A Liquidation Preference, the remaining assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Junior Series-1 Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Junior Series-1 Preferred, the holders of all shares of Junior Series-1 Preferred and any other series of Preferred having priority on liquidation *pari passu* to that of Junior Series-1 Preferred shall participate in the distribution of such assets in proportion to their respective liquidation preferences.

(b) After the payment or the setting apart for payment to the holders of the Preferred of the preferential amounts so payable to them, if assets remain in the Corporation, the holders of the Common shall receive all of the remaining assets of the Corporation pro rata in accordance with the number of shares of Common held by them.

(c) All amounts per share set forth in this paragraph IV.C(l) (orin corporated herein from a stock purchase agreement of the Corporation) shall be appropriately adjusted for any stock splits, stock combinations, stock dividends or similar recapitalizations.

(d) The provisions of this paragraph IV.C(l) shall not in any way limit the right of a holders of Senior Preferred and Convertible Common, as applicable, to elect to convert shares of Senior Preferred into shares of Convertible Common and Redeemable Preferred pursuant to paragraph IV.G(2) or convert shares of Convertible Common into Common pursuant to paragraph IV.I(2)(c), including, without limitation, prior to or in connection with any Liquidation Event or Significant Transaction (each as defined below). For the avoidance of doubt, under no circumstances may the holders of the Senior Preferred receive the Senior Preference Amount and be able to convert shares into Convertible Common and Redeemable Preferred.

2. Noncash Distributions. Subject to the requirement that all payments relating to the Senior Preferred and Redeemable Preferred shall be in cash, if any of the assets of the Corporation are to be distributed other than in cash under this paragraph IV. Cor for any purpose, then the Board of Directors shall promptly determine, in its reasonable business judgment and by a Qualified Board Approval (as defined below), the value of the assets to be distributed to the holders of Preferred or Common. The Corporation shall give prompt written notice to each holder of shares of the Preferred or Common of such valuation. If the assets of the Corporation to be distributed under this paragraph IV. Cconsist of cash and non-cash consideration, after payment of cash to the Senior Preferred and Redeemable Preferred, the remaining portion of such rermaining assets consisting of cash consideration and the portion of such assets consisting of non-cash consideration, respectively, shall be allocated among the other holders of capital stock of the Corporation eligible to receive such assets on a pro rata basis. **“Qualified Board Approval”** shall mean the approval or consent of the Board of Directors, including, (i) a Series E Director (as

defined in the Investor Rights Agreement (as defined below)) if such a director is still in office and (ii) a Series F Director (as defined in the Investor Rights Agreement) unless (x)such a director is not then still in office and (y) all Series F Director seats still subsisting under the terms of the Investor Rights Agreement have remained vacant for at least ten(10) days.

3. Significant Transaction. A consolidation or merger of the Corporation or its subsidiaries with or into any other entity or entities, a sale or transfer of shares of capital stock of the Corporation or its subsidiaries or its stockholders in a single transaction or a series of related transactions representing at least 50% of the voting power of the voting securities of the Corporation or its subsidiaries, a stock issuance or series of related stock issuances by the Corporation or its subsidiaries resulting in a change of ownership of more than 50% of the voting power of the voting securities of the Corporation (other than the issuance of Preferred in connection with a bona fide capital rasing transaction approved in accordance with the terms hereof) or its subsidiaries, or a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Corporation or its subsidiaries, on a consolidated basis (a **"Significant Transaction"),** shall be deemed to be a liquidation, dissolution or winding up within the meaning of this paragraph IV.C;provided, however, that a "Significant Transaction" shall not include any consolidation, merger or stock issuance in which shares outstanding before such consolidation, merger or stock issuance (or shares received upon conversion or exchange thereof, if applicable) represent a majority of the capital stock of the resulting or surviving entity or the Corporation, as the case may be, based on voting power in the election of directors; provided, however, in the event a transaction occurs that would be deemed a Significant Transaction but for the exception "(other than the issuance of Preferred in connection witha bona fide capital raising transaction approved in accordance with the terms hereof)" then such event shall be deemed a liquidation, dissolution or winding up within the meaning of this paragraph IV.C for the Senior Preferred or Redeemable Preferred, whichever Security is outstanding at such time, but for no other Securities of the Corporation.

4. Effecting a Significant Transaction.

(a) Purchase Agreement. The Corporation shall not have the power to effect any Significant Transaction unless the applicable purchase agreement with respect to such transaction (the **"Purchase Agreement")** provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with this paragraph IV.C.

(b) Asset Sale. In the event of any Significant Transaction structured asan asset sale (including a sale of stock of any subsidiary of the Corporation that would constitute a Significant Transaction) (a **"Deemed Sale"),** if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law of the State of Delaware within ninety (90) days after such Deemed Sale, then (i)the Corporation shall notify each holder of Preferred in writing of its rights under this paragraph IV.C(4)(b) and (ii) unless the holders of a majority of the then-

outstanding shares of Preferred (which majority shall include the holders of a majority of the outstanding shares of Senior Preferred or the holders of a majority of the outstanding shares of Redeemable Preferred (whichever Security is outstanding at such time), the holders of a majority of the outstanding shares of Series E Preferred and the holders of a majority of the outstanding shares of Series F Preferred) elect otherwise by written notice sent to the Corporation not later than one hundred twenty (120) days after such Deemed Sale, the Corporation shall use the consideration received by the Corporation for such Deemed Sale, together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150^{th}) day after such Deemed Sale, to redeem all outstanding shares of Preferred at a price per share equal to the Senior Preference Amount (with respect to the Senior Preferred) or the Redeemable Preferred Preference Amount (with respect to the Redeemable), the Series F Liquidation Preference (with respect to the Series F Preferred), Series E Liquidation Preference (with respect to the Series E Preferred), Series D Liquidation Preference (with respect to the Series D Preferred), Series B/C Liquidation Preference (with respect to the Series C Preferred or the Series B Preferred), Series A Liquidation Preference (with respect to the Series A Preferred) or the Junior Series-1 Liquidation Preference (with respect to the Junior Series-1 Preferred), as the case may be, with any amounts remaining to be provided to the holders of Common on a pro rata basis. Not withstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Senior Preferred or Redeemable Preferred, the Corporation shall ratably redeem each holder's shares of Senior Preferred or Redeemable Preferred to the fullest extent of such Available Proceeds, and shall redeem the remaining shares (once all shares of Senior Preferred or Redeemable Preferred have been redeemed) as soon as it may lawfully do so under Delaware law governing distributions to stockholders. All shares of Preferred once redeemed pursuant to the provisions of this paragraph IV.C(4)(b) herein will be cancelled immediately upon such redemption with no further rights herein. Prior to the distribution or redemption provided for in this paragraph IV.C(4)(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Sale, except to discharge expenses incurred in connection with such Deemed Sale.

(c) Allocation of Proceeds. In the event of a Significant Transaction, if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Purchase Agreement shall provide that (i) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with paragraph IV.C(l) as if the Initial Consideration were the only consideration payable in connection with such Significant Transaction; and (ii) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital

stock of the Corporation in accordance with paragraph IV.C(l) after taking into account the previous payment of the Initial Consideration and all previously paid Additional Consideration as part of the same transaction. For the purposes of this paragraph IV.C(4)(c), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Significant Transaction shall be deemed to be Additional Consideration.

D. Terms of Series A Preferred.

There is hereby created a series of Two Million (2,000,000) shares of Preferred designated "Series A Convertible Preferred" (the **"Series** A **Preferred")** having the following powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Series A Dividends. Subject to paragraphs IV.E(l), IV.E(4)(c), IV.E(4)(d), IV.G(1) and IV.H(l), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on the Common unless prior to or simultaneously with such declaration, a dividend or distribution is declared and paid on each share of Series A Preferred in an amount equal to or greater than the amount that would have been received by the holders of the Series A Preferred had such holders, on the record date for the Common dividend or distribution, held the number of shares of Common into which the Series A Preferred would have been convertible upon conversion hereunder.

2. Series A Conversion. The Series A Preferred shall be convertible into Common, as follows:

(a) Right to Convert. Each share of Series A Preferred shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, into the number of shares of Common which results from dividing the Series A Conversion Price (as defined below) per share in effect at the time of conversion into the "Series **A Conversion Value**" per share. The number of shares of Common into which a share of Series A Preferred is convertible is hereinafter referred to as the **"Series** A **Conversion Rate**." As of the Effective Date, the Series A Conversion Value is $2.00 per share, the Series A Conversion Price per share of Series A Preferred (the "**Series A Conversion Price**") is $1.19, and the Series A Conversion Rate is 1.6806. The Series A Conversion Price shall be subject to adjustment as hereinafter provided.

(b) Automatic Conversion. Each share of Series A Preferred shall automatically be converted into shares of Common at the then effective Series A Conversion Rate immediately prior to the closing of a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering a firm commitment underwritten offering of the Common with aggregate gross proceeds to the Corporation, at the public offering price, of at least $100,000,000, and a minimum equity valuation of the Corporation of at least the

sum of (i) $1,800,000,000, plus (ii) the aggregate amount of proceeds received by the Corporation, between the Effective Date and the date that is ninety days after the Effective Date from sales of shares of Common and Series F Preferred (not including (A) option or warrant exercises or (B) shares of Common and Series F Preferred issued pursuant to merger or acquisition transactions, including pursuant to the BankTEL Agreement), minus (ii) an amount equal to any dividends actually paid in respect to the Securities sold pursuant to (b)(ii) above minus (iii) any amounts actually paid to holders of Securities sold pursuant to (b)(ii) above (a "**Qualified Offering**").

(c) Mechanics of Conversion. Before any holder of Series A Preferred shall be entitled to convert the same into shares of Common as provided in paragraph IV.D(2)(a), he shall surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates), at the office of the Corporation and shall give written notice to the Corporation at such office that he elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred to be converted, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

In the event of an automatic conversion pursuant to paragraph IV.D(2)(b), the outstanding shares of Series A Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common issuable upon such automatic conversion unless the certificates evidencing such shares of Series A Preferred are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Series A Preferred, a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common. Such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of a Qualified Offering, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(d) Fractional Shares. No fractional shares of Common shall be issued upon conversion of the Series A Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Series A Conversion Price.

(e) Adjustment of Series A Conversion Price. The Series A Conversion Price shall be subject to adjustment from time to time as follows:

(i) If the number of shares of Common outstanding at anytime after the date hereof is increased by a stock dividend payable in shares of Common or by a subdivision or split-up of shares of Common, then, on the date such payment is made or such change is effective, the Series A Conversion Price shall be appropriately decreased so that the number of shares of Common issuable on conversion of the Series A Preferred shall be increased in proportion to such increase of outstanding shares.

(ii) If the number of shares of Common outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common, then, on the effective date of such combination, the Series A Conversion Price shall be appropriately increased so that the number of shares of Common issuable on conversion of the Series A Preferred shall be decreased in proportion to such decrease in outstanding shares.

(iii) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Series A Preferred shall, if such event is not a Significant Transaction, after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have be en entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Series A Preferred into Common. The provisions of this paragraph IV.D(2)(e)(iii) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(iv) All calculations under this paragraph IV.D(2)(e) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case maybe.

(f) Minimal Adjustments. No adjustment in a Series A Conversion Price need be made if such adjustment would result in a change in a Series A Conversion Price of less than $0.01. Any adjustment of less than $0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of $0.01 or more in a Series A Conversion Price.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Series A Conversion Price pursuant to paragraph IV.D(2)(e), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request at any time of any holder of Series A Preferred, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Series A Conversion Price at the time in effect for the Series A Preferred held, and (iii) the number of shares of Common and the amount if any, of other property which at the time would be received upon the conversion of the Series A Preferred.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, the Corporation shall mail to each holder of Series A Preferred at least twenty (20) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common solely for the purpose of effecting the conversion of the shares of the Series A Preferred such number of its shares of Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred; and if at any time the number of authorized but unissued shares of Common shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common to such number of shares as shall be sufficient for such purpose.

(j) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Series A Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of “electronic transmission” (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

(k) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this paragraph IV.D(2) by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.D(2) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred against impairment.

3. Redemption of Series A Preferred.

(a) On or after the date that is seven years from the Effective Date (the **"Redemption Date"),** any holder of Series A Preferred may provide a written request to the Corporation (a **"Series** A **Redemption Notice")** to redeem any or all of the Series A Preferred of such holder at an amount equal to (i) the consideration per share paid for such Series A Preferred, minus (ii) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise. The Corporation shall, upon each of the six month, twelve-month and eighteen month anniversary of its receipt of a Series A Redemption Notice, redeem for cash 1/3 of the shares of Series A Preferred set forth in the Series A Redemption Notice. Notwithstanding the foregoing, if the Corporation is in receipt of a Redeemable Preferred Election, a Convertible Common Election, or a Series E/F Redemption Notice at any time or has made a Corporation Redemption Election or Corporation Common Convertible Redemption Election when it has unpaid amounts to a holder of Series A Preferred that has submitted a Series A Redemption Notice, the Corporation shall subordinate its payment obligations to the holders of Series A Preferred to its payment obligations to the holders of Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, until the Board of Directors makes a determination that adequate provision has been made to redeem the Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred subject to the Redeemable Preferred Election, Corporation Redemption Election, Convertible Common Election, Corporation Common Convertible Election or Series E/F Redemption Notice on a full and timely basis. If the Corporation fails to timely redeem the Series A Preferred as set forth herein on any specified payment date, then the amount payable in respect of the Series A Preferred as set forth herein shall be increased at the rate of 5.0% per annum, compounding quarterly, for the first twelve months from such specified payment date, and afterwards at a rate of 8.0% per annum, compounding quarterly, until such amount (including interest) shall be paid in full; provided, however, that no such interest shall accrue while the Corporation's payment obligations to the holders of

Series A Preferred are subordinated in accordance with the terms of this paragraph.Notwithstanding anything to the contrary herein, the holders of Series A Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full.

(b) Any Series A Redemption Notice shall be sent by first class certifiedmail, return receipt requested, postage prepaid, to the Corporation at its then current address, with a copy of any notice or other communication sent by electronic mail.

(c) Once redeemed pursuant to the provisions of this paragraph IV.D(3), shares of Series A Preferred shall be cancelled and not subject to reissuance.

4. Series A Protective Provisions.

So long as any of the Series A Preferred shall be outstanding, the Corporation shall not without obtaining the approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Series A Preferred:

(a) Change of Rights. Materially and adversely alter or change the rights, preferences or privileges of the Series A Preferred or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers,preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series A Preferred; provided however, that any Excluded Action (as defined below)shall not be deemed to materially and adversely alter or change the rights, preferences or privileges of the Series A Preferred and therefore shall not require the approval of the Series A Preferred voting as a class. **"Excluded Action"** shall mean, with respect to a series of Preferred, the Corporation:
(i) increasing the number of authorized shares of such series of Preferred, (ii) (A) creating any new class or series of shares having preferences over any outstanding shares of Preferred as to dividends or assets, or (B) authorizing or issuing shares of stock of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any shares of stock of this Corporation (other than stock junior in preference and priority as to dividends and assets with respect to shares of such series), (iii) merging or consolidating with, or permitting any of its subsidiaries to merge or consolidate with, any entity, or (iv) selling, leasing, licensing or otherwise disposing of, or permitting any such subsidiary to sell, lease, license or otherwise dispose of, all or substantially all of the consolidated assets of the Corporation in any twelve-month period; or

(b) Reclassification. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges senior to or on a parity with any such preference or priority of the Series A Preferred.

5. Future Financings.

(a) Preemptive Right. The Corporation grants to each holder of at least 50,000 shares of Series A Preferred (each, a **"Major Series** A **Holder")** a preemptive right to purchase such Major Series A Holder's pro-rata share, as defined below, of any Securities (as defined below). Such Major Series A Holder's **"pro-rata share"** shall be that portion of the Securities proposed to be issued which bears the same relation to all of the Securities proposed to be issued as the shares of Series A Preferred held by such Major Series A Holder (on an as-converted basis) bear to all outstanding shares of the Common and the Convertible Common combined (assuming for the purposes of such calculation the conversion of all outstanding securities which are convertible into Common without payment of additional consideration and, if the Senior Preferred are still outstanding, the total number of shares of Convertible Common that would be issuable assuming a conversion of the Senior Preferred on such date pursuant to paragraph IV.G(2), including those held by the Major Series A Holder), all determined immediately prior to the offering of the Securities. The preemptive right in this paragraph IV.D(5)(a) shall be combined, if applicable, with those preemptive rights set forth in paragraphs IV.E(5)(a), IV.G(4) and IV.I(2)(g) if such Major Series A Holder also is a Series B/C/D/E/F Holder, Senior Preferred Holder and/or Convertible Common Holder such that, (i) pursuant to this paragraph IV.D(5)(a), the Major Series A Holder will receive a preemptive right for its pro rata share based on its Series A Preferred ownership, (ii) pursuant to paragraph IV.E(5)(a), its pro rata share based on its ownership of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and/or Series F Preferred, (iii) pursuant to paragraph IV.G(4), its pro rata share based on its ownership of Senior Preferred, and (iv) pursuant to paragraph IV.I(2)(g), its pro rata share based on its ownership of Convertible Common (to the extent applicable).

(b) Notice. In the event that the Corporation proposes to undertake an issue of Securities, it shall deliver to each Major Series A Holder written notice of its intention, describing such Securities, specifying each Major Series A Holder's pro-rata share and stating the purchase price and other terms upon which it proposes to issue the same (the **"Series** A **Option Notice").** For a period of twenty (20) days following the receipt of the Series A Option Notice, each Major Series A Holder shall have the right to elect, by written notice to the Corporation, to purchase all or any portion of such Major Series A Holder's pro-rata share of the Securities described in the Series A Option Notice. The closing of any sale pursuant to this paragraph IV.D(5)(b) shall occur within ninety (90) days of the date that the Series A Option Notice is given.

(c) Sale by the Corporation. In the event any Major Series A Holder fails to exercise its preemptive rights within the specified period, or any Major Series A Holder elects to acquire less than its aggregate pro-rata shares pursuant to the exercise of such right, then, during the 90 day period following the expiration of the periods set forth in paragraph IV.D(5)(b), the Corporation may sell, free of any preemptive right on such Major Series A Holder's part, the portion of such Major Series A Holder's pro-rata shares not purchased pursuant to such preemptive right, upon the same terms specified in the Series A Option Notice. If the Corporation does not enter into an agreement for the sale of the Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Securities shall not be offered unless first reoffered to the Major Series A Holders in accordance with this paragraph IV.D(5).

(d) Exceptions. The preemptive right granted under this Paragraph IV.D(5) shall not apply to (i) the Excluded Stock (as defined below) or (ii) Securities issued for non-cash consideration, or as a so-called "equity feature" (such as a warrant) of a transaction primarily involving debt securities or indebtedness for borrowed money, or pursuant to a merger or acquisition transaction, in each case, approved by the Board of Directors with a Qualified Board Approval

E. Terms of Series B Preferred, Series C **Preferred, Series** D **Preferred, Series E Preferred and Series F Preferred.**

There is hereby created (a) a series of Five Million (5,000,000) shares of Preferred designated "Series B Convertible Preferred" (the **"Series B Preferred"),** (b) a series of Four Million Two Hundred Thousand (4,200,000) shares of Preferred designated "Series C Convertible Preferred" (the **"Series** C **Preferred"),** (c) a series of One Million Five Hundred Thousand (1,500,000) shares of Preferred designated "Series D Convertible Preferred" (the **"Series** D **Preferred"),** (d) a series of Nine Million Eight Hundred Thousand (9,800,000) shares of Preferred designated "Series E Convertible Preferred" (the **"Series E Preferred"),** and (e) a series of Fourteen Million Five Hundred Thousand (14,500,000) shares of Preferred designated "Series F Convertible Preferred" (the "**Series F Preferred"),** each having the following powers, preference sand relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Series B, Series C, Series D, Series E and Series F Dividends.

(a) Subject to paragraph IV.G(l) and IV.H(l), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on any shares of capital stock of the Corporation (other than Senior Preferred or Redeemable Preferred) unless prior to or simultaneously with such declaration, a dividend or distribution is declared and paid on each share of Series F Preferred in an amount equal to or greater than the greatest amount per share that any other holder of capital stock of the Corporation would receive in such dividend or distribution, in each case, on an as-converted basis as of the record date for the such dividend or distribution.

(b) Subject to paragraphs IV.G(1), IVH(l) and IV.E(l)(a), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on any shares of capital stock of the Corporation (other than Senior Preferred, Redeemable Preferred or Series F Preferred) unless prior to or simultaneously with such declaration, a dividend or distribution is declared and paid on each share of Series E Preferred in an amount equal to or greater than the amount that would have been received by the holders of the Series E Preferred had such holders, on the record date for the such dividend or distribution, held the number of shares of Common into which the Series E Preferred would have been convertible upon conversion hereunder.

(c) Subject to paragraphs IV.G(1), IV.H(l), IV.E(l)(a) and (b), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on the Common or Series A Preferred unless prior to or simultaneously with such declaration, a dividend or distribution is declared and paid on each share of Series B Preferred, Series C Preferred, and Series D Preferred in an amount equal to or greater than the amount that would have been received by the holders of the Series B Preferred, the holders of the Series C Preferred, and the holders of Series D Preferred had such holders, on the record date for the Common dividend or distribution, held the number of shares of Common into which the Series B Preferred, Series C Preferred, and Series D Preferred would have been convertible upon conversion hereunder.

2. Series B, Series C, Series D, Series E and Series F Conversion.

The Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be convertible into Common, as follows:

(a) Right to Convert. Each share of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be convertible, at the option of the holder thereof, at anytime after the date of issuance of such share at the office of the Corporation.

(i) Each share of Series B Preferred shall be convertible into the number of shares of Common which results from dividing the Series B Conversion Price (as defined below) per share in effect at the time of conversion into the **"Series B Conversion Value** "per share. The number of shares of Common into which a share of Series B Preferred is convertible is hereinafter referred to as the "**Series B Conversion Rate**." As of the Effective Date, both the Series B Conversion Price per share of Series B Preferred (the "**Series B Conversion Price**") and the Series B Conversion Value are $0.5220. The Series B Conversion Price shall be subject to adjustment as hereinafter provided.

(ii) Each share of Series C Preferred shall be convertible into thenumber of shares of Common which results from dividing the Series C ConversionPrice (as defined below) per share in effect at the time of conversion into the **"Series C Conversion Value**" per share. The number of shares of Common into which a share of Series C Preferred is convertible is hereinafter referred to as the **"Series C Conversion Rate."** As of the Effective Date, both the Series C Conversion Price per share of Series C Preferred (the **"Series C Conversion Price"**) and the Series C Conversion Value are $1.07549. The Series C Conversion Price shall be subject to adjustment as hereinafter provided.

(iii) Each share of Series D Preferred shall be convertible into the number of shares of Common which results from dividing the Series D Conversion Price (as defined below) per share in effect at the time of conversion into the **"Series D Conversion Value**" per share. The number of shares of Common into which a share of Series D Preferred is convertible is hereinafter referred to as the **"Series D Conversion Rate."** As of the Effective Date, both the Series D Conversion Price per share of Series D Preferred (the **"Series D Conversion Price"**) and the Series D Conversion Value are $6.82. The Series D Conversion Price shall be subject to adjustment as hereinafter provided.

(iv) Each share of Series E Preferred shall be convertible into the number of shares of Common which results from dividing the Series E Conversion Price (as defined below) per share in effect at the time of conversion into the **"Series E Conversion Value"** per share. The number of shares of Common into which a share of Series E Preferred is convertible is hereinafter referred to as the **"Series E Conversion Rate."** As of the Effective Date, both the Series E Conversion Price per share of Series E Preferred (the **"Series E Conversion Price"**) and the Series E Conversion Value are $17.96. The Series E Conversion Price shall be subject to adjustment as hereinafter provided.

(v) Each share of Series F Preferred shall be convertible into the number of shares of Common which results from dividing the Series F Conversion Price (as defined below) per share applicable to such share in effect at the time of conversion into the **"Series** F **Conversion Value"** per share applicable to such share. The number of shares of Common into which a share of Series F Preferred is convertible is hereinafter referred to as the **"Series** F **Conversion Rate."** As of (October 1,2019) (the **"Effective Date"**) and the date of effectiveness of the first Certificate of Amendment to the Seventh Amended and Restated Certificate of Incorporation of AvidXchange, Inc., for the shares of Series F Preferred deemed to be originally issued prior to 2019 both the Series F Conversion Price per share of Series F Preferred (the **"Earlier Series** F **Conversion Price**") and the Series F Conversion Value are $34.5454. As of the date of effectiveness of the first Certificate of Amendment to the Seventh Amended and Restated Certificate of Incorporation of AvidXchange, Inc., for shares of Series F Preferred deemed to be originally issued in 2019 or thereafter both the Series F Conversion Price per share of Series F Preferred (the **"Later Series F Conversion Price**") and the Series F Conversion Value are $49.0120. The term **"Series** F **Conversion Price"** as used herein shall be either the Earlier Series F Conversion Price or the Later Series F Conversion Price, whichever is applicable to such share of Series F Preferred and shall be subject to adjustment as hereinafter provided.

(b) Automatic Conversion. Each share of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall automatically be converted into shares of Common at the then effective Series B Conversion Rate, Series C Conversion Rate, Series D Conversion Rate, Series E Conversion Rate or Series F Conversion Rate, as applicable, immediately prior to the closing of a Qualified Offering.

(c) Mechanics of Conversion. Before any holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred shall be entitled to convert the same into shares of Common as provided in paragraph IV.E(2)(a), he shall surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate (s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates), at the office of the Corporation and shall give written notice to the Corporation at such office that he elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred to be converted, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

In the event of an automatic conversion pursuant to paragraph IV.E(2)(b), the outstanding shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common issuable upon such automatic conversion unless the certificates evidencing such shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred, a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid and a check payable to the holder inthe amount of any cash amounts payable as the result of a conversion into fractional shares of Common. Such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of a Qualified Offering, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(d) Fractional Shares. No fractional shares of Common shall be issued upon conversion of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price, as applicable.

(e) Adjustment of Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price and Series F Conversion Price. The Series B Conversion Price, the Series C Conversion Price, the Series D Conversion Price, Series E Conversion Price and Series F Conversion Price shall be subject to adjustment from time to time as follows:

(i) If the Corporation shall issue any Common (other than Excluded Stock) (**"Additional Common Shares"**) or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock) and (A) if the consideration price per share, on an as-converted basis, is less than the Series B Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series B Conversion Price shall be decreased to such purchase price per share; (B) if the consideration price per share, on an as-converted basis, is less than the Series C Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series C Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula; (C) if the consideration price per share, on an as-converted basis, is less than the Series D Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series D Conversion Price shall be reduced, concurrentlywith such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula; (D) if the consideration priceper share, on an as-converted basis, is less than the Series E Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series E Conversion Price shall be reduced, concurrently with such issue, to a price

(calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula; and (E) if the consideration price per share, on an as-converted basis, is less than the Series F Conversion Price as in effect immediately prior to the issuance of such Additional Common Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Series F Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

CP2—CP1 * (A + B) / (A + C)

For purposes of the foregoing formula, the following definitions shall apply:

"CP2" shall mean the Series C Conversion Price (with respect to Series C Preferred), Series D Conversion Price (with respect to Series D Preferred), Series E Conversion Price (with respect to Series E Preferred) or Series F Conversion Price (with respect to Series F Preferred) in effect immediately after such issue of Additional Common Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common);

"CP1" shall mean the Series C Conversion Price (with respect to Series C Preferred), Series D Conversion Price (with respect to Series D Preferred), Series EConversion Price (with respect to Series E Preferred) or Series F Conversion Price (with respect to Series F Preferred) in effect immediately prior to such issue of Additional Common Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common);

"A" shall mean the number of shares of Common outstanding and deemed outstanding immediately prior to such issue of Additional Common Shares (treating forthis purpose as outstanding all shares of Common issuable upon exercise or conversion of securities directly or indirectly convertible into or exchangeable for Common outstanding immediately prior to such issue);

"B" shall mean the number of shares of Common that would have been issued if such Additional Common Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common) had been issued at a price pershare equal to CP1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP1); and

"C" shall mean the number of such Additional Common Shares (or other securitiesof the Corporation directly or indirectly convertible into or exchangeable for Common) issued in such transaction.

For the purposes of this paragraph IV.E(2)(e), the following provisions shall also be applicable:

(1) In the case of the issuance of Common for cash, the consideration received therefor shall be deemed to be the amount of cash paid therefor without deducting any discounts or commissions paid or incurred by the Corporation in connection with the issuance and sale thereof;

(2) In the case of the issuance of Common for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors;

(3) In the case of the issuance of (i) options to purchase or rights to subscribe for Common (other than Excluded Stock), (ii) securities by their terms convertible or exchangeable for Common (other than Excluded Stock), or (iii) options to purchase or rights to subscribe for such convertible or exchangeable securities:

(v) the aggregate maximum number of shares of Common deliverable upon exercise of such options to purchase or rights to subscribe for Common shall be deemed to be issuable for a consideration equal to the consideration (determined in the manner provided in subdivisions (1) and (2) above), if any, received by the Corporation upon the issuance of such options or rights plus the minimum purchase price provided in such options or rights for the Common covered thereby;

(w) the aggregate maximum number of shares of Common deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to be issuable for a consideration equal to the consideration received by the Corporation for any such securities and related options or rights, plus the additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subdivisions (1) and (2) above);

(x) the aggregate maximum number of shares of Common deliverable upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such options or rights or securities were issued;

(y) any change in the number of shares of Common deliverable upon exercise of any such options or rights or conversion of or exchange for such convertible or exchangeable securities, or on any change in the minimum purchase price of such options, rights or securities, the Series B Conversion Price, the Series C Conversion Price, the Series D Conversion Price, the Series E Conversion Priceand/or the Series F Conversion Price, as applicable, shall forthwith be readjusted to such Series B Conversion Price, Series C Conversion Price, the Series D Conversion Price, the Series E Conversion Price and/or the Series F Conversion Price, as applicable, as would have obtained had the adjustment (and any subsequent adjustments) made upon (x) the issuance of such options, rights or securities not exercised, converted or exchanged prior to such change, as the case may be, been made upon the basis of such change or (y) the options or rights related to such securities not converted or exchanged prior to such change, as the case may be, been made upon the basis of such change; and

(z) on the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Series B Conversion Price, the Series C Conversion Price, the Series D Conversion Price, Series E Conversion Price and/or the Series F Conversion Price, as applicable, shall forthwith be readjusted to such Series B Conversion Price, Series C Conversion Price, the Series D Conversion Price, the Series E Conversion Price and/or the Series F Conversion Price, as applicable, as would have obtained had the adjustment (and any subsequent adjustments) made upon the issuance of such options, rights, convertible or exchangeable securities or options or rights related to such convertible or exchangeable securities, as the case may be, been made upon the basis of the issuance of only the number of shares of Common actually issued upon the exercise of such options or rights, upon theconversion or exchange of such convertible or exchangeable securities or upon the exercise of the options or rights related to such convertible or exchangeable securities, as the case may be.

(ii) **“Excluded Stock”** shall mean:

(1) all shares of Common issued (i) upon the conversion of the shares of the Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred, Junior Series-1 Preferred or Convertible Common, or (ii) upon any stock dividends, subdivisions, split-ups, combinations, dividends or other events, which such events are covered by paragraph rV.E(2)(e)(iii) through paragraph IV.E(2)(e)(v);

(2) up to 3,553,779 shares of Common issued or issuable upon exercise of options or other purchase rights granted under the Corporation's 2000 Stock Option Plan, 2010 Stock Option Plan, the 2017 Amendment and Restatement of the 2010 Stock Option Plan, as amended, or the Corporation's Equity Incentive Plan, as it may be amended from time to time, to employees, officers, directors, or consultants of the Corporation and approved by the Board of Directors or a committee of the Board of Directors;

(3) all shares of Common or other securities (including options, warrants and other purchase rights) issued or to be issued to employees, officers, directors, consultants, affiliates or lenders of the Corporation (i) after receipt of written consent to such issuance from the holders of more than 60% of the then-outstanding Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred, voting together as a single class, and (ii) approved by a Qualified Board Approval;

(4) Securities issued upon conversion or exercise of warrants issued by the Corporation outstanding as of the Effective Date and disclosed under the Senior Preferred Stock Purchase Agreement (as defined herein);

(5) Shares of common stock or other securities issued pursuant to warrant agreements to advisors, consultants, or existing stockholders to the extent such advisors, consultants or stockholders are providing advisory, consulting or other similar services to the Corporation at the time of such issuance; provided, however, that such issuance shall not exceed 50,000 shares of Securities per year;

(6) up to 5,786,828 additional shares of Series F Preferred to beissued in the aggregate from time to time with a Qualified Board Approval and at a price equal to or greater than $47.7561 per share (with *it* being understood that if any such shares of Series F Preferred that are issued for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors);

(7) up to 462,946 additional shares of Common to be issued pursuant to the Securities Purchase Agreement by and among the sellers party thereto, John Bowen, as the seller representative and the Corporation, dated August 23, 2019 (the **"BankTEL Agreement"**);

(8) up to 5,675,000 additional shares of Common to be issued in the aggregate from time-to-time with a Qualified Board Approval and at a price equal to or greater than $43.00 per share (with it being understand that if any such shares of Common that are issued for consideration in whole or in part other than cash, the consideration shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors);

(9) up to 2,722,166 shares of Senior Preferred issued pursuant to the Senior Preferred Stock Purchase Agreement by and among the Corporation and the Purchasers listed in Exhibit A thereto dated as of the Effective Date (the **"Senior Preferred Stock Purchase Agreement"**), along with such shares ofRedeemable Preferred and Convertible Common as may be issued pursuant to the terms of this Certificate of Incorporation upon conversion of the Senior Preferred;

(10) Securities issued pursuant to those certain letter agreements by and between the Corporation and Neuberger Berman Investment Advisers LLC dated March 6,2020 and the Corporation and Lone Pine Capital LLC dated March6, 2020 and those certain letter agreements (which will be substantially in the same form as determined by the Board as the two letter agreements dated March 6, 2020 described above in this subsection (10)) to be executed by and between the Corporation and SMALLCAP World Fund, Inc. and American Funds Insurance Series Global Small Capitalization Fund (or an affiliate or affiliates of such entities) and by and between the Corporation and CPP Investment Board PMI-2 Inc. (or an affiliate or affiliates of such entity) following Qualified Board Approval and execution of such letters by the Corporation; and

(11) up to 414,324 shares of Common to be issued from time to time in fulfillment of the Corporation's 'Pledge 1% Shares" as such term is defined in the June 24, 2021 resolutions of the Board of Directors of the Corporation.

Shares of Excluded Stock described in subdivision (2) of paragraph IV.E(2)(e)(ii) shall not be deemed to be outstanding for purposes of the computations of paragraph IV.E(2) above until actually issued."

(iii) If the number of shares of Common outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common or by a subdivision or split-up of shares of Common, then, on the date such paymentis made or such change is effective, the Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price and Series F Conversion Price shall each be appropriately decreased so that the number of shares of Common issuable on conversion of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be increased in proportion to such increase of outstanding shares.

(iv) If the number of shares of Common outstanding at anytime after the date hereof is decreased by a combination of the outstanding shares of Common, then, on the effective date of such combination, the Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price and Series F Conversion Price shall each be appropriately increased so that the number of shares of Common issuable on conversion of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred shallbe decreased in proportion to such decrease in outstanding shares.

(v) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or sub division, split-up orcombination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall, if such event is not a Significant Transaction, after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have be en entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred into Common. The provisions of this paragraph IV.E(2)(e) (v) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(vi) All calculations under this paragraph IV.E(2)(e) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case maybe.

(f) Minimal Adjustments. No adjustment in a Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price need be made if such adjustment would result in a change of less than $0.01. Any adjustment of less than $0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of $0.01 or more in a Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Series B Conversion Price, Series C Conversion Price, Series D Conversion Price, Series E Conversion Price or Series F Conversion Price pursuant to paragraph IV.E(2)(e), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request at any time of any holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Series B Conversion Price, Series C Conversion Price, Series

D Conversion Price, Series E Conversion Price or Series F Conversion Price, as applicable, at the time in effect for the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred held, and (iii) the number of shares of Common and the amount if any, of other property which at the time would be received upon the conversion of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, the Corporation shall mail to each holder of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred at least twenty (20) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common solely for the purpose of effecting the conversion of the shares of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred such number of its shares of Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred; and if at any time the number of authorized but unissued shares of Common shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common to such number of shares as shall be sufficient for such purpose.

(j) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of “electronic transmission” (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

(k) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in

the carrying out of all the provisions of this paragraph IV.E(2) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred against impairment.

3. Redemption of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred.

(a) On or after the Redemption Date, any holder of Series E Preferred or Series F Preferred may provide a written request to the Corporation (a **"Series E/F Redemption Notice")** to redeem any or all of the Series E Preferred or Series F Preferred, as applicable of such holder, at an amount equal to (i) for Series E Preferred (A) the Series E Price, minus (B) any dividends previously declared and paid to such holder in respect of such shares or (ii) for Series F Preferred (A) the Series F Price, minus (B) any dividends previously declared and paid to such holder in respect of such shares. Notwithstanding the foregoing, if the Corporation is in receipt of a Redeemable Preferred Election or Convertible Common Election at any time or has made a Corporation Redemption Election or Corporation Convertible Common Redemption Election when it has unpaid amounts to a holder of Series E Preferred or Series F Preferred that has submitted a Series E/F Redemption Notice, the Corporation shall subordinate its payment obligations to the holders of Series E Preferred or Series F Preferred to its payment obligations to the holders of Redeemable Preferred and/or Convertible Common, as the case maybe, until the Board of Directors makes a determination that adequate provision has been made to redeem the Redeemable Preferred and/or Convertible Common, as the case maybe, subject to the Redeemable Preferred Election, Convertible Common Election, Corporation Redemption Election or Corporation Convertible Common Redemption Election on a full and timely basis. The Corporation shall, upon each of the six month, twelve-month and eighteen month anniversary of its receipt of a Series E/F Redemption Notice, redeem for cash 1/3 of the shares of Series E Preferred or Series F Preferred, as the case may be, set forth in the Series E/F Redemption Notice; *provided*, that if a Series E/F Redemption Notice has been delivered in respect of shares of Series E Preferred and Series F Preferred, the Corporation shall first redeem all such shares of Series F Preferred before it redeems any shares of Series E Preferred If the Corporation fails to timely redeem the Series E Preferred or Series F Preferred (as applicable) as set forth herein on any specified payment date, then the amount payable in respect of the Series E Preferred or Series F Preferred, as the case may be, as set forth herein shall be increased at the rate of 5.0% per annum, compounding quarterly, for the first twelve months from such specified payment date, and afterwards at a rate of 8.0% per annum, compounding quarterly, until such amount (including interest) shall be paid in full. Notwithstanding anything to the contrary herein, the holders of Series E Preferred and Series F Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full.

(b) On or after the Redemption Date, any holder of Series B Preferred, Series C Preferred, or Series D Preferred may provide a written request to the Corporation (a **"Series B/C/D Redemption Notice")** to redeem any or all of the Series B Preferred, Series C Preferred or Series D Preferred, as applicable, of such holder, at an amount equal to (i) (A) $0.5220 per share of Series B Preferred, minus (B) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise, (ii) (A) $l.07549 per share of Series C Preferred, minus (B) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise, or (iii) (A) $6.82 per share of Series D Preferred, minus (B) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise. The Corporation shall, upon each of the six month, twelve-month and eighteen month anniversary of its receipt of a Series B/C/D Redemption Notice, redeem for cash 1/3 of the shares of Series B Preferred, Series C Preferred or Series D Preferred, as applicable, set forth in the Series B/C/D Redemption Notice. Not with standing the foregoing, if the Corporation is in receipt of a Redeemable Preferred Election, Convertible Common Election, or Series E/F Redemption Notice at any time or has made a Corporation Redemption Election or Corporation Convertible Common Redemption Election when it has unpaid amounts to a holder of Series B Preferred, Series C Preferred or Series D Preferred that has submitted a Series B/C/D Redemption Notice, the Corporation shall subordinate its payment obligations to the holders of Series B Preferred, Series C Preferred or Series D Preferred to its payment obligations to the holders of Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, until the Board of Directors makes a determination that adequate provision has been made to redeem the Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case maybe, subject to the Redeemable Preferred Election, Convertible Common Election, Corporation Redemption Election, Corporation Convertible Common Redemption Election or Series E/F Redemption Notice on a full and timely basis. If the Corporation fails to timely redeem the Series B Preferred, Series C Preferred or Series D Preferred, as the case may be, as set forth herein on any specified payment date, then the amount payable in respect of the Series B Preferred, Series C Preferred or Series D Preferred, as the case may be, as set forth herein shall be increased at the rate of 5.0% per annum, compounding quarterly, for the first twelvemonths from such specified payment date, and afterwards at a rate of 8.0% per annum, compounding quarterly, until such amount (including interest) shall be paid in full; provided, however, that no such interest shall accrue while the Corporation's payment obligations to the holders of Series B Preferred, Series C Preferred or Series D Preferred are subordinated in accordance with the terms of this paragraph. Not with standing anything to the contrary herein, the holders of Series B Preferred, Series C Preferred and Series D Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full.

(c) Any Series E/F Redemption Notice or Series B/C/D Redemption Notice shall be sent by first class certified mail, return receipt requested, postage prepaid, to the Corporation at its then current address, with a copy of any notice or other communication sent by electronic mail.

(d) Once redeemed pursuant to the provisions of this paragraph IV.E(3), shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and Series F Preferred shall be cancelled and not subject to reissuance.

(e) If, after giving effect to the redemptions set forth in all then unfulfilled Redemption Notices (as defined below) received by the Corporation, such redemptions would cause the voting power of a stock holder of the Corporation to be 10% or more of the voting power of the Corporation (other than a stock holder where, in each Applicable Jurisdiction where, the applicable MTL Authority, as required by applicable law, has consented to (or duly received notice of) such stock holder (together with its affiliates) obtaining control of the Corporation with in the meaning of applicable law or determined that consent is not necessary), the Corporation shall deliver to such stockholder written notice thereof (describing the requested redemptions, classes and/or series of shares, amounts and applicable redemption dates) at least sixty (60) days prior to consummating the redemption that causes such voting power threshold to be met. **"Redemption Notice"** shall mean each of a Series A Redemption Notice, Series B/C Redemption Notice, Series D/E Redemption Notice, Junior Series-1 Redemption Notice, Redeemable Preferred Election, Corporation Redemption Election, Convertible Common Election or Corporation Convertible Common Redemption Election.

4. Series B, Series C, Series D, Series E and Series F Protective Provisions and Covenants.

(a) Approval of Series D Preferred. So long as any of the Series D Preferred shall be outstanding, the Corporation shall not without obtaining the approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the out standing shares of Series D Preferred:

(i) Preferred Terms. Adversely alter, modify or change the terms, rights, preferences or privileges of the shares of the Series D Preferred or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series D Preferred; provided however, that any Excluded Action shall not be deemed to adversely alter or change the rights, preferences or privileges of the Series D Preferred and therefore shall not require the approval of the Series D Preferred voting as a class; or

(ii) Reclassification. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges senior to or on a parity with any such preference or priority of the Series D Preferred.

(b) Approval of Series B Preferred and Series C Preferred. So long as any of the Series B Preferred or Series C Preferred shall be outstanding, the Corporation shall not without obtaining the approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the out standing shares of Series B Preferred and Series C Preferred, voting together as a single class:

(i) Preferred Terms. Adversely alter, modify or change the terms, rights, preferences or privileges of the shares of the Series B Preferred or Series C Preferred or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the By laws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series B Preferred or Series C Preferred; provided how ever, that any Excluded Action shall not be deemed to adversely alter or change the rights, preferences or privileges of the Series B Preferred or Series C Preferred and therefore shall not require the approval of the Series B Preferred and Series C Preferred voting as a class; or

(ii) Reclassification. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges senior to or on a parity with any such preference or priority of the Series B or C Preferred.

(c) Approval of Series E Preferred. So long as the Series E Preferred shall be outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Series E Preferred:

(i) Preferred Terms. Adversely alter, modify or change the terms, rights, preferences or privileges of the shares of the Series E Preferred (other than an Excluded Action), or increase the number of Series E Preferred authorized or amend, alter or repeal any provision of this Certificate of Incorporation or anyprovision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series E Preferred; or

(ii) Adverse Amendments. Amend any provision of that certain Eighth Amended and Restated lnvestor Rights Agreement of the Corporation (the **"Investor Rights Agreement")** in a manner which adversely affects the rights of the Series E Preferred or the holders thereof; or

(iii) Create a New Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences senior to or *pari passu* with the Series E Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges, or (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to the Series E Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any other rights, powers, preferences or privileges; or

(iv) Reclassification. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends, or assets or as to any other rights, powers, preferences or privileges senior to or on a parity with any such preference or priority of the Series E Preferred; or

(v) Merger, Consolidation, Sale of Assets. Other than with respect to any transaction arising in connection with a redemption request pursuant to paragraph IV.H(2), enter into or agree to any (A) sale or purchase of assets outside the ordinary course of the Corporation in one or more series of related transactions involving payments to or from the Corporation in excess of the greater of (i) $100,000,000 in the aggregate or (ii) 30% of the Corporation's Available Cash (as defined below) as of the date of such transaction or series of related transactions or (B) Significant Transaction, except to the extent that in connection with such transaction each outstanding share of Series E Preferredrceives in cash at least an amount equal to (i) $31.43 per share, minus (ii) an amount equal to any dividends actually paid in respect of such share of Series E Preferred. As used herein, **"Available Cash",** means, as of any date of determination, cash on hand of the Corporation or available under the Corporation's loan agreements or lines of credit as of such date, less (i) the amount of cash necessary or advisable (as determined in good faith by the Board of Directors) to provide for the proper conduct of the Corporation's business (including the payment of operating expenses and taxes), (ii) reserves established by the Board of Directors to fund the foregoing amounts and for future capital expenditures and anticipated credit needs for the next twelve months (as determined in good faith by the Board of Directors), excluding for the purposes of this (ii) all capitalized leases and (y) the amount of cash necessary or advisable (as determined in good faith by the Board of Directors) for the Corporation to comply with applicable law and any of Corporation's debt instruments or other agreements; or

(vi) Payment of Dividends. Purchase or redeem, or pay any dividend with respect to, or make any distributions on, any shares of capital stock of the Corporation, other than (A) dividends payable pursuant to paragraphs IV.G(1) and IV.H(l), (B) dividends payable solely in shares of Common, (C) the redemption of Preferred as expressly set forth herein, or (D) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at a price not to exceed the then-current fair market value thereof as approved by the Board of Directors (not to exceed 20,000 shares in any given calendar year); or

(vii) Indebtedness. Pledge any assets or directly or indirectly, create, incur, assume, have outstanding or be or remain liable with respect to any indebtedness or obligation in excess of, as of any date of determination, an amount equal to, in the aggregate, 4.0 multiplied by the last twelve months of EBITDA of the Corporation, if any, preceding such date of determination, in any single transaction or series of related transactions, excluding, for purposes of the foregoing calculation, indebtedness or obligations existing under, available (whether committed or uncommitted) under or permitted by the financing contemplated by (collectively, the **"New Permitted Debt")** that certain Credit and Guaranty Agreement dated as of the Effective Date (as amended, restated, amended and restated, supplemented, replaced, or otherwise modified from time to time, the **"New Credit Agreement")** among the Corporation, AvidXchange Financial Services, Inc., a Delaware corporation, Piracle, Inc., a Utah corporation, Strongroom Solutions, Inc., a Texas corporation, Ariett Business Solutions, Inc., a Massachusetts corporation, and AFV Holdings One, Inc., a North Carolina corporation, certain other subsidiaries of the Corporation as borrowers or Guarantors thereunder from time to time, certain financial institutions as Lenders thereunder, the collateral agent and administrative agent thereunder, the joint lead arrangers thereunder, and the joint book runners thereunder, or (ii) in the event the Corporation enters into a debt facility in replacement of the New Credit Agreement in compliance with this subsection (b)(ii) (the **"Replacement Credit Facility"),** any amounts existing under, available (whether committed or uncommitted) under, or permitted by such Replacement Credit Facility (the **"Replacement Permitted Debt")** provided that the Replacement Credit Facility (including the debt negative covenant thereunder) shall, in the aggregate (other than in respect of customary fees and changes in interest rates), be materially consistent with the New Credit Agreement; provided, that this subsection (b) shall not prohibit the Corporation from entering into the Replacement Credit Facility provided that such facility does not increase the aggregate principal amount of the bans available by more than $25,000,000 in the aggregate more than the original aggregate principal amount

available (whether committed or uncommitted) as of the Effective Date under the New Credit Agreement; provided, further the Corporation will not increase the principal amounts of the bans available under the New Permitted Debt by more than $100,000,000 in the aggregate from the amounts that are available (whether committed or uncommitted) or permitted by the New Permitted Debt as of the Effective Date without the approval of the holders of a majority of the Series E Preferred as provided herein; or

(viii) Related Parties. Except for employment related arrangements in the ordinary course of business, enter into any material transaction or agreement, including without limitation any lease or other rental or purchase agreement or any agreement providing for loans or extensions of credit by or to the Corporation, or any modification of any of the foregoing **("contract"),** with any person or entity which is a shareholder, officer or director of the Corporation, a relative by blood or marriage of, a trust or estate for the benefit of, or a person or entity which directly or indirectly controls, is controlled by, or is under common control with, any such person or entity (hereinafter referred to as a **"Related Party")** or with respect to which any Related Party has or is to have a direct or indirect material interest, unless such contract is on terms no less favorable to the Corporation than would be obtained in a transaction with a person that is not a Related Party and has been approved by no less than a majority of the number of directors constituting the whole Board of Directors or the Audit Committee of the Board of Directors (excluding for both the Board or the Committee, as the case maybe, any member having a direct or indirect interest in the contract in question), excluding, in each case, contracts in effect on July 21, 2015 and disclosed to the holders of Series E Preferred; or

(ix) Corporate Existence. Liquidate, dissolve or wind up the Corporation; or

(x) Non-Wholly Owned Subsidiary. Create or cause or permit any subsidiary of the Corporation to become, a non-wholly owned subsidiary of the Corporation.

(d) Approval of Series F Preferred. So long as any shares of Series F Preferred shall be outstanding, and subject to paragraph IV.E(4)(e), the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Series F Preferred:

(i) Preferred Terms. Adversely alter, modify or change the terms, rights, preferences or privileges of the shares of the Series F Preferred (other than an Excluded Action), or increase the number of Series F Preferred authorized, or amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would favorably affect the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, any other series of Preferred without similarly favorably affecting the rights, powers, preferences or privileges of, or restrictions, qualifications or limitations on, the Series F Preferred; or

(ii) Adverse Amendments. Amend any provision of the Investor Rights Agreement in a manner which adversely affects the rights of the Series F Preferred or the holders thereof; or

(iii) Create a New Senior Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences senior to the Series F Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges, or (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to or *pari passu* with the Series F Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any other rights, powers, preferences or privileges; or

(iv) Reclassification to Senior. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends, or assets or as to any other rights, powers, preferences or privileges senior to any such preference or priority of the Series F Preferred; or

(v) Corporate Existence. Liquidate, dissolve or wind up the Corporation; or

(vi) Create a New Pari Passu Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences *pari passu* with the Series F Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges, or (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to the Series F Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any other rights, powers, preferences or privileges; or

(vii) Reclassification to Pari Passu. Reclassify any class or series of any Securities into shares having any preference or priority as to liquidation preference, redemption, dividends, or assets or as to any other rights, powers, preferences or privileges on a parity with any such preference or priority of the Series F Preferred; or

(viii) Merger, Consolidation, Sale of Assets. Other than with respect to any transaction arising in connection with a redemption request pursuant to paragraph IV.H(2), enter into or agree to any (A) sale or purchase of assets outside the ordinary course of the Corporation in one or more series of related transactions involving payments to or from the Corporation in excess of the greater of (i) $100,000,000 in the aggregate or (ii) 30% of the Corporation's Available Cash as of the date of such transaction or series of related transactions or (B) Significant Transaction, except to the extent that in connection with such transaction each outstanding share of Series F Preferred receives in cash at least an amount equal to (i) $60.4545 per share, minus (ii) an amount equal to any dividends actually paid in respect of such share of Series F Preferred; or

(ix) Payment of Dividends. Purchase or redeem, or pay any dividend with respect to, or make any distributions on, any shares of capital stock of the Corporation, other than (A) dividends payable pursuant to paragraphs IV.G(1) and IV.H(l), (B) dividends payable solely in shares of Common, (C) the redemption of Preferred as expressly set forth herein, or (D) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at a price not to exceed the then-current fair market value thereof as approved by the Board of Directors (not to exceed 20,000 shares in any given calendar year); or

(x) Indebtedness. Pledge any assets or directly or indirectly, create, incur, assume, have outstanding or be or remain liable with respect to any indebtedness or obligation in excess of, as of any date of determination, an amount equal to, in the aggregate, 4.0 multiplied by the last twelve months of EBITDA of the Corporation, if any, preceding such date of determination, in any single transaction or series of related transactions, excluding, for purposes of the foregoing calculation, indebtedness or obligations existing under, available (whether committed or uncommitted) under or permitted by the New Permitted Debt and the Replacement Permitted Debt; provided, that the Replacement Credit Facility (including the debt negative covenant thereunder) shall, in the aggregate (other than in respect of customary fees and changes in interest rates), be materially consistent with the New Credit Agreement; provided, that the foregoing shall not prohibit the Corporation from entering into a Replacement Credit Facility provided that such facility does not increase the aggregate principal amount of the loans available by more than $25,000,000 in the aggregate more than the original aggregate principal amount available (whether committed or uncommited) as of the Effective Date under the New Credit Agreement; provided, further the Corporation will not increase the principal amounts of the loans available under the New Permitted Debt by more than $100,000,000 in the aggregate from the amounts that are available (whether committed or uncommitted) or permitted by the New Permitted Debt as of the Effective Date without the approval of the holders of a majority of the Series F Preferred as provided herein; or

(xi) Related Parties. Except for employment related arrangements in the ordinary course of business, enter into any material transaction or agreement, including without limitation any lease or other rental or purchase agreement or any agreement providing for loans or extensions of credit by or to the Corporation, or any modification of any of the foregoing **("contract"),** with any person or entity which is a shareholder, officer or director of the Corporation, a relative by blood or marriage of, a trust or estate for the benefit of, or a person or entity which directly or indirectly controls, is controlled by, or is under common control with, any such person or entity (hereinafter referred to as a **"Related Party")** or with respect to which any Related Party has or is to have a direct or indirect material interest, unless such contract is on terms no less favorable to the Corporation than would be obtained in a transaction with a person that is not a Related Party and has been approved by no less than a majority of the number of directors constituting the whole Board of Directors or the Audit Committee of the Board of Directors (excluding for both the Board or the Committee, as the case may be, any member having a direct or indirect interest in the contract in question), excluding, in each case, contracts in effect on the Effective Date and disclosed to the holders of Series F Preferred; or

(xii) Non-Wholly Owned Subsidiary. Create or cause or permit any subsidiary of the Corporation to become, a non-wholly owned subsidiary of the Corporation.

The matters referred to in clauses (vi) through (xii) this paragraph IV.E(4)(d) are each referred to herein as a **"Series F Qualified Voting Matter").**

(e) Adjustment of Series F Voting with respect to Series F Qualified Voting Matters.

(i) Certain Definitions. For the purposes of this paragraph IV.E(4)(e), the following definitions shall apply:

(1) **"Applicable Jurisdiction"** means each legal jurisdiction (whether state, federal, foreign or otherwise) in (A) which the Corporation has either, as of the most recent date the Series F Holder has acquired shares of Series F Preferred (x) been licensed or approved as a money transmitter by the governmental regulatory authority overseeing such matters (with respect to such jurisdiction, the **"MTL Authority")** or (y) submitted an application requesting licensing or approval from the MTL Authority as of such date (unless such license or approval has not been obtained as of thirty (30) days after such date) and (B) which "control" of a licensed money transmitter is defined by (x) a percentage of a "class of voting securities" (or similar terminology) (a **"Voting Securities Jurisdiction")** or (y) a "controlling influence" (or similar terminology) (a **"Controlling Influence Jurisdiction"),** and, in each case, consent or notice relating to a change of "control" is required.

(2) "**Applicable Limit**" means, with respect to a Series F Holder, (A) the lowest percentage of ownership of a "class of voting securities" (or similar terminology) that constitutes control of a money transmitter in any Voting Securities Jurisdiction or (B) twenty-five percent (25%) in any Controlling Influence Jurisdiction that does not also define control as a percentage of a "class of voting securities" (or similar terminology) of less than twenty-five percent (25%), excluding in each case any Applicable Jurisdiction where the applicable MTL Authority, as required by applicable law, has consented to (or duly received notice of) such Series F Holder (together with its affiliates) obtaining control of the Corporation within the meaning of applicable law or determined that consent is not necessary or the Corporation and such Series F Holder have determined that consent is not necessary.

(3) "**Applicable Share Limit**" means, with respect to a Series F Holder, the product of (x) such Series F Holder's Applicable Limit and (y) the number of outstanding shares of Series F Preferred, minus one share of Series F Preferred.

(4) "**Control Restricted Holder**" means each Series F Holder for which there exists an Applicable Jurisdiction in which (i) the applicable MTL Authority has not, as required by applicable law, consented to (or duly received notice of) such Series F Holder (together with its affiliates) obtaining control of the Corporation within the meaning of applicable law, or the Corporation or the applicable MTL Authority has determined that consent is not necessary and (ii) the number of votes such Series F Holder would be entitled to cast in respect of its shares of Series F Preferred, as compared to the total number of votes all Series F Holders would be entitled to in respect of their shares of Series F Preferred, in each case, absent operation of this paragraph IV.E(4)(e), would meet or exceed (x) in aVoting Securities Jurisdiction, the percentage of ownership of a "class of voting securities" (or similar terminology) sufficient for obtaining control of the Corporation in such Voting Securities Jurisdiction or (y) in a Controlling Influence Jurisdiction that does not also define control as a percentage of a "class of voting securities" (or similar terminology) of less than twenty-five percent (25%), twenty-five percent (25%).

(5) "**Series F Holder"** means each holder of record of shares of Series F Preferred.

(6) "**Unrestricted Holder**" means each holder of record of shares of Series F Preferred that is not a Control Restricted Holder.

(ii) Adjustment of Votes. Notwithstanding paragraph IV.E(4)(d), with respect to any Series F Qualified Voting Matter, the number of votes each Series F Holder shall be entitled to cast with respect to a request for approval (by vote or written consent, as provided by law) of the holders of the outstanding shares of Series F Preferred pursuant to such paragraph shall be adjusted as follows:

(1) If, as of the time such approval is requested, there is at least one Unrestricted Holder, (x) each Series F Holder that is then a Control Restricted Holder shall be entitled to the number of votes equal to the lesser of (A) the number of votes such holder would ordinarily be entitled to in respect of its shares of Series F Preferred and (B) such Control Restricted Holder's Applicable Share Limit and (y) the aggregate votes that the Control Restricted Holders would be entitled to cast, in the aggregate, under clause (A) but for the limits of clause (B), if any, shall be reallocated proportionally among the Unrestricted Holders (with the largest Unrestricted Holder in terms of shares of Series F Preferred held entitled to any fractional votes resulting from such albcation). In no event shall an Unrestricted Holder receive an allocation that would make it a Control Restricted Holder. If any votes remain, such votes shall be allocated to a designee of the Board of Directors to vote in accordance with the manner determined by the Board of Directors withrespect to such Series F Qualified Voting Matter but not to any Series F Holder that already holds its Applicable Share Limit. By way of illustration:

	Votes	Vote%	Applicable Limit	Vote Reduction	Vote Rellocation	Adj. Votes	Adj. Vote %
Unrestricted Holder A	300	30%	N/A	N/A	190	490	49.0%
Unrestricted Holder B	100	10%	N/A	N/A	63	163	16.3%
Control Restricted Holder A	200	20%	10%	101		99	9.9%
Control Restricted Holder B	200	20%	10%	101		99	9.9%
Control Restricted Holder C	200	20%	15%	51		149	14.9%
Totals:	1,000	100%		253	253	1000	100%

(2) If, as of the time such approval is requested, there is no Unrestricted Holder, (x) each Series F Holder shall be entitled to the number ofvotes equal to the lesser of (A) the number of votes such holder would ordinarily be entitled to in respect of its shares of Series F Preferred and (B) such Series F Holder's Applicable Share Limit, (y) the aggregate votes that the Series F Holders would be entitled to cast under clause (A) but for the limits of clause (B), shall be allocated among each Series F Holder that holds fewer shares than its Applicable Share Limit (a **"Below Limit Series F Holder"**), sequentially in order of Below Limit Series F Holders by the greatest to least number of shares of Series F held, until each successive Below Limit Series F Holder is entitled to the number of votes equal to such Below Limit Series F Holder's Applicable Shares Limit and (z) if any votes remain, such votes shall be allocated to a designee of the Board of Directors to vote in accordance with the manner determined by the Board of Directors with respect to such Series F Qualified Voting Matter but not to any Series F Holder that already holds its Applicable Share Limit. By way of illustration:

	Votes	Percent	Applicable Limit	Vote Reduction	Max Add. Votes	Vote Rellocation	Adj. Votes	Adj. Vote %
Control Restricted Holder A*	225	19%	30%	—	134	134	359	29.9%
Control Restricted Holder B*	175	15%	30%	—	184	70	245	20.4%
Control Restricted Holder C	200	17%	15%	21			179	14.9%
Control Restricted Holder 0	200	17%	15%	21			179	14.9%
Control Restricted Holder E	200	17%	10%	81			119	9.9%
Control Restricted Holder F	200	17%	10%	81			119	9.9%
Totals:	1,200	100%		204		204	1200	100%

* Below Limit Series F Holder for purposes of this illustration

(3) For the avoidance of doubt, (x) if, at the time a request for approval (by vote or written consent, as provided by law) of the holders of the outstanding shares of Series F Preferred is requested for a Series F Qualified Voting Matter, there are no Control Restricted Holders, then this paragraph IV.E(4)(e) shall not apply and (y) a Series F Holder may become a Control Restricted Holder as aresult of the redemption or repurchase by the Corporation of shares of its capital stock from other stockholders and thereafter this paragraph IV.E(4)(e) shall apply.

(f) Covenants. So long as any of the Series E Preferred shall be outstanding, the Corporation shall make available the following reports to holders of the Series E Preferred and so long as any of the Series F Preferred shall be outstanding, the Corporation shall make available the following reports to holders of the Series F Preferred:

(i) Annual Financial Statements. As soon as practicable, but in any event within 120 days after the end of each fiscal year of the Corporation, a consolidated statement of earnings for such fiscal year, a consolidated balance sheet of the Corporation as of the end of such year, and a consolidated statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles, and audited and certified by an independent public accounting firm selected by the Audit Committee of the Board of Directors.

(ii) Quarterly Financial Statements. Within 60 days of the end of each calendar quarter, an unaudited statement of earnings, balance sheet and statement of cash flow for or as of the end of such quarter, in reasonable detail.

(iii) Budgets. As soon as practicable, but in any event within 30 days after the beginning of each relevant fiscal year of the Corporation, a budget for such fiscal year as approved by the Corporation's Board of Directors.

(iv) Other Information. Copies of all information and reports delivered to the Corporation's lenders simultaneous with or immediately following the delivery of such information or reports to the Corporation's lenders.

The Corporation shall permit each holder of Series F Preferred, Series E Preferred, Series D Preferred, Series C Preferred, and Series B Preferred, at such holder's expense, to visit and inspect the Corporation's properties; examine its books of account and records; and discuss the Corporation's affairs, finances, and accounts with its officers, during normal business hours of the Corporation as may be reasonably requested by such holder.

5.Future Financings.

(a) Preemptive Right. The Corporation grants to each holder of shares of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and/or Series F Preferred (each, a **"Series B/C/D/E/F Holder"**) a preemptive right to purchase such Series B/C/D/E/F Holder's pro-rata share, as defined below, of any equity securities of the Corporation or any of its subsidiaries, including shares of Common and/or Preferred and/or securities of any type convertible into, or entitling the holder thereof to purchase shares of, Common or Preferred(collectively, the **"Securities"**), proposed to be issued by the Corporation subsequent to the date hereof. Such Series B/C/D/E/F Holder's **"pro-rata share"** shall be that portion of the Securities proposed to be issued which bears the same relation to all of the Securities proposed to be issued as the Securities held by such Series B/C/D/E/F Holder (on an as-converted basis) bear to all outstanding shares of the Common and the Convertible Common combined (assuming for the purposes of such calculation the conversion of all outstanding securities which are convertible into Common without payment of additional consideration, and, if the Senior Preferred are still outstanding, the total number of shares of Convertible Common that would be issuable assuming a conversion of the Senior Preferred onsuch date pursuant to paragraph IV.G(2), including those held by the Series B/C/D/E/F Holder), all determined immediately prior to the offering of the Securities. For the avoidance of doubt, the preemptive right in this paragraph IV.E(5)(a) shall be combined, if applicable, with those preemptive rights set forthin paragraphs IV.D(5)(a), IV.G(4) and IV.l(2)(g) if such Series B/C/D/E/F Holder also is a Major Series A Holder, Senior Preferred Holder and/or Convertible Common Holder such that, (i) pursuant to this paragraph IV.E(5)(a), the Series B/C/D/E/F Holder will receive a preemptive right for its pro rata share based on its ownership of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred and/or Series F Preferred, (ii) pursuant to paragraph IV.D(5)(a), its prorata share based on its ownership of Series A Preferred, (iii) pursuant to paragraph IV.G(4), its pro rata share based on its ownership of Senior Preferred, and (iv) pursuant to paragraph IV.I(2)(g), its pro rata share based on its ownership of Convertible Common (to the extent applicable).

(b) Notice. In the event that the Corporation proposes to undertake an issue of Securities, it shall deliver to each Series B/C/D/E/F Holder written notice of its intention, describing such Securities, specifying each Series B/C/D/E/F Holder's pro-rata share and stating the purchase price and other terms upon which it proposes to issue the same (the **"Option Notice"**). For a period of twenty (20) days following the receipt of the Option Notice, each Series B/C/D/E/F Holder shall have the right to elect, by written notice to the Corporation, to purchase all or any portion of such Series B/C/D/E/F Holder's pro rata share of the Securities described in the Option Notice. The closing of any sale pursuant to this paragraph IV.E(5)(b) shall occur within ninety (90) days of the date that the Option Notice is given.

(c) Sale by the Corporation. If all of the Securities are not elected to be purchased or acquired as provide in paragraph FV.E(5)(b) then, during the 90 day period following the expiration of the periods set forth in paragraph IV.E(5)(b), theCorporation may sell, free of any preemptive right on such Series B/C/D/E/ F Holder's part, the portion of such Series B/C/D/E/F Holder's pro-rata shares not purchased pursuant to such preemptive right, upon the same terms specified in the

Option Notice. If the Corporation does not enter into an agreement for the sale of the Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Securities shall not be offered unless first re offered to the Series B/C/D/E/F Holders in accordance with this paragraph IV.E(5).

(d) Exceptions. The preemptive right granted under this Paragraph IV.E(5) shall not apply to (i) the Excluded Stock or (ii) Securities issued for non-cash consideration, or as a so-called "equity feature" (such as a warrant) of a transaction primarily involving debt securities or indebtedness for borrowed money, or pursuant to a merger or acquisition transaction, in each case, approved by a Qualified Board Approval.

F. Terms of Junior Series-1 Preferred.

There is hereby created a series of Four Hundred Thousand (400,000) shares of Preferred designated "Junior Series-1 Convertible Preferred" (the "**Junior Series-1 Preferred**")having the following powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Junior Series-1 Dividends.

Subject to paragraphs IV.E(l), IV.E(4)(c), IV.E(4)(d), TV.G(1) and IV.H(l), no dividend or distribution of cash, capital stock or otherwise shall be declared or paid on the Common unless prior to or simultaneously with such declaration, a dividend or distribution is declared and paid on each share of Junior Series-1 Preferred in an amount equal to or greater than the amount that would have been received by the holders of the Junior Series-1 Preferred had such holders, on the record date for the Common dividend or distribution, held the number of shares of Common into which the Junior Series-1 Preferred would have been convertible upon conversion hereunder.

2. Junior Series-1 Conversion.

The Junior Series-1 Preferred shall be convertible into Common, as follows:

(a) Right to Convert. Each share of Junior Series-1 Preferred shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, into the number of shares of Common which results from dividing the Junior Series-1 Conversion Price (as defined below) per share in effect at the time of conversion into the **"Junior Series-1 Conversion Value"** per share. The number of shares of Common into which a share of Junior Series-1 Preferred is convertible is hereinafter referred to as the **"Junior Series-1 Conversion Rate"**. As of the Effective Date, both the Junior Series-1 Conversion Price per share of Junior Series-1 Preferred (the **"Junior Series-1 Conversion Price"**) and the Junior Series-1 Conversion Value are $12.02. The Junior Series-1 Conversion Price shall be subject to adjustment as hereinafter provided.

(b) Automatic Conversion. Each share of Junior Series-1 Preferred shall automatically be converted into shares of Common at the then effective Junior Series-1 Conversion Rate immediately prior to the closing of a Qualified Offering.

(c) Mechanics of Conversion. Before any holder of Junior Series-1 Preferred shall be entitled to convert the same into shares of Common as provided in paragraph IV.F(2)(a), he shall surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates), at the office of the Corporation and shall give written notice to the Corporation at such office that he elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Junior Series-1 Preferred a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Junior Series-1 Preferred to be converted, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

In the event of an automatic conversion pursuant to paragraph IV.F(2)(b), the outstanding shares of Junior Series-1 Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common issuable upon such automatic conversion unless the certificates evidencing such shares of Junior Series-1 Preferred are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Junior Series-1 Preferred, a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common. Such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of a Qualified Offering, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(d) Fractional Shares. No fractional shares of Common shall be issued upon conversion of the Junior Series-1 Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Junior Series-1 Conversion Price.

(e) Adjustment of Junior Series-1 Conversion Price. The Junior Series-1 Conversion Price shall be subject to adjustment from time to time as follows:

(i) [Reserved]

(ii) If the number of shares of Common outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common or by a subdivision or split-up of shares of Common, then, on the date such payment is made or such change is effective, the Junior Series-1 Conversion Price shall be appropriately decreased so that the number of shares of Common issuable on conversion of the Junior Series-1 Preferred shall be increased in proportion to such increase of outstanding shares.

(iii) If the number of shares of Common outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common, then, on the effective date of such combination, the Junior Series-1 Conversion Price shall be appropriately increased so that the number of shares of Common issuable on conversion of the Junior Series-1 Preferred shall be decreased in proportion to such decrease in outstanding shares.

(iv) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Junior Series-1 Preferred shall, if such event is not a Significant Transaction, after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Junior Series-1 Preferred into Common. The provisions of this paragraph IV.F (2)(e)(iv) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(v) All calculations under this paragraph IV.F(2)(e) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case maybe.

(f) Minimal Adjustments. No adjustment in a Junior Series-1 Conversion Price need be made if such adjustment would result in a change in a Junior Series-1 Conversion Price of less than $0.01. Any adjustment of less than $0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of $0.01 or more in a Junior Series-1 Conversion Price.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Junior Series-1 Conversion Price pursuant to paragraph IV.F(2)(e), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Junior Series-1 Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request at any time of any holder of Junior Series-1 Preferred, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Junior Series-1 Conversion Price at the time in effect for the Junior Series-1 Preferred held, and (iii) the number of shares of Common and the amount if any, of other property which at the time would be received upon the conversion of the Junior Series-1 Preferred.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, the Corporation shall mail to each holder of Junior Series-1 Preferred at least twenty (20) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common solely for the purpose of effecting the conversion of the shares of the Junior Series-1 Preferred such number of its shares of Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Junior Series-1 Preferred; and if at any time the number of authorized but unissued shares of Common shall not be sufficient to effect the conversion of all then outstanding shares of the Junior Series-1 Preferred, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common to such number of shares as shall be sufficient for such purpose.

(j) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Junior Series-1 Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of “electronic transmission” (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement.

(k) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.F(2) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Junior Series-1 Preferred against impairment.

3. Redemption of Junior Series-1 Preferred.

(a) On or after the Redemption Date, any holder of Junior Series-1 Preferred may provide a written request to the Corporation (a **"Junior Series-1 Redemption Notice")** to redeem any or all of the Junior Series-1 of such holder at an amount equal to (i) $12.02 per share, minus (ii) any amounts previously distributed to such holder for such shares from declared and paid dividends, redemptions (whether voluntary or mandatory) or otherwise. The Corporation shall, upon each of the six month, twelve-month and eighteen month anniversary of its receipt of a Junior Series-1 Redemption Notice, redeem for cash 1/3 of the shares of Junior Series-1 set forth in the Junior Series-1 Redemption Notice. Notwithstanding the foregoing, if the Corporation is in receipt of a Redeemable Preferred Election, Convertible Common Election, or Series E/F Redemption Notice at any time or has made a Corporation Redemption Election or Corporation Convertible Common Redemption Election when it has unpaid amounts to a holder of Junior Series-1 Preferred that has submitted a Junior Series-1 Redemption Notice, the Corporation shall subordinate its payment obligations to the holders of Junior Series-1 Preferred to its payment obligations to the holders of Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, until the Board of Directors makes a determination that adequate provision has been made to redeem the Redeemable Preferred, Convertible Common, Series E Preferred and/or Series F Preferred, as the case may be, subject to the Redeemable Preferred Election, Convertible Common Election, Corporation Redemption Election, Corporation Convertible Common Redemption Election or Series E/F Redemption Notice on a full and timely basis. If the Corporation fails to timely redeem the Junior Series-1 Preferred as set forth herein on any specified payment date, then the amount payable in respect of the Junior Series-1 Preferred as set forth herein shall be increased at the rate of 5.0% per annum, compounding quarterly, for the first twelve months from such specified payment date, and afterwards at a rate of 8.0% per annum, compounding quarterly, until such amount (including interest) shall be paid in full; provided, however, that no such interest shall accrue while the Corporation's payment obligations to the holders of Junior Series-1 Preferred are subordinated in accordance with the terms of this paragraph.

Notwithstanding anything to the contrary herein, the holders of Junior Series-1 Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full.

(b) Any Junior Series-1 Redemption Notice shall be sent by first class certified mail, return receipt requested, postage prepaid, to the Corporation at its then current address, with a copy of any notice or other communication sent by electronic mail.

(c) Once redeemed pursuant to the provisions of this paragraph IV.F(3), shares of Junior Series-1 Preferred shall be cancelled and not subject to reissuance.

4. Junior Series-1 Protective Provisions.

So long as any of the Junior Series-1 Preferred shall be outstanding, the Corporation shall not without obtaining the approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Junior Series-1 Preferred:

(a) Change of Rights. Materially and adversely alter or change the rights, preferences or privileges of the Junior Series-1 Preferred; provided however, that any Excluded Action shall not be deemed to materially and adversely alter or change the rights, preferences or privileges of the Junior Series-1 Preferred and therefore shall not require the approval of the Junior Series-1 Preferred voting as a class; or

(b) Reclassification. Reclassify any class or series of any Common into shares having any preference or priority as to dividends or assets superior to or on a parity with any such preference or priority of the Junior Series-1 Preferred.

G. Terms of Senior Preferred.

There is hereby created a series of Two million seven hundred and twenty two thousand one hundred and sixty six (2,722,166) shares of Preferred designated “Senior Convertible Preferred” (the **“Senior Preferred”**) having the following powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Senior Preferred Dividends. The holders of Senior Preferred shall be entitled to receive cumulative dividends at the rate of 12% of the applicable Senior Base Amount (as defined below) per share per annum (appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like) on each outstanding share of Senior Preferred payable in cash out of funds legally available therefore (the **“Senior Dividend”),** which dividends shall accrue and accumulate daily and be compounded quarterly, whether or not such dividends are declared by the Board of Directors or paid. The Board of Directors shall have the right to pay any portion of the accrued Senior

Dividend at any time and the Senior Dividend shall be payable only when, as and if declared by the Board of Directors, but the Senior Dividend shall be payable in preference to any declaration or payment of any dividend on the Series A Preferred, the Series B Preferred, the Series C Preferred, the Series D Preferred, the Series E Preferred, the Series F Preferred, the Junior Series-1 Preferred, the Convertible Common and the Common (collectively, the "Other Junior Stock"). The **"Senior Base Amount"** equals $47.7561 per share (appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like) (the **"Senior Original Issue Price"**) plus all accrued, but unpaid dividends as of the applicable date of determination. After the foregoing dividends on the Senior Preferred shall have been paid, then the Corporation may (when, as and if declared by the Board of Directors) declare and distribute dividends among the holders of Senior Preferred, the holders of the other series of Preferred and the holders of Common pro rata based on the number of shares of Common held by each, determined on an as-if-converted basis(assuming full conversion of all such Senior Preferred and Convertible Common) as of the record date with respect to the declaration of such dividends.

2. Senior Preferred Conversion. Shares of Senior Preferred shall be converted into Convertible Common and Redeemable Preferred in accordance with the following:

(a) Voluntary Conversion. Upon the written election of at least a majority of the outstanding shares of Senior Preferred (a **"Senior Majority"**), and without payment of any additional consideration, all of the outstanding shares of Senior Preferred shall be converted into fully paid and nonassessable shares of Redeemable Preferred and Convertible Common as follows: (i) that number of shares of Senior Preferred equal to the quotient of (A) the Senior Accrued Preference Amount (but for the purposes of this calculation, ignoring subsection (A)(ii) in the definition of Senior Accrued Preference Amount) for all such shares of Senior Preferred, divided by (B) $1,000, shall convert at a one-to-one ratio (each such amount appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like) into fully paid and nonassessable shares of Redeemable Preferred (the **"Redeemable Conversion Rate"**), and (ii) each remaining share of Senior Preferred after the conversion set forth in (i) above is complete (collectively, such shares, the **"Remaining Senior Preferred"**) shall be converted into a number of shares of Convertible Common equal to the quotient of(A) Convertible Common Number, divided by and (B) the number of shares of Remaining Senior Preferred (the **"Common Conversion Rate"**). The **"Convertible Common Number"** initially equals 696,402 (appropriately adjusted for any stock splits, dividends, combinations, recapitalization and the like); Any election by a Senior Majority pursuant to this Section G.2(a) shall be made by written notice to the Corporation and the other holders of Senior Preferred, and such notice may be given at any time after the first issuance of Senior Preferred (the **"Senior Closing Date"**) through and including the time which is immediately prior to the closing of any Liquidation Event or Significant Transaction. Upon such election, all holders of the Senior Preferred shall be deemed to have elected to voluntarily convert all outstanding shares of Senior Preferred into shares of Redeemable Preferred and Convertible Common pursuant to this paragraph IV.G(2)(a) and such election shall bind all holders of Senior Preferred.

(b) Automatic Conversion. Upon the occurrence of an Auto Conversion Event (as defined below), all shares of Senior Preferred shall automatically be converted, without the payment of any additional consideration, into fully paid and nonassessable shares of Redeemable Preferred and Convertible Common as follows: (i) that number of shares of Senior Preferred equal to the quotient of (A) the Senior Accrued Preference Amount (but for the purposes of this calculation ignoring subsection (A)(ii) in the definition of Senior Accrued Preference Amount) for all such shares of Senior Preferred, divided by (B) $1,000, shall convert at the Redeemable Conversion Rate, and (b) each share of Remaining Senior Preferred shall be converted into shares of Convertible Common at the Common Conversion Rate. An **"Auto Conversion Event"** shall mean the earliest of the following events: (i) the written request by a Senior Majority to redeem Redeemable Preferred or Convertible Common, only to the extent such Securities if outstanding would be subject to redemption pursuant to paragraph IV.H(2) and IV.I(2)(b), such conversion to be conditioned on the consummation of such redemption immediately after such conversion, (ii) the written request of the Corporation provided it is delivered simultaneously with an irrevocable redemption request with respect to Redeemable Preferred (that shall be subject to the terms of paragraph IV.H (2)), such conversion to be conditioned on the consummation of such redemption immediately after such conversion, and (iii) as of immediately prior, and in all cases subject to, the closing of (each an **"Offering")** a direct listing of the Corporation's securities or the Corporation's first underwritten public offering on a firm commitment basis by a nationally recognized investment banking organization or organizations pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common.

(c) Procedure for Conversion.

(i) Voluntary Conversion. Upon election to convert pursuant to paragraph IV.G (2)(a), the relevant holder or holders of Senior Preferred shall surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates) at the Corporation's principal executive office. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Senior Preferred a certificate or certificates for the number of shares of Redeemable Preferred and Convertible Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Senior Preferred to be converted, and the person or persons entitled to receive the shares of Redeemable Preferred and Convertible Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Redeemable Preferred and Convertible Common on such date.

(ii) Automatic Conversion. As of the date of automatic conversion pursuant to paragraph TV.G(2)(b) (the **"Automatic Conversion Date"),** all applicable shares of Senior Preferred shall be converted automatically into shares of Convertible Common and Redeemable Preferred without any further action by the holders of such shares and whether or not the certificates representing such shares of Senior Preferred are surrendered to the Corporation. On the Automatic Conversion Date, all rights with respect to the Senior Preferred so converted shall terminate, except (A) any of the rights of the holders thereof upon surrender of their certificate or certificates therefor or delivery of an affidavit of loss thereof to receive certificates for the number of shares of Convertible Common and Redeemable Preferred into which such shares of Senior Preferred have been converted and (B) for the avoidance of doubt, such termination shall not impact or otherwise limit or terminate any of the rights of the holders of Redeemable Preferred and Convertible Common issuable upon conversion of such Senior Preferred (inchiding any right to elect redemption which may have been made prior to any such conversion). The Corporation shall not be obligated to issue certificates evidencing the shares of Convertible Common and Redeemable Preferred issuable upon such automatic conversion unless the certificates evidencing such shares of Senior Preferred are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Senior Preferred, a certificate or certificates for the number of shares of Convertible Common or Redeemable Preferred to which he shall be entitle das aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Convertible Common or Redeemable Preferred. If the Auto Conversion Event was due to an Offering, such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of the Offering, and the person or persons entitled to receive the shares of Redeemable Preferred and Convertible Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Redeemable Preferred and Convertible Common on such date.

(iii) Fractional Shares. No fractional shares of Convertible Common or Redeemable Preferred shall be issued upon conversion of the Senior Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Board of Directors good faith business judgment of the fair market value of a share of Redeemable Preferred or Convertible Common, as applicable.

(iv) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common, Convertible Common and Redeemable Preferred, solely for the purpose of effecting the conversion of the shares of Senior Preferred, such number of its shares of Common, Convertible Common and Redeemable Preferred as shall from time to time be sufficient to effect the conversion of all outstanding shares of Senior Preferred; and if at any time the number of authorized but unissued shares of Common, Convertible Common and Redeemable Preferred shall not be sufficient to effect the conversion of all outstanding shares of Senior Preferred, the Corporation will take such corporate action as may, in the opinion of counsel, be necessary to increase its authorized but unissued shares of Common, Convertible Common and Redeemable Preferred to such number of shares as shall be sufficient for such purpose, and to reserve the appropriate number of shares of Common, Convertible Common and Redeemable Preferred for issuance upon such conversion.

(v) No Closing of Transfer Books. The Corporation shall not close its books against the transfer of shares of Senior Preferred in any manner that would interfere with the timely conversion of any shares of Senior Preferred.

(d) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.G(2) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Senior Preferred against impairment.

3. Approval of Senior Preferred. So long as any shares of Senior Preferred shall be outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the Senior Majority:

(a) Preferred Terms. Amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would adversely affect the rights, powers, preferences or privileges of the holders of Senior Preferred or Redeemable Preferred (including, without limitation, increasing the total number of shares of Senior Preferred and Redeemable Preferred that the Corporation shall have the authority to issue); provided, however, that for the avoidance of doubt, any such amendments or

alterations that adversely affect only the rights of the Convertible Common or Common without regard to the rights of the Senior Preferred or Redeemable Preferred shall not require the separate consent of the holders of the Senior Preferred; provided further however, that (i) increasing the number of authorized shares of Common or of any series of Preferred junior in dividend, liquidation and redemption rights to the Senior Preferred and Redeemable Preferred or (ii) creating new series of Preferred junior in dividend, liquidation and redemption rights to the Senior Preferred and Redeemable Preferred, shall in either case not be deemed to adversely alter, modify, change or affect the terms, rights, powers, preferences or privileges of the holders of Senior Preferred or Redeemable Preferred and therefore shall not require the approval of the Senior Preferred voting as a class;

(b) Create a New Senior Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences senior or *pari passu* to the Senior Preferred or Redeemable Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges (other than voting, approval and conversion rights), (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights repurchase, any Securities other than, in the case of all of the above actions, stock junior to the Senior Preferred and Redeemable Preferred in preference and priority as to liquidation preference, redemption, dividends or assets and as to any otherrights, powers, preferences or privileges (other than voting, approval and conversion rights) or (C) permit any subsidiary of the Corporation to issue any capital stock, or securities convertible into or exercisable or exchangeable for capital stock or other securities of such subsidiary, to any person or entity other than the Corporation; or

(c) Payment of Dividends. Purchase or redeem, or pay any dividend with respect to, or make any distributions on, any shares of capital stock of theCorporation, other than (A) dividends payable to the Senior Preferred as required pursuant to Section IV.G.l, (B) dividends payable solely in shares of Common, (C) the redemption of Preferred as expressly set forth herein, provided that the holders of any series of stock other than the Senior Preferred and Redeemable Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full, or (D) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at a price not to exceed the then-current fair market value thereof as approved by the Board of Directors (not to exceed 20,000 shares in any given calendar year, including in such total any shares redeemed from any subsidiary of the Corporation).

4. Future Financings.

(a) Preemptive Right. The Corporation grants to each holder of shares of Senior Preferred (each, a **"Senior Preferred Holder"**) a preemptive right to purchase such Senior Preferred Holder's pro-rata share, as defined below, of any Securities proposed to be issued by the Corporation subsequent to the date hereof. Such Senior Preferred Holder's **"pro-rata share"** shall be that portion of the Securities proposed to be issued which bears the same relation to all of the Securities proposed to be issued as the number of shares of Convertible Common held by such Senior Preferred Holder (assuming a conversion of the Senior Preferred on such date pursuant to paragraph IV.G(2)) bear to all outstanding shares of the Common (assuming for the purposes of such calculation the conversion of all outstanding securities which are convertible into Common without payment of additional consideration, and the total number of shares of Convertible Common that would be issuable assuming a conversion of Senior Preferred on such date pursuant to paragraph IV.G(2), including those held by the Senior Preferred Holder), all determined immediately prior to the offering of the Securities. For the avoidance of doubt, the preemptive right in this paragraph IV.G(4) shall recombined, if applicable, with those preemptive rights set forth in paragraphs IV.D(5)(a) and IV.E(5)(a) if such Senior Preferred Holder also is a Major Series A Holder or Series B/C/D/E/F Holder such that, (i) pursuant to this paragraph IV.G(4), the Senior Preferred Holder will receive a preemptive right for its pro rata share based on its ownership of Senior Preferred, (ii) pursuant to paragraph IV.D(5)(a), its pro rata share based on its ownership of Series A Preferred, and (iii) pursuant to paragraph IV.E(5)(a), its pro rata share based on its ownership of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred.

(b) Notice. In the event that the Corporation proposes to undertake an issue of Securities, it shall deliver to each Senior Preferred Holder written notice of its intention, describing such Securities, specifying each Senior Preferred Holder's pro-rata share and stating the purchase price and other terms upon which it proposes to issue the same (the **"Senior Preferred Option Notice"**). For a period of twenty (20) days following the receipt of the Senior Preferred Option Notice, each Senior Preferred Holder shall have the right to elect, by written notice to the Corporation, to purchase all or any portion of such Senior Preferred Holder's pro rata share of the Securities described in the Senior Preferred Option Notice. The closing of any sale pursuant to this paragraph IV.G(4)(b) shall occur within ninety (90) days of the date that the Senior Preferred Option Notice is given.

(c) Sale by the Corporation. If all of the Securities are not elected to be purchased or acquired as provided in paragraph IV.G(4)(b) then, during the 90 day period following the expiration of the periods set forth in paragraph IV.G(4)(b), the Corporation may sell, free of any preemptive right on such Senior Preferred Holder's part, the portion of such Senior Preferred Holder's pro-rata shares not purchased pursuant to such preemptive right, upon the same terms specified in the Senior Preferred Option Notice. If the Corporation does not enter into an agreement for the sale of the Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Securities shall not be offered unless first reoffered to the Senior Preferred Holders in accordance with this paragraph IV.G(4).

(d) Exceptions. The preemptive right granted under this Paragraph IV.G(4) shall not apply to (i) the Excluded Stock or (ii) Securities issued for non-cash consideration, or as a so-called “equity feature” (such as a warrant) of transaction primarily involving debt securities or indebtedness for borrowedmoney, or pursuant to a merger or acquisition transaction, in each case, approved by a Qualified Board Approval.

5. Notice; Adjustments; Waivers.

(a) Liquidation Events, Etc. In the event (i) the Corporation establishes a record date to determine the holders of any class of securities who are entitled to receive any dividend or other distribution (other than pursuant to IV.G(1) or IV.H(l)) or who are entitled to vote at a meeting (or by written consent) in connection with any of the transactions identified in clause (ii) hereof, or (ii) any Liquidation Event, Significant Transaction or Offering becomes reasonably likely to occur, the Corporation shall use commercially reasonable efforts to provide written notice to each holder of Senior Preferred at least ten (10) days prior to such record date specified therein or the expected effective date of any such transaction, whichever is earlier, a notice specifying (A) the date of such record date for the purpose of such dividend or distribution or meeting or consent and a description of such dividend or distribution or the action to be taken at such meeting or by such consent, (B) the date on which any such Liquidation Event, Significant Transaction or Offering is expected to become effective, and (C) the date on which the books of the Corporation shall close or a record shall be taken with respect to any such event. Such notice shall be accompanied by a certificate prepared by the chief financial officer of the Corporation describing in reasonable detail (l)the facts of such transaction, (2) the amount(s) per share of Senior Preferred, Redeemable Preferred or Common each holder of Senior Preferred would receive pursuant to the applicable provisions of this Certificate of Incorporation (or if such amounts are unknown, a reasonable estimate or range of such amounts), and (3) the facts upon which such amounts were determined.

(b) Adjustments; Calculations. Upon the occurrence of each adjustment or readjustment of the Common Conversion Rate or the Redeemable Conversion Rate, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Senior Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. All such calculations shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share as the case may be.

(c) Waiver of Notice. The holders of a Senior Majority may, at anytime upon written notice to the Corporation, waive any notice or certificate delivery provisions specified herein for the benefit of such holders, and any such waiver shall be binding upon all holders of such securities.

(d) Other Waivers. The holders of a Senior Majority may, at any time upon written notice to the Corporation, waive compliance by the Corporation with any term or provision herein, provided that any such waiver does not affect any holder of outstanding shares of Senior Preferred in a manner materially different than any other holder, and any such waiver shall be binding upon all holders of Senior Preferred and their respective transferees.

(e) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Senior Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of "electronic transmission" (as such term is defined in Section 232(c)of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

6. No Re issuance of Senior Preferred. No share or shares of Senior Preferred acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

H. Terms of Redeemable Preferred.

There is hereby created a series of Three Hundred and Fifty Thousand (350,000) shares of Preferred designated "Redeemable Preferred" (the **"Redeemable Preferred"**) having the following powers, preferences and relative participating, optional or other special rights disqualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

1. Redeemable Preferred Dividends. The holders of Redeemable Preferred shall be entitled to receive cumulative dividends at the rate of 12% of the applicable Redeemable Preferred Base Amount (as defined below) per share per annum (approximately adjusted for any stock splits, dividends, combinations, recapitalization and the like) on each outstanding share of Redeemable Preferred payable in cash out of funds legally available therefore (the **"Redeemable Preferred Dividend"**), which dividends shall accrue and accumulate daily and be compounded quarterly, whether or not such dividends are declared by the Board of Directors or paid. The Board of Directors shall have the right to pay any portion of the accrued Redeemable Preferred Dividend at any time and the Redeemable Preferred Dividend shall be payable only when, as and if declared by the Board of Directors, but the Redeemable Preferred Dividend shall be payable in preference to any declaration or payment of any dividend on the Other Junior Stock. The **"Redeemable Preferred Base Amount"** initially equals $1,000 per share (appropriately adjusted for any

stock splits, dividends, combinations, recapitalization and the like) (the **"Redeemable Preferred Original Issue Price"**)but will include all accrued, but unpaid dividends on the Redeemable Preferred (collectively, **"Redeemable Accrued Dividends"**) as of the applicable date of determination on the Redeemable Preferred After the foregoing dividends on the Redeemable Preferred shall have been paid, then the Corporation may(when, as and if declared by the Board of Directors) declare and distribute dividends among the holders of the other series of Preferred and the holders of Common pro rata based on the number of shares of Common held by each, determined on an as- if- converted basis(assuming full conversion of all such Convertible Common) as of the record date with respect to the declaration of such dividends.

2. Redemption of Redeemable Preferred.

(a) Optional Redemption by Holders; Redemption Date. On or after the date that is six years from the Effective Date, the holders of at least a majority of the outstanding shares of Redeemable Preferred (a **"Redeemable Preferred Majority"**) (or, to the extent that the Redeemable Preferred has not been converted as of a Redeemable Preferred Redemption Date (as defined below), a SeniorMajority) may elect to have all of the then (or the to-be) outstanding shares of Redeemable Preferred redeemed (a **"Redeemable Preferred Election"**). In suchevent, the Corporation shall, to the extent not prohibited by applicable law, redeem that number of shares of Redeemable Preferred as requested by the Redeemable Preferred Majority (or Senior Majority, as applicable) for an amount in cash per share equal to the Redeemable Preferred Redemption Price (as defined below). Without limiting the provisions of paragraph IV.H(2)(d) and also the Corporation' selection below to make payments in 1/2 or 1/3 tranches, upon such event, the Corporation shall apply its assets to any such redemption, except to the extent prohibited by applicable law. Any elections by the Redeemable Preferred Majority(or Senior Majority, as applicable) pursuant to this IV.H(2)(a) shall be made by written notice to the Corporation and the other then or potential future holders of Redeemable Preferred (which may be delivered beginning at any time from an dafter the five and a half year (5) year anniversary of the Effective Date) and at least one hundred eighty (180) days prior to the elected redemption date (suchelected date, a **"Redeemable Preferred Redemption Date"**). Such election shall bind all holders of Redeemable Preferred. Notwithstanding the foregoing, upon receipt of any Redeemable PreferredElection, the Corporation may elect (via notice sent within thirty (30) days after such receipt): (i) to redeem for cash on the original Redeemable Preferred Redemption Date no less than one-half (1/2) of the shares of Redeemable Preferred, and to redeem for cash on the date that is six (6) months after the original Redeemable Preferred Redemption Date the remainder of the shares of Redeemable Preferred (and each such date of payment shall be deemed a" Redeemable Preferred Redemption Date" with respect to such shares); or (ii) to redeem for cash on the original Redeemable Preferred Redemption Date no less than one-third (1/3) of the shares of Redeemable Preferred, to redeem for cash on the date that is six (6) months after the original Redeemable Preferred Redemption Date one-third (1/3) of the shares of Redeemable Preferred, and to redeem for cash

on the date that is twelve (12) months after the original Redeemable Preferred Redemption Date the remainder of the shares of Redeemable Preferred (and each such date of payment shall be deemed a **"Redeemable Preferred Redemption Date"** with respect to such shares); provided, in each of (i) and (ii), that dividends will continue to accrue on any outstanding shares of Redeemable Preferred in accordance with paragraph IV.H(l) until fully paid.

(b) Optional Redemption by Corporation; Redemption Date. Subject to paragraph IV.H(2)(a), at anytime, the Corporation may irrevocably elect to redeem all of the then-outstanding shares of Redeemable Preferred (a **"corporation Election"**). In such event, the Corporation shall, to the extent not prohibited by applicable law, redeem such shares of Redeemable Preferred for an amount in cash per share equal to the Redeemable Preferred Redemption Price. Without limiting the provisions of paragraph IV.H(2)(d) and also the Corporation' selection below to make payments in 1/2 or 1/3 tranches, upon such event, the Corporation shall apply its assets to any such redemption, except to the extent prohibited by applicable law. Any election by the Corporation pursuant to this paragraph IV.H(2)(b) shall be made by written notice to the holders of Redeemable Preferred at least thirty (30) days prior (but no more than ninety (90) days prior) to the elected redemption date (such elected date, a **"Redeemable Preferred Redemption Date"**). Such election shall bind all holders of Redeemable Preferred Notwithstanding the foregoing, the Corporation may elect in its Corporation Redemption Election: (i) to redeem for cash one-half (1/2) of the shares on the original Redeemable Preferred Redemption Date, and to redeem for cash on the date that is six (6) months after the original Redeemable Preferred Redemption Date the remainder of the shares of Redeemable Preferred (and each such date of payment shall be deemed a "Redeemable Preferred Redemption Date" with respect to such shares); or (ii) to redeem for cash on an original Redeemable Preferred Redemption Date no less than one-third (1/3) of the shares of Redeemable Preferred, to redeem for cash on the date that is six (6) months after the original Redeemable Preferred Redemption Date one-third (1/3) of the shares of Redeemable Preferred, and to redeem for cash on the date that is twelve (12) months after the original Redeemable Preferred Redemption Date the remainder of the shares of Redeemable Preferred (and each such date of payment shall be deemed a "Redeemable Preferred Redemption Date" with respect to such shares); provided, in each of (i) and (ii), that dividends will continue to accrue on any outstanding shares of Redeemable Preferred in accordance with paragraph IV.H(l) until fully paid.

(c) Redemption Price. The price for each share of Redeemable Preferred (the **"Redeemable Preferred Redemption Price"**) shall be an amount equal to the Redeemable Preferred Preference Amount. The aggregate Redeemable Preferred Redemption Price shall be payable in cash in immediately available funds to the respective holders of Redeemable Preferred on the Redeemable Preferred Redemption Date.

(d) Insufficient Funds. Except to the extent prohibited by applicable law, the Corporation shall use its best efforts to effect the redemption of the applicable shares of Redeemable Preferred on the Redeemable Preferred Redemption Date, including, without limitation, (i) take any action necessary or appropriate, to the extent lawful and reasonably within its control, to remove promptly any impediments to its ability to redeem the total number of shares of Redeemable Preferred required to be so redeemed, including, without limitation, (A) to the extent permissible under applicable law, reducing the stated capital of the Corporation or causing a revaluation of the assets of the Corporation under Section 154 of the General Corporation Law to create sufficient surplus to make such redemption, (B) raising equity financing necessary to make such redemption and (C) modifying any existing indebtedness of the Corporation or incurring any indebtedness necessary to make such redemption, and (ii) in any event, use any funds that are legally available to redeem the maximum possible number of such shares from the holders of such shares to be redeemed in proportion to the respective number of such shares that otherwise would have been redeemed if all such shares had been redeemed in full In the event that all such shares are not redeemed on the applicable Redeemable Preferred Redemption Date, the Corporation shall continue to use such best efforts and at any time thereafter when additional funds of the Corporation are legally available to redeem such shares of Redeemable Preferred, the Corporation shall immediately use such funds to redeem the balance of the shares that the Corporation became obligated to redeem on the Redeemable Preferred Redemption Date (but which it has not yet redeemed).

(e) Interest. If any shares of Redeemable Preferred are not redeemed on the Redeemable Preferred Redemption Date for any reason for six (6) months, all such unredeemed shares shall remain outstanding and entitled to all the rights, powers and preferences provided herein, and the Corporation shall pay interest on the Redeemable Preferred Redemption Price applicable to such unredeemed shares (retroactive to the Redeemable Preferred Redemption Date) at an aggregate per annum rate equal to 1 percent (1%) (increased by 1% at the end of each six (6) month period thereafter until the Redeemable Preferred Redemption Price, and any interest thereon, is paid in full), with such interest to accrue daily in arrears and to be compounded quarterly; provided, however, that in no event shall such interest exceed the lower of (x) ten percent (10%) and (y) the maximum permitted rate of interest under applicable law provided that the Corporation shall take all actions as may be necessary, including without limitation, making any applicable governmental filings, to cause the Maximum Permitted Rate to be the highest possible rate (the lower of (x) and (y), "Maximum Permitted Rate"). In the event that fulfillment of any provision hereof results in such rate of interest being in excess of the Maximum Permitted Rate, the amount of interest required to be paid hereunder shall automatically be reduced to eliminate such excess; provided, however, that any subsequent increase in the maximum permitted rate of interest under applicable law (provided that such increase does not cause the interest rate to be greater than ten percent (10%)) shall be retroactively effective to the applicable Redeemable Preferred Redemption Date to the extent permitted by law. In no event shall the interest rate provided in this paragraph IV.H(2) exceed twenty-two percent (22%).

(f) Rights After Redemption Date. Without limitation of paragraph IV.H(2)(e), in the event that shares of Redeemable Preferred are not redeemed on the Redeemable Preferred Redemption Date for any reason and continue to be outstanding, such shares shall continue to be entitled to all the powers, preferences and rights of the Redeemable Preferred until the date on which the Corporation actually redeems such shares and the applicable Redeemable Preferred Redemption Price shall be adjusted upward as applicable with respect to accruing and accumulating dividends.

(g) Surrender of Certificates. Each holder of shares of Redeemable Preferred to be redeemed shall surrender the certificate or certificates representing such shares to the Corporation, duly endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, at the principal executive office of the Corporation. Each surrendered certificate shall be canceled and retired and the Corporation shall thereafter make payment of the applicable Redeemable Preferred Redemption Price by certified check or wire transfer and, in the event that less than all of the shares of Redeemable Preferred represented by a certificate are redeemed, the Corporation shall issue a new certificate evidencing the unredeemed shares of Redeemable Preferred. In furtherance of the foregoing, in the event that all shares of Redeemable Preferred are not redeemed on the Redeemable Preferred Redemption Date for any reason, each such holder shall, in addition to receiving the payment of the portion of the aggregate Redeemable Preferred Redemption Price applicable to the shares of Redeemable Preferred so redeemed, receive a new stock certificate for those shares of Redeemable Preferred not so redeemed.

(h) Redemption Request Prior to Conversion. A written redemption request made by the Corporation to the holders of Senior Preferred, or by a Senior Majority to the Corporation, proposing to convert the Senior Preferred in order to effect a redemption of the Redeemable Preferred received upon such conversion, shall apply to the as-converted number of shares of Redeemable Preferred if the Senior Preferred is converted into Redeemable Preferred and Convertible Common after such request has been made and immediately prior to such redemption (including via automatic conversion), with references to Redeemable Preferred Majority in this paragraph IV.H(2) to refer to the Senior Majority prior to such conversion.

(i) Certain Approvals. In the event leading up to or after a Redeemable Preferred Redemption Date, the Corporation would need to seek an approval from the Senior Preferred or Redeemable Preferred for any action pursuant to IV.G(3) or IV.H(3)that will directly enable the Corporation to raise the funds for the complete

redemption pursuant to this IV.H(2), such Senior Preferred or Redeemable Preferred approval will not be necessary provided that any such action requiring consent shall be conditioned on payment in full of the Redeemable Preferred Redemption Price in cash on the effective date of such action and such payment is made on such date and holders of Redeemable Preferred have no ongoing exposure or liability with respect to the payment of the Redeemable Preferred Redemption Price.

3. Approval of Redeemable Preferred. So long as any shares of Redeemable Preferred shall be outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the holders of not less than a majority of the outstanding shares of Redeemable Preferred:

(a) Preferred Terms. Amend, alter or repeal any provision of this Certificate of Incorporation or any provision of the Bylaws of the Corporation in any manner that would adversely affect the rights, powers, preferences or privileges of the holders of Redeemable Preferred (including, without limitation, increasing the total number of shares of Redeemable Preferred that the Corporation shall have the authority to issue); provided, however, that for the avoidance of doubt, any such amendments or alterations that adversely affect only the rights of the Convertible Common or Common without regard to the rights of the Redeemable Preferred shall not require the separate consent of the holders of the Redeemable Preferred; provided further however, that (i) increasing the number of authorized shares of Common or of any series of Preferred junior in dividend, liquidation and redemption rights to the Redeemable Preferred or (ii) creating a new series of Preferred junior in dividend, liquidation and redemption rights to the Redeemable Preferred, shall, in either case, not be deemed to adversely alter, modify, change or affect the terms, rights, powers, preferences or privileges of the holders of Redeemable Preferred and therefore shall not require the approval of the Redeemable Preferred voting as a class;

(b) Create a New Senior Class. (A) Adopt any Series Resolution or create any new class or series of Securities having preferences senior or *paripassu* to the Redeemable Preferred as to liquidation preference, redemption, dividends or assets or as to any other rights, powers, preferences or privileges (other than voting, approval and conversion rights), (B) authorize or issue any Securities of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any Securities other than, in the case of all of the above actions, stock junior to the Redeemable Preferred in preference and priority as to liquidation preference, redemption, dividends or asset sand as to any other rights, powers, preferences or privileges (other than voting, approval and conversion rights) or (C) permit any subsidiary of the Corporation to issue any capital stock, or securities convertible into or exercisable or exchangeable for capital stock or other securities of such subsidiary, to any person or entity other than the Corporation; or

(c) Payment of Dividends. Purchase or redeem, or pay any dividend with respect to, or make any distributions on, any shares of capital stock of the Corporation, other than (A) dividends payable to the Redeemable Preferred as required pursuant to Section IV.H.l, (B) dividends payable solely in shares of Common, (C) the redemption of Preferred as expressly set forth herein, provided that the holders of any series of stock other than the Senior Preferred and Redeemable Preferred shall not have the right to request a redemption if an election to redeem Redeemable Preferred has been made and such redemption of Redeemable Preferred has not yet been consummated and paid in full, or (D) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at a price not to exceed the then-current fair market value thereof as approved by the Board of Directors (not to exceed 20,000 shares in any given calendar year, including in such total any shares redeemed from any subsidiary of the Corporation).

4. [Reserved.]

5. Notice; Waivers.

(a) Liquidation Events Etc. In the event (i) the Corporation establishes a record date to determine the holders of any class of securities who are entitled to receive any dividend or other distribution (other than pursuant to IV.G(1) or IV.H(l)) or who are entitled to vote at a meeting (or by written consent) in connection with any of the transactions identified in clause (ii) hereof, or (ii) any Liquidation Event, Significant Transaction or Offering becomes reasonably likely to occur, the Corporation shall use commercially reasonable efforts to provide written notice to each holder of Redeemable Preferred at least ten (10) days prior to such record date specified therein or the expected effective date of any such transaction, whichever is earlier, a notice specifying (A) the date of such record date for the purpose of such dividend or distribution or meeting or consent and a description of such dividend or distribution or the action to be taken at such meeting or by such consent, (B) the date on which any such Liquidation Event, Significant Transaction or Offering is expected to become effective, and (C) the date on which the books of the Corporation shall close or a record shall be taken with respect to any such event. Such notice shall be accompanied by a certificate prepared by the chief financial officer of the Corporation describing in reasonable detail (1) the facts of such transaction, (2) the amount(s) per share of Redeemable Preferred or Common each holder of Redeemable Preferred would receive pursuant to the applicable provisions of this Certificate of Incorporation (or, if such amounts are unknown, a reasonable estimate or range of such amounts), and (3) the facts upon which such amounts were determined.

(b) Waiver of Notice. A Redeemable Preferred Majority may, at anytime upon written notice to the Corporation, waive any notice or certificate delivery provisions specified herein for the benefit of such holders, and any such waiver shall be binding upon all holders of such securities.

(c) Other Waivers. A Redeemable Preferred Majority may, at any time upon written notice to the Corporation, waive compliance by the Corporation with any term or provision herein, provided that any such waiver does not affect any holder of outstanding shares of Redeemable Preferred in a manner materially different than any other holder, and any such waiver shall be binding upon all holders of Redeemable Preferred and their respective transferees.

(d) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Redeemable Preferred shall be deemed given if (i) mailed, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation or (ii) given by email or other form of "electronic transmission" (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

6. No Reissuance of Redeemable Preferred. No share or shares of Redeemable Preferred acquired by the Corporation by reason of redemption, purchase, conversion, exchange or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation is authorized to issue.

I. **Convertible Common**

1. [Reserved.]

2. **Terms of Convertible Common.**

The shares designated as Convertible Common shall have the following powers, special rights and qualifications, limitations or restrictions thereof in addition to those otherwise specified in this Certificate of Incorporation.

(a) Dividends. Subject to the payment in full of all preferential dividends to which the holders of Senior Preferred, Redeemable Preferred, Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred, Series F Preferred and Junior Series-1 Preferredare entitled and the other restrictions hereunder, if the Board of Directors issues dividends to the holders of Common, the holders of Convertible Common shall be entitled to participate on a pari passu basis in any such dividends with the holders of Common on an as-if converted to Common basis.

(b) Redemption of Convertible Common.

(i) Optional Redemption by Holders; Redemption Date. At anytime (x) immediately prior to and from and after a Significant Transaction (unless the Senior Preferred is paid the full Senior Preference Amount), (y) on or after the date that is six years from the Effective Date, or (z) immediately prior to an Offering, the holders of at least a majority of the

outstanding shares of Convertible Common, voting together as a separate class (a **"Convertible Common Majority"**) (or, to the extent that the Convertible Common has not been converted as of a Convertible Common Redemption Date (as defined below), a Senior Majority) may elect to have all of the then (or the to-be) outstanding shares of Convertible Common redeemed (each a **"Convertible Common Election"**). In connection with any Convertible Common Election, the Corporation shall, to the extent not prohibited by applicable law, redeem that number of shares of Convertible Common as requested by the Convertible Common Majority (or Senior Majority, as applicable) for an amount in cash per share equal to the Convertible Common Redemption Price (as defined below). Without limiting the provisions of paragraph IV.I(2)(b)(iv) and also the Corporation' selection below to make payments in 1/2 or 1/3 tranches, upon such event, the Corporation shall apply its assets to any such redemption, except to the extent prohibited by applicable law. Any elections by the Convertible Common Majority (or Senior Majority, as applicable) pursuant to this paragraph IV.I(2)(b)(i) shall be made by written notice to the Corporation and the other then or potential future holders of Convertible Common, which may be delivered (A) at any time immediately prior to or after a Significant Transaction, (B) five (5) days prior to the expected Offering or (C) at any time from and after the five and a half (51/2) year anniversary of the Effective Date (a **"Time Based Election"**) and, with respect only to a Time Based Election, at least one hundred eighty (180) days prior to the elected redemption date (each such elected date, a **"Convertible Common Redemption Date"**). Such election shall bind all current and future holders of Convertible Common. Not with standing thefore going, upon receipt of any Convertible Common Election pursuant to clause (y) above, the Corporation may elect (via notice sent within twenty(20) days after such receipt): (i) to redeem for cash on the original Convertible Common Redemption Date no less than one-half (1/2) of the shares of Convertible Common, and to redeem for cash on the date that is six (6) months after the original Convertible Common Redemption Date the remainder of the shares of Convertible Common (and each such date of payment shall be deemed a **"Convertible Common Redemption Date"** with respect to such shares); or (ii) to redeem for cash on the original Convertible Common Redemption Date no less than one-third (1/3) of the shares of Convertible Common, to redeem for cash on the date that is six(6) months after the original Convertible Common Redemption Date one-third (1/3) of the shares of Convertible Common, and to redeem for cash on the date that is twelve (12) months after the original Convertible Common Redemption Date the remainder of the shares of Convertible Common (and each such date of payment shall be deemed a **"Convertible Common Redemption Date"** with respect to such shares).

(ii) Optional Redemption by Corporation; Redemption Date. Subject to paragraph IV.I(2)(b)(i), conditioned upon and coterminous with the occurrence of a Significant Transaction, the Corporation may irrevocably elect to redeem all of the then-outstanding shares of Convertible Common (a **"Corporation Convertible Common Redemption Election"**). In such event, the Corporation shall redeem such shares of Convertible Common for an amount in cash per share equal to the Convertible Common Redemption Price on the date of the consummation of such Significant Transaction (such elected date, the **"Convertible Common Redemption Date"**).

(iii) Redemption Price Calculations.

(A) Redemption Price. The price for each share of Convertible Common (the **"Convertible Common Redemption Price"**) shall be an amount equal to the product of (A) the Common Stock Adjustment Rate (as defined below), and (B) the difference between (i) the Equity Value Per Share (as defined below) as of the Convertible Common Redemption Date and (ii) $47.7561(appropriately adjusted for any stock splits, dividends, combinations, recapitalizations and the like) (the **"Convertible Common Issue Price"**).

The **"Common Stock Adjustment Rate"** is equal to the quotient of (A) the Convertible Common Issue Price, divided by (B) the Convertible Common Conversion Price in effect as of the date of conversion. The initial **"Convertible Common Conversion Price"** per share for shares of Convertible Common shall be $47.7561, subject to adjustment as set forth in paragraph IV.I(2)(f).

(B) The term **"Equity Value Per Share"** means a good faith calculation of the consideration to be received per share of Common in the event of a Liquidation Event or Significant Transaction or, in the event of an Offering, the consideration to be received by the Corporation per share of Common in the Offering, provided that if a redemption is not in connection with such an event or no such value is otherwise reasonably determinable, then it shall mean the quotient of (i) the Equity Valuation (as defined below), divided by (ii) the Fully Diluted Capital Stock Number (as defined below), in each case as of the Convertible Common Redemption Date.

(C) The term **"Equity Valuation"** means: (i) the Enterprise Valuation (as defined below), less (ii) total indebtedness for borrowed money (excluding the capital lease obligations, if any), less (iii) the total aggregate Redeemable Preferred Preference Amount (to the extent not paid prior to the date of determination), plus (iv) cash and cash equivalents (net of related transaction expenses, including advisory fees), such amount to also include the exercise price of all outstanding warrants and stock options.

(D) The term **"Fully Diluted Capital Stock"** means the fully-diluted number of outstanding shares as of the Convertible Common Redemption Date (using the treasury method and including, without limitation, any stock options, warrants or other securities convertible into or exercisable for shares of the Corporation's capital stock).

(E) The term **"Agreed Method"** shall mean the valuation as mutually agreed upon by the Corporation and the Convertible Common Majority provided that if the Corporation and the Convertible Common Majority fail to reach agreement within a 5-day period, the calculation shall be determined by appraisal as set forth as follows. The Corporation and the Convertible Common Majority shall select a mutually agreeable appraiser to determine the valuation, with such determination to be binding on all concerned. If the Corporation and the Convertible Common Majority shall fail to agree on the selection of such appraiser within five (5) days following the expiration of the 5-day period specified above, then the Corporation shall select one independent appraiser and the Convertible Common Majority shall select another independent appraiser and such appraisers shall promptly designate a third independent appraiser which shall determine calculation. The calculation under such circumstances shall be the calculation arrived at by the third appraiser within twenty (20) days following its appointment. The calculation determination shall be conclusive, final and binding on all parties hereto and shall be enforceable in any court having any jurisdiction over a proceeding brought to seek enforcement. All fees and expenses incurred in connection with an appraisal under this definition shall be borne fifty percent (50%) by the Corporation and fifty percent (50%) by the holders of the Convertible Common.

(F) The term **"Enterprise Valuation"** shall mean the enterprise valuation of the Corporation as calculated via the Agreed Method. The calculation shall be determined on the basis of the following assumptions: (i) "fully diluted" basis (such dilution to be determined in accordance with generally accepted accounting principles consistently applied) shall be calculated as if the Senior Preferred (or, if applicable, the Redeemable Preferred) was paid off via liquidation and the Common (on an as-converted basis) was sold as part of an arms-length sale of all of the capital stock of the Corporation; (ii) as though all outstanding securities which are then convertible into, exercisable for or exchangeable into shares of Common (including, without limitation, vested options and warrants) had been converted into, exercised for or exchanged into Common and any amounts payable upon such conversion, exercise or exchange paid to the Corporation, including for these purposes an

amount per share of Convertible Common equal to $47.7561 per share (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like) and that such Convertible Common were converted to Common at the Common Stock Adjustment Rate, (iii) without any reduction in value for lack of control or the inherent lack of liquidity of non-public minority interests; (iv) giving full effect to the revenue and, if applicable, earnings history and prospects of the Corporation; and (v) otherwise on a basis which values all Common at the same per share price.

(G) Notwithstanding the foregoing, in the event that the sum of the Convertible Common Redemption Price and any Redeemable Preferred Preference Amount paid to the holders of Redeemable Preferred as of the date of the Convertible Common Redemption Date (or in the event the Redeemable Preferred Preference Amount that has not been paid to holders of Redeemable Preferred as of such date, the amount equal to the Redeemable Preferred Preference Amount that would be payable to holders of Redeemable Preferred if such amount was payable on the Convertible Common Redemption Date) (such sum, the **"Aggregate Value"**) is more than the Threshold Amount (as defined below), then the Convertible Common Redemption Price shall be reduced (but in no event below zero) by an amount equal to sixty percent (60.0%) of the Aggregate Value in excess of the Threshold Amount. The term **"Threshold Amount"** shall mean, as of a given date, the greater of: (i) $95.5122 (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like) and (ii) an amount equal to a cumulative internal rate of return (IRR) equal to fifteen percent (15%) per annum (accrued daily and compounded quarterly from October 1,2019) on the Senior Original Issue Price (such amount to be adjusted appropriately for stock splits, dividends, combinations, recapitalizations and the like), calculated as of the Convertible Common Redemption Date.

(iv) Insufficient Funds. Except to the extent prohibited by applicable law, the Corporation shall use its best efforts to effect the redemption of the applicable shares of Convertible Common on the Convertible Common Redemption Date, including, without limitation, (i) take any action necessary or appropriate, to the extent lawful and reasonably within its control, to remove promptly any impediments to its ability to redeem the total number of shares of Convertible Common required to be so redeemed, including, without limitation, (A) to the extent permissible under applicable law, reducing the stated capital of the Corporation or causing a revaluation of the assets of the Corporation under Section 154 of the Delaware General Corporation Law to create sufficient surplus to make

such redemption, (B) raising equity financing necessary to make such redemption and (C) modifying any existing indebtedness of the Corporation or incurring any indebtedness necessary to make such redemption, and (ii) in any event, use any funds that are legally available to redeem the maximum possible number of such shares from the holders of such shares to be redeemed in proportion to the respective number of such shares that otherwise would have been redeemed if all such shares had been redeemed in full In the event that all such shares are not redeemed on the applicable Convertible Common Redemption Date, the Corporation shall continue to use such best efforts and at any time thereafter when additional funds of the Corporation are legally available to redeem such shares of Convertible Common, the Corporation shall immediately use such funds to redeem the balance of the shares that the Corporation became obligated to redeem on the Convertible Common Redemption Date (but which it has not yet redeemed).

(v) Interest. If any shares of Convertible Common are not redeemed on the Convertible Common Redemption Date for any reason for six (6) months, all such unredeemed shares shall remain outstanding and entitled to all the rights, powers and preferences provided herein, and the Corporation shall pay interest on the Convertible Common Redemption Price applicable to such unredeemed shares (retroactive to the Convertible Common Redemption Date) at an aggregate per annum rate equal to 1 percent (1%) (increased by 1% at the end of each six (6) month period there after until the Convertible Common Redemption Price, and any interest there on, is paid in full), with such interest to accrue daily in arrears and to be compounded quarterly; provided, however, that in no event shall such interest exceed the lower of (x) ten percent (10%) and (y) the maximum permitted rate of interest under applicable law provided that the Corporation shall take all actions as may be necessary, including without limitation, making any applicable governmental filings, to cause the Maximum Permitted Rate to be the highest possible rate (the lower of (x) and (y), **"Maximum Permitted Rate"**). In the event that fulfillment of any provision hereof results in such rate of interest being in excess of the Maximum Permitted Rate, the amount of interest required to be paid hereunder shall automatically be reduced to eliminate such excess; provided, however, that any subsequent increase in the maximum permitted rate of interest under applicable law (provided that such increase does not cause the interest rate to be greater than ten percent (10%)) shall be retro actively effective to the applicable Convertible Common Redemption Date to the extent permitted by law. In no event shall the interest rate provided in this paragraph IV.I(2)(b) exceed twenty-two percent (22%).

(vi) Rights After Redemption Date. Without limitation of paragraph IV.I(2)(b)(v), in the event that shares of Convertible Commonare not redeemed on the Convertible Common Redemption Date for any reason and continue to be outstanding, such shares shall continue to be entitled to all the powers, preferences and rights of the Convertible Common until the date on which the Corporation actually redeems such shares and the applicable Convertible Common Redemption Price shall be adjusted upward as applicable with respect to accruing and accumulating dividends, if any.

(vii) Surrender of Certificates. Each holder of shares of Convertible Common to be redeemed shall surrender the certificate or certificates representing such shares to the Corporation, duly endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), or, if the holder notifies the Corporation that such certificate(s) are lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, at the principal executive office of the Corporation. Each surrendered certificate shall be canceled and retired and the Corporation shall thereafter make payment of the applicable Convertible Common Redemption Price by certified check or wire transfer and, in the event that less than all of the shares of Convertible Common represented by a certificate are redeemed, the Corporation shall issue a new certificate evidencing the unredeemed shares of Convertible Common. In furtherance of the foregoing, in the event that all shares of Convertible Common are not redeemed on the Convertible Common Redemption Date for any reason, each such holder shall, in addition to receiving the payment of the portion of the aggregate Convertible Common Redemption Price applicable to the shares of Convertible Common so redeemed, receive a new stock certificate for those shares of Convertible Common not so redeemed.

(viii) Redemption Request Prior to Conversion. A written redemption request made by the Corporation to the holders of Senior Preferred, or by a Senior Majority to the Corporation, proposing to convert the Senior Preferred in order to effect a redemption of the Convertible Common received upon such conversion, shall apply to the as-converted number of shares of Convertible Common as if the Senior Preferred is converted into Redeemable Preferred and Convertible Common after such request has been made and immediately prior to such redemption (including via automatic conversion), with references to Convertible Common Majority in this paragraph IV.I(2)(b) to refer to the Senior Majority prior to such conversion.

(ix) Certain Approvals. In the event leading up to or after a Convertible Common Redemption Date, the Corporation would need to seek an approval from the Senior Preferred or Convertible Common for any action pursuant to IV.G(3) or IV.I(2)(e) that will directly enable the Corporation to raise the funds for the complete redemption pursuant to this IV.I(2)(b), such Senior Preferred or Convertible Common approval shall not be necessary provided that any such action requiring consent shall be conditioned on payment in full of the Convertible Common Redemption Price in cash on the effective date of such action and such payment is made on such date and holders of Convertible Common have no ongoing exposure or liability with respect to the payment of the Convertible Common Redemption Price.

(c) Conversion. Shares of Convertible Common shall be convertible into Common in accordance with the following:

(i) Automatic Conversion. Immediately prior to any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, (the **"Liquidation Event"),** Significant Transaction or Offering, if the shares of Convertible Common are not redeemed in connection with such events, then each outstanding share of Convertible Common shall be converted into, without payment of any additional consideration, the number of fully paid and nonassessable shares (or that portion of a share) of Common equal to the product of (x) the Common Stock Adjustment Rate and (y) the quotient of (1) the Convertible Common Redemption Price (for the avoidance of doubt, as calculated pursuant to paragraph IV.I (2)(b), including the application of paragraph IV.I (2)(b)(iii)(G), but in both instances using the date of conversion for such calculations as there will not be a Convertible Common Redemption Date in this circumstance), divided by (2) the Equity Value Per Share (using the date of conversion for such calculation instead of the Convertible Common Redemption Date).

(ii) Procedure for Conversion. Upon any conversion pursuant to paragraph IV.I (2)(c)(i) surrender the certificate or certificates therefor, duly endorsed (or, if the holder notifies the Corporation that such certificate(s) have been lost, stolen or destroyed, an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates) at the Corporation's principal executive office. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Convertible Common a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Convertible Common to be converted, and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(iii) Fractional Shares. No fractional shares of Common shall be issued upon conversion of the Convertible Common. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Board of Directors good faith business judgment of the fair market value of a share of Common.

(iv) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common, solely for the purpose of effecting the conversion of the shares of Convertible Common, such number of its shares of Common as shall, in the reasonable view of the Board of Directors, from time to time be sufficient to effect the conversion of all outstanding shares of Convertible Common; and if at any time the number of authorized but unissued shares of Common shall not be sufficient to effect the conversion of all outstanding shares of Convertible Common, the Corporation will take such corporate action as may, in the opinion of counsel, be necessary to increase the number of its authorized but unissued shares of Common to such number of shares as shall be sufficient for such purpose, and to reserve the appropriate number of shares of Common for issuance upon such conversion.

(v) No Closing of Transfer Books. The Corporation shall not close its books against the transfer of shares of Convertible Common in any manner that would interfere with the timely conversion of any shares of Convertible Common.

(vi) Action. The Corporation will not, by amendment of its charter documents or through any reorganization, recapitalization, consolidation, merger, dissolution, issuance or sale of securities or taking of any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph IV.I (2)(c) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Convertible Common against impairment.

(vii) Expiration. If there are outstanding shares of Convertible Common as of the date that is the fifteenth (15th) anniversary of the Effective Date, such shares shall automatically convert to Common pursuant to the conversion mechanics in paragraph IV.I (2)(c)(i).

(d) [Reserved.]

(e) Covenants. So long as any shares of Convertible Common shall be outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval (by vote or written consent, as provided by law) of the Convertible Common Majority, amend, after or repeal any provision of this paragraph IV.I (2) of the Certificate of Incorporation;

(f) Adjustments. The Convertible Common Conversion Price shall be subject to adjustment from time to time as follows:

(i) If the Corporation shall issue any Common (other than Excluded Stock) **("Additional Common Stock Shares")** or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock) and if the consideration price per share, on an as-converted basis, is less than the Convertible Common Conversion Price as in effect immediately prior to the issuance of such Additional Common Stock Shares (including other securities directly or indirectly convertible into or exchangeable for Common (other than Excluded Stock)), then and in such event, such Convertible Common Conversion Price shall be decreased, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

CP2=CP1 * (A + B) / (A + C)

For purposes of the foregoing formula, the following definitions shall apply:

"CP2" shall mean the Convertible Common Conversion Price in effect immediately after such issue of Additional Common Stock Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common);

"CP1" shall mean the Convertible Common Conversion Price in effect immediately prior to such issue of Additional Common Stock Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common);

"A" shall mean the number of shares of Common outstanding and deemed outstanding immediately prior to such issue of Additional Common Stock Shares (treating for this purpose as outstanding all shares of Common issuable upon exercise or conversion of securities directly or indirectly convertible into or exchangeable for Common outstanding immediately prior to such issue);

"B" shall mean the number of shares of Common that would have been issued if such Additional Common Stock Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common) had been issued at a price per share equal to CP 1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP 1); and

"C" shall mean the number of such Additional Common Stock Shares (or other securities of the Corporation directly or indirectly convertible into or exchangeable for Common) issued in such transaction.

For the purposes of this paragraph IV.I(2)(f), the following provisions shall also be applicable:

(1) In the case of the issuance of Common for cash, the consideration received therefor shall be deemed to be the amount of cash paid therefor without deducting any discounts or commissions paid or incurred by the Corporation in connection with the issuance and sale thereof;

(2) In the case of the issuance of Common for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors;

(3) In the case of the issuance of (i) options to purchase or rights to subscribe for Common (other than Excluded Stock), (ii) securities by their terms convertible or exchangeable for Common (other than Excluded Stock), or (iii) options to purchase or rights to subscribe for such convertible or exchangeable securities:

(v) the aggregate maximum number of shares of Common deliverable upon exercise of such options to purchase or rights to subscribe for Common shall be deemed to be issuable for a consideration equal to the consideration (determined in the manner provided in subdivisions (1) and (2) above), if any, received by the Corporation upon the issuance of such options or rights plus the minimum purchase price provided in such options or rights for the Common covered thereby;

(w) the aggregate maximum number of shares of Common deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to be issuable for a consideration equal to the consideration received by the Corporation for any such securities and related options or rights, plus the additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subdivisions (1) and (2) above);

(x) the aggregate maximum number of shares of Common deliverable upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such options or rights or securities were issued;

(y) any change in the number of shares of Common deliverable upon exercise of any such options or rights or conversion of or exchange for such convertible or exchangeable securities, or on any change in the minimum purchase price of such options, rights or securities and/or the Convertible Common Conversion Price shall forthwith be readjusted to such Convertible Common Conversion Price, as would have obtained had the adjustment (and any subsequent adjustments) made upon (A) the issuance of such options, rights or securities not exercised, converted or exchanged prior to such change, as the case may be, been made upon the basis of such change or (B) the options or rights related to such securities not converted or exchanged prior to such change, as the case may be, been made upon the basis of such change; and

(z) on the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Convertible Common Conversion Price shall forthwith be readjusted to such Convertible Common Conversion Price as would have obtained had the adjustment (and any subsequent adjustments) made upon the issuance of such options, rights, convertible or exchangeable securities or options or rights related to such convertible or exchangeable securities, as the case may be, been made upon the basis of the issuance of only the number of shares of Common actually issued upon the exercise of such options or rights, upon the conversion or exchange of such convertible or exchangeable securities or upon the exercise of the options or rights related to such convertible or exchangeable securities, as the case may be.

(ii) If the number of shares of Common outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common or by a subdivision or split-up of shares of Common, then, on the date such payment is made or such change is effective, the Convertible Common Conversion Price shall be appropriately decreased so that the number of shares of Common issuable on conversion of the Convertible Common shall be increased in proportion to such increase of outstanding shares.

(iii) If the number of shares of Common outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common, then, on the effective date of such combination, the Convertible Common Conversion Price shall be appropriately increased so that the number of shares of Common issuable on conversion of the Convertible Common shall be decreased in proportion to such decrease in outstanding shares.

(iv) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Convertible Common, if such event is not a Significant Transaction, after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Convertible Common into Common. The provisions of this paragraph IV.I(2)(f)(iv) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(v) All calculations under this paragraph IV.I(2)(f) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(vi) Minimal Adjustments. No adjustment in a Convertible Common Conversion Price need be made if such adjustment would result in a change in a Convertible Common Conversion Price of less than $0.01. Any adjustment of less than $0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of $0.01 or more in a Convertible Common Conversion Price.

(g) Future Financings.

(i) Preemptive Right. The Corporation grants to each holder of shares of Convertible Common (each, a **"Convertible Common Holder"**) preemptive right to purchase such Convertible Common Holder's pro-rata share, as defined below, of any Securities proposed to be issued by the Corporation subsequent to the date hereof. Such Convertible Common Holder's **"pro-rata share"** shall be that portion of the Securities proposed to be issued which bears the same relation to all of the Securities proposed to be issued as the shares of Convertible Common held by such Convertible Common Holder bear to all outstanding shares of the Common and Convertible Common combined (assuming for the purposes of such calculation the conversion of all outstanding securities which are

convertible into Common without payment of additional consideration), all determined immediately prior to the offering of the Securities. For the avoidance of doubt, the preemptive right in this paragraph IV.I(2)(g) shall be combined, if applicable, with those preemptive rights set forth in paragraphs IV.D(5)(a) and IV.E(5)(a) if such Convertible Common Holder also is a Major Series A Holder or Series B/C/D/E/F Holder such that, (i) pursuant to this paragraph IV.I(2)(g), the Convertible Common Holder will receive a preemptive right for its pro rata share based on its ownership of Convertible Common, (ii) pursuant to paragraph IV.D(5)(a), its pro rata share based on its ownership of Series A Preferred and (iii) pursuant to paragraph IV.E(5)(a), its pro rata share based on its ownership of Series B Preferred, Series C Preferred, Series D Preferred, Series E Preferred or Series F Preferred (to the extent applicable).

(ii) Notice. In the event that the Corporation proposes to undertake an issue of Securities, it shall deliver to each Convertible Common Holder written notice of its intention, describing such Securities, specifying each Convertible Common Holder's pro-rata share and stating the purchase price and other terms upon which it proposes to issue the same (the **"Convertible Common Option Notice").** For a period of twenty (20) days following the receipt of the Convertible Common Option Notice, each Convertible Common Holder shall have the right to elect, by written notice to the Corporation, to purchase all or any portion of such Convertible Common Holder's pro rata share of the Securities described in the Convertible Common Option Notice. The closing of any sale pursuant to this paragraph IV.I(2)(g)(ii) shall occur within ninety (90) days of the date that the Convertible Common Option Notice is given.

(iii) Sale by the Corporation. If all of the Securities are not elected to be purchased or acquired as provide in paragraph IV. I(2)(g)(ii) then, during the 90 day period following the expiration of the periods set forth in paragraph IV. I(2)(g)(ii), the Corporation may sell, free of any preemptive right on such Convertible Common Holder's part, the portion of such Convertible Common Holder's pro-rata shares not purchased pursuant to such preemptive right, upon the same terms specified in the Convertible Common Option Notice. If the Corporation does not enter into an agreement for the sale of the Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Securities shall not be offered unless first reoffered to the Convertible Common Holders in accordance with this paragraph IV.I(2)(g).

(iv) Exceptions. The preemptive right granted under this Paragraph IV.I(2)(g) shall not apply to (i) the Excluded Stock or (ii) Securities issued for non-cash consideration, or as a so-called "equity feature" (such as a warrant) of a transaction primarily involving debt securities or indebtedness for borrowed money, or pursuant to a merger or acquisition transaction, in each case, approved by a Qualified Board Approval.

(h) Notice; Adjustments; Waivers.

(i) Liquidation Events, Etc. In the event (i) the Corporation establishes a record date to determine the holders of any class of securities who are entitled to vote at a meeting (or by written consent) in connection with any of the transactions identified in clause (ii) hereof, or (ii) any Liquidation Event, Significant Transaction or Offering becomes reasonably likely to occur, the Corporation shall use commercially reasonable efforts to provide written notice to each holder of Convertible Common at least ten (10) days prior to such record date specified therein or the expected effective date of any such transaction, whichever is earlier, a notice specifying (A) the date of such record date for the purpose of such meeting or consent and a description of such action to be taken at such meeting or by such consent, (B) the date on which any such Liquidation Event, Significant Transaction or Offering is expected to become effective, and (C) the date on which the books of the Corporation shall close or a record shall be taken with respect to any such event. Such notice shall be accompanied by a certificate prepared by the chief financial officer of the Corporation describing in reasonable detail (1) the facts of such transaction, (2) the amount(s) per share of Convertible Common or Common each holder of Convertible Common or Common would receive pursuant to the applicable provisions of this Amended and Restated Certificate of Incorporation (or, if such amounts are unknown, a reasonable estimate or range of such amounts), and (3) the facts upon which such amounts were determined.

(ii) Adjustments; Calculations. Upon the occurrence of each adjustment or readjustment of the Common Stock Adjustment Rate, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Convertible Common a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. All such calculations shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share as the case may be.

(iii) Waiver of Notice. The holder or a Convertible Common Majority may, at any time upon written notice to the Corporation, waive any notice or certificate delivery provisions specified herein for the benefit of such holders, and any such waiver shall be binding upon all holders of such securities.

(iv) Other Waivers. The holder or a Convertible Common Majority may, at any time upon written notice to the Corporation, waive compliance by the Corporation with any term or provision herein, provided that any such waiver does not affect any holder of outstanding shares of Convertible Common in a manner materially different than any other holder, and any such waiver shall be binding upon all holders of Convertible Common and their respective transferees.

(v) Notices. Any notice required by the provisions of this Certificate of Incorporation to be given to the holder of shares of the Convertible Common shall be deemed given if (i) mailed, postage prepaid,and addressed to each holder of recordat his latest address appearing on the books of the Corporation or (ii) given by email or other form of "electronictransmission" (as such term is defined in Section 232(c) of the Delaware General Corporation Law) in compliance with the provisions of the Delaware General Corporation Law and the Investor Rights Agreement (as defined below).

(i) No Reissuance of Convertible Common. No share or shares of Convertible Common acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

ARTICLE V

In furtherance and not in limitation of the powers conferred by statute and subject to the rights of any series of Preferred herein, the Board of Directors shall have the power, both beforeand after receipt of any payment for any of the Corporation's capital stock, to adopt, amend, repealor otherwise alter the Bylaws of the Corporation without any action on the part of the stockholders; provided, however, that the grant of such power to the Board of Directors shall not divest the stockholders of nor limit their power to adopt, amend, repeal or otherwise alter the Bylaws of the Corporation.

ARTICLE VI

Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

ARTICLE VII

(A) To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty asa director.

(B) The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was adirector or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

(C) Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of the Corporation's Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any actionor proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior tosuch amendment, repeal or adoption of an inconsistent provision.

ARTICLE VIII

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An **"Excluded Opportunity"** is any matter, transaction or interest that is presentedto, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries,or (ii) any holder of Series E Preferred, holder of Series F Preferred, holder of Senior Preferred,Redeemable Preferred or Convertible Common or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporationor any of its subsidiaries (collectively, **"Covered Persons"**), unless such matter, transaction orinterest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

ARTICLE IX

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (3) any action asserting a claim arising pursuant to any provisionof the Delaware General Corporation Law, this Certificate of Incorporation or the Bylaws or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) any action asserting a claim governed by the internal affairs doctrine.Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article IX.

IN WITNESS WHEREOF, AvidXchange Holdings, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by Ryan Stahl, a duly authorized officer of the Corporation, on this 9th day of July, 2021.

AVIDXCHANGE HOLDINGS, INC.

By: /s/ Ryan Stahl
Name: Ryan Stahl
Title: General Counsel and Secretary

BYLAWS

OF

AVIDXCHANGE

HOLDINGS, INC.

BYLAWS

OF

AVIDXCHANGE

HOLDINGS, INC.

ARTICLE I
OFFICES

1. Principal Office. The principal office of AvidXchange Holdings, Inc. (the "Corporation") shall be located in Mecklenburg County, North Carolina or such other place as is designated by the board of directors of the Corporation (the "Board of Directors").

2. Registered Office. The address of the registered office of the Corporation in the State of Delaware shall be at Corporation Service Company, 251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808 or such other place as is designated by the Board of Directors.

3. Other Offices. The Corporation may have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or as the affairs of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

1. Place of Meetings. All meetings of stockholders shall be held at the principal office of the Corporation or at such other place, either within or without the State of Delaware, as shall be designated as set forth herein. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("DGCL").

2. Annual Meeting. The annual meeting of the stockholders shall be held at such date, time and place as is determined by the Board of Directors, for the purpose of electing directors of the Corporation and for the transaction of such other business as may be properly brought before the meeting and set forth in the meeting notice.

3. Special Meetings. Special meetings of the stockholders may be called by the Board of Directors or the President, and shall be held at such place, on such date, and at such time as it or he/she shall fix.

4. Adjournments. Any meeting of the stockholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any, and notice need not be given of any such adjourned meeting if the time, place, if any, thereof and the means of remote communication, if any, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date is fixed for stockholders entitled to vote at the adjourned meeting, the Board of Directors shall fix a new record date for notice of the adjourned meeting and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at the adjourned meeting as of the record date fixed for notice of the adjourned meeting.

5. Notice of Meetings. Notice of the place, if any, date, hour, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and means of remote communication, if any, of every meeting of stockholders shall be given by the Corporation not less than ten days nor more than 60 days before the meeting (unless a different time is specified by law) to every stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called. Except as otherwise provided herein or permitted by applicable law, notice to stockholders shall be in writing and delivered personally or mailed to the stockholders at their address appearing on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, notice of meetings may be given to stockholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any stockholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the stockholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

6. List of Stockholders. The officer of the Corporation who has charge of the stock ledger shall prepare a complete list of the stockholders entitled to vote at any meeting of stockholders (provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares of each class of capital stock of the Corporation registered in the name of each stockholder at least ten days before any meeting of the stockholders. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, on a reasonably accessible electronic network if the information required

to gain access to such list was provided with the notice of the meeting or during ordinary business hours, at the principal place of business of the Corporation for a period of at least ten days before the meeting. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting the whole time thereof and may be inspected by any stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for inspection by any stockholder during the whole time of the meeting as provided by applicable law. Except as provided by applicable law, the stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger and the list of stockholders or to vote in person or by proxy at any meeting of stockholders.

7. Quorum of Stockholders. Unless otherwise required by law, the Corporation's Certificate of Incorporation (the "Certificate of Incorporation") or these bylaws, at each meeting of the stockholders, a majority in voting power of the shares of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power, by the affirmative vote of a majority in voting power thereof, to adjourn the meeting from time to time, in the manner provided in Section 2.4, until a quorum shall be present or represented. A quorum, once established, shall not be broken by the subsequent withdrawal of enough votes to leave less than a quorum. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the meeting originally called. Where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.

8. Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of the stockholders as it shall deem appropriate. At every meeting of the stockholders, the President, or in his or her absence or inability to act, the Treasurer, or, in his or her absence or inability to act, the person whom the President shall appoint, shall act as chairman of, and preside at, the meeting. The Secretary or, in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint as secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) rules and procedures for maintaining order at the meeting and the safety of those present; (d) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (f) limitations on the time allotted to questions or comments by participants.

9. Voting; Proxies. Unless otherwise required by law or the Certificate of Incorporation or unless directors are elected by written consent in lieu of an annual meeting, the election of directors shall be by written ballot and shall be decided by a plurality of the votes cast at a meeting of the stockholders by the holders of stock entitled to vote in the election. Unless otherwise required by law, the Certificate of Incorporation or these bylaws, any matter, other than the election of directors, brought before any meeting of stockholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Where a separate vote by a class or series or classes or series is required by law or the Certificate of Incorporation, other than the election of directors, the affirmative vote of the majority of shares of such class or series or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series or classes or series. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Otherwise voting at meetings of stockholders need not be by written ballot.

10. Inspectors at Meetings of Stockholders. The Board of Directors, in advance of any meeting of stockholders, may, and shall if required by law, appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board of Directors may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board of Directors, the date and time of the opening and the closing of

the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

11. Written Consent of Stockholders Without a Meeting. Any action to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action to be so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to (a) its registered office in the State of Delaware (by hand or by certified or registered mail, return receipt requested), (b) its principal place of business or (c) an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.11, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by applicable law, be given to those stockholders who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

12. Fixing the Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than ten days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record

entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of stockholders entitled to vote therewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting: (i) when no prior action by the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware (by hand, or by certified or registered mail, return receipt requested), its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE III

BOARD OF DIRECTORS

1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these bylaws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

2. Number; Term of Office. The number of directors of the Corporation shall be a number as directed by a resolution adopted by the Board of Directors between the range of one to eleven directors. Each director shall hold office until such director's death, resignation, retirement, removal, disqualification, or such director's successor is elected and qualifies. Directors need not be residents of the State of Delaware or stockholders of the Corporation.

3. Resignation. Any director may resign at any time by notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the date of receipt of such notice by the Corporation or at such later time as is therein specified.

4. Removal. Directors may be removed from office with or without cause by a vote of stockholders holding a majority of the outstanding shares entitled to vote at an election of directors. If a director is elected by a voting group of stockholders, only the stockholders of that voting group may participate in the vote to remove him. If any directors are so removed, new directors may be elected at the same meeting.

5. Vacancies. Except as set forth in the following sentence, a vacancy occurring in the Board of Directors, including, without limitation, a vacancy created by an increase in the authorized number of directors, may be filled solely by the affirmative votes of a majority of the remaining members of the Board of Directors, even if less than a quorum or by the sole remaining director. If, however, the vacant office was held by a director elected by a voting group that does not constitute all the stockholders, only the remaining director or directors elected by that voting group by the holders of shares of that voting group are entitled to fill the vacancy. A director elected to fill a vacancy shall be elected to hold office until the earlier of the expiration of the term of office of the director whom he or she has replaced, a successor is duly elected and qualified or the earlier of such director's death, resignation or removal.

6. Compensation. The Board of Directors may provide for the compensation of directors for their services as such and may provide for the payment of any and all expenses incurred by the directors in connection with such services.

7. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it to the extent so authorized by the Board of Directors. Unless the Board of Directors provides otherwise,

at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board of Directors provides otherwise, each committee designated by the Board of Directors may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to these bylaws.

ARTICLE IV

MEETINGS OF DIRECTORS

1. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such times and at such places as may be determined from time to time by the Board of Directors or its chairman.

2. Special Meetings. Special meetings of the Board of Directors may be held at such times and at such places as may be determined by the chairman or the President on at least 24 hours notice to each director given by one of the means specified in Section 4.3 hereof other than by mail or on at least three days notice if given by mail. Special meetings shall be called by the chairman or the President in like manner and on like notice on the written request of either (i) any two or more directors, (ii) any director nominated by the holders of the Corporation's Series E Preferred Stock, (iii) any director nominated by the holders of the Corporation's Series F Preferred Stock or (iv) the Senior Preferred Director (as such term is defined in the Corporation's Seventh Amended and Restated Investor Rights Agreement.

3. Notices. Subject to Section 4.2, Section 4.4 and Section 4.9 hereof, whenever notice is required to be given to any director by applicable law, the Certificate of Incorporation or these bylaws, such notice shall be deemed given effectively if given in person or by telephone, mail addressed to such director at such director's address as it appears on the records of the Corporation, facsimile, e-mail or by other means of electronic transmission.

4. Waiver of Notice. Whenever notice to directors is required by applicable law, the Certificate of Incorporation or these bylaws, a waiver thereof, in writing signed by, or by electronic transmission by, the director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except when the director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board of Directors or committee meeting need be specified in any waiver of notice.

5. Quorum of Directors. The presence of a majority of the directors in office immediately before the meeting shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

6. Action By Majority Vote. Except as otherwise expressly required by these bylaws, the Certificate of Incorporation or by applicable law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

7. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee in accordance with applicable law.

8. Telephone Meetings. Board of Directors or Board of Directors committee meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other and be heard. Participation by a director in a meeting pursuant to this Section 4.8 shall constitute presence in person at such meeting.

9. Adjourned Meetings. A majority of the directors present at any meeting of the Board of Directors, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours notice of any adjourned meeting of the Board of Directors shall be given to each director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 4.3 hereof other than by mail, or at least three days notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

10. Organization. At each meeting of the Board of Directors, the chairman or, in his or her absence, another director selected by the Board of Directors shall preside. The secretary shall act as secretary at each meeting of the Board of Directors. If the secretary is absent from any meeting of the Board of Directors, an assistant secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the secretary and all assistant secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

ARTICLE V

OFFICERS

1. Positions. The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such Vice Presidents, and other officers as the Board of Directors may from time to time elect. Any two or more offices, other than that of President and Secretary, may be held by the same person. In no event, however, may an officer act in more than one capacity where action of two or more officers is required.

2. Election. The officers of the Corporation shall be elected by the Board of Directors. Such election may be held at any regular or special meeting of the Board of Directors or without a meeting by consent as provided in Section 4.7 of these bylaws.

3. Term. Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors at any time with or without cause by the majority vote of the members of the Board of Directors then in office. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Should any vacancy occur among the officers, the position shall be filled for the unexpired portion of the term by appointment made by the Board of Directors.

4. President. The President shall be the chief executive officer of the Corporation (and if elected as the Chief Executive Officer shall serve for the purposes of these bylaws as President as well) and, subject to the control of the Board of Directors, shall supervise and control the management of the Corporation in accordance with these bylaws. He or she shall, in the absence of a chairman of the Board of Directors, preside at all meetings of the Board of Directors. He or she is empowered to sign, with any other proper officer as authorized by the Board of Directors (as necessary), certificates for shares of the Corporation and any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5. Vice Presidents. The Vice Presidents shall perform such other duties and have such other powers as the President or the Board of Directors shall prescribe. The Board of Directors may designate one or more Vice Presidents to be responsible for certain functions, including, without limitation, Marketing, Finance, Manufacturing and Personnel.

6. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of stockholders, Board of Directors and, when required, committees. He or she shall give, or cause to be given, all notices required by law and by these bylaws. He or she shall have general charge of the corporate books and records and of the corporate seal, and he or she shall affix the corporate seal to any lawfully executed instrument requiring it. He or she shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

7. Treasurer. The Treasurer shall be appointed by the Board of Directors and, unless a different individual is selected by the Board of Directors, shall be the chief financial officer of the Corporation (and, if elected as the Chief Financial Officer without the Board of Directors choosing a separate Treasurer, shall serve for the purposes of these bylaws as Treasurer as well) and shall have custody of *all* funds and securities belonging to the Corporation, except as otherwise provided by the Board of Directors, and shall receive, deposit or disburse the same under the direction of the Board of Directors. He or she shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose, which may be consolidated or combined statements of the Corporation and one or more of its subsidiaries as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of cash flows for the year unless that information appears elsewhere in the financial statements. The Treasurer shall, in general, perform all duties incident to the office of Treasurer and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

8. Duties of Officers May Be Delegated. In case any officer is absent, or for any other reason that the Board of Directors may deem sufficient, the President or the Board of Directors may delegate for the time being the powers or duties of such officer to any other officer or to any director.

ARTICLE VI

CONTRACTS, CHECKS AND DEPOSITS

1. Contracts. The Board of Directors or the President may authorize any officer or officers, or employee or employees, to enter into any contract or execute and deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

2. Checks, Notes, Drafts, Etc. All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

3. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depository or depositories as the Board of Directors or Treasurer, or any other officer of the Corporation to whom power in this respect shall have been given by the Board of Directors, shall direct.

ARTICLE VII

STOCK CERTIFICATES AND THEIR TRANSFER

1. Certificates Representing Shares. The shares of stock of the Corporation shall be represented by certificates; provided that the Board of Directors may provide by resolution or resolutions that some or all of any class or series shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock. If shares are represented by certificates, such certificates shall be in the form, other than bearer form, approved by the Board of Directors. These certificates shall be signed by the President or any Vice President or a person who has been designated as the chief executive officer of the Corporation and by the Secretary, Assistant Secretary, Treasurer or Assistant Treasurer and sealed with the seal of the Corporation or a facsimile thereof. The signatures of any such officers upon a certificate may be facsimiles or may be engraved or printed or omitted if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the Corporation itself or an employee of the Corporation. In case any officer who has signed or whose facsimile or other signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue. The certificates shall be consecutively numbered or otherwise identified; and the name and address of the persons to whom they are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation.

2. Transfers of Stock. Stock of the Corporation shall be transferable in the manner prescribed by law and in these bylaws. Transfers of stock shall be made on the books of the Corporation only by the holder of record thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated shares, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

3. Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

4. Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate or uncertificated shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate or uncertificated shares.

5. Other Regulations. The issue, transfer, conversion and registration of certificate of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VIII

INDEMNIFICATION

1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 8.3 below with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1 above, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 8.2 or otherwise.

3. Right of Indemnitee to Bring Suit. If a claim under Section 8.1 or 8.2 above is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. To the fullest extent permitted by law, if successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

4. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VIII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation, bylaws, agreement, vote of stockholders or directors or otherwise.

5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

6. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

7. Nature of Rights. The rights conferred upon indemnitees in this Article VIII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VIII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

ARTICLE IX

GENERAL PROVISIONS

1. Dividends. Subject to applicable law and the Certificate of Incorporation, dividends upon the shares of capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting of the Board of Directors. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock, unless otherwise provided by applicable law or the Certificate of Incorporation.

2. Seal. The seal of the Corporation shall be in such form as shall be approved by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board of Directors.

3. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

4. Books and Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be maintained on any information storage device or method; *provided that* the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

5. Conflict with Applicable Law or Certificate of Incorporation. These bylaws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these bylaws may conflict with any applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

6. Forum Selection. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, the Certificate of Incorporation or the bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

7. Amendment. Subject to the provisions of the Corporation's Certificate of Incorporation, (a) these bylaws may be amended, altered, changed, adopted and repealed or new bylaws adopted by the Board of Directors, and (b) the stockholders, through the affirmative vote of stockholders entitled to exercise a majority of the voting power of the Corporation on an as-converted basis, may make additional bylaws, and may amend, alter, change, adopt and repeal any bylaws whether such bylaws were originally adopted by them or otherwise.

8. Other Provisions. All terms used in these bylaws shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the context may require.

Exhibit 10.1

Confidential

AVIDXCHANGE, INC.
EIGHTH AMENDED AND RESTATED
INVESTOR RIGHTS AGREEMENT

This Eighth Amended and Restated Investor Rights Agreement (the "**Agreement**") is entered into as of July 9, 2021, by and among AvidXchange, Inc., a Delaware corporation (the "**Company**"), the holders of the Company's Series A Convertible Preferred Stock (the "**Series A Stock**") listed on **Exhibit A** with the Company's copy of this Agreement (each individually a "**Series A Holder"** and, collectively, the "**Series A Holders")**, the holders of the Company's Series B Convertible Preferred Stock (the "**Series B Stock**") listed on **Exhibit B** with the Company's copy of this Agreement (each individually a "**Series B Holder**" and, collectively, the "**Series B Holders**"), the holders of the Company's Series C Convertible Preferred Stock (the "**Series C Stock**") listed on **Exhibit C** with the Company's copy of this Agreement (each individually a "**Series C Holder**" and, collectively, the "**Series C Holders**"), the holders of the Company's Series D Convertible Preferred Stock (the "**Series D Stock**") listed on **Exhibit D** with the Company's copy of this Agreement (each individually a "**Series D Holder**" and, collectively, the "**Series D Holders**"), the holders of the Company's Series E Convertible Preferred Stock (the "**Series E Stock**") listed on **Exhibit E** with the Company's copy of the Agreement (each individually a "**Series E Holder**" and, collectively, the "**Series E Holders**"), the holders of the Company's Series F Convertible Preferred Stock (the "**Series F Stock**") listed on **Exhibit F** with the Company's copy of this Agreement (each individually a "**Series F Holder**" and, collectively, the "**Series F Holders**"), the holders of the Company's Senior Convertible Preferred Stock (the "**Senior Preferred Stock**") listed on **Exhibit G** with the Company's copy of this Agreement (each individually a "**Senior Preferred Holder**" and, collectively the "**Senior Preferred Holders**"), upon a conversion of the Senior Preferred Stock, the holders of the Company's Redeemable Preferred Stock ("**Redeemable Preferred Stock**" and each holder thereof, a "**Redeemable Preferred Holder**" and collectively the "**Redeemable Preferred Holders**") and the Company's Convertible Common Stock ("**Convertible Common Stock**" and each holder thereof, a "**Convertible Common Holder**" and collectively the "**Convertible Common Holders**"), John Hanousek (the "**Acquisition Stock Voting Trustee**") on behalf of the holders of the Company's Junior Series-1 Convertible Preferred Stock (the "**Acquisition Stock**" and, together with the Series A Stock, Series B Stock, Series C Stock, Series D Stock, Series E Stock, Series F Stock, Redeemable Preferred Stock and Senior Preferred Stock, the "**Preferred Stock**") listed on **Exhibit H** with the Company's copy of this Agreement (each individually an "**Acquisition Stock Holder**" and, collectively, the "**Acquisition Stock Holders**"), and the holders of the Company's Common Stock (the "**Common Stock**") listed on **Exhibit I** with the Company's copy of this Agreement (each individually a "**Common Holder**" and, collectively, the "**Common Holders**"). The Series A Holders, Series B Holders, Series C Holders, Series D Holders, Series E Holders, Series F Holders, Senior Preferred Holders, Redeemable Preferred Holders, Convertible Common Holders, Acquisition Stock Holders, the CPPIB Purchaser, the Franklin Purchasers, the BlackRock Purchasers, the Crescent Purchaser, the Sequoia Purchaser and the Sapphire Purchaser are sometimes collectively referred to herein as the "**Investors**" and, with the other Common Holders, as the "**Stockholders**."

WHEREAS, the Company and the Stockholders are parties to that certain Seventh Amended and Restated Investor Rights Agreement dated as of October 1, 2019 (as amended, the "**Prior Rights Agreement**"), pursuant to which the Company provided the Stockholders certain rights; and

WHEREAS, the Company and the Stockholders desire, pursuant to the authority under Section 6.5 of the Prior Rights Agreement, to allow for the automatic transfer of this Agreement to a new holding company as part of a corporate reorganization, and also to amend certain terms to provide certain changes regarding the rights of the Stockholders after an initial public offering, the Company and the Stockholders are hereby entering into this Agreement to amend and restate the Prior Rights Agreement in its entirety as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and conditions contained herein, the Company and the Stockholders hereby agree as follows.

Section 1.
RESTRICTIONS ON TRANSFER

1.1 Restrictive Legend. Each certificate representing (i) Preferred Stock, (ii) Convertible Common Stock, (iii) Common Stock issued upon conversion of the Preferred Stock or Convertible Common Stock, (iv) the Common Stock and (v) any other securities issued in respect of the Preferred Stock, Convertible Common Stock or Common Stock upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of Section 1.2 below) be stamped or otherwise imprinted with legends in substantially the following form (in addition to any legend required under applicable state securities laws).

(a) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS."

and,

(b) (I) in the case of the Preferred Stock, other than the Acquisition Stock, the Series E Stock, the Series F Stock, the Senior Preferred Stock, Redeemable Preferred Stock and the Convertible Common Stock, and the Common Stock, other than the Common Stock issued upon conversion of such Preferred Stock and Convertible Common Stock:

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN THE STOCK PURCHASE AGREEMENT AND THE INVESTOR RIGHTS AGREEMENT BY AND AMONG THE PARTIES THERETO, COPIES OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE CORPORATION AT THE PRINCIPAL EXECUTIVE OFFICES OF THE CORPORATION."

(II) in the case of the Series E Stock, the Series F Stock, the Senior Preferred Stock, the Redeemable Preferred Stock, the Convertible Common Stock or the Common Stock issued upon conversion of such Preferred Stock (if convertible) or Convertible Common Stock:

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN THE INVESTOR RIGHTS AGREEMENT BY AND AMONG THE PARTIES THERETO, COPIES OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE CORPORATION AT THE PRINCIPAL EXECUTIVE OFFICES OF THE CORPORATION."

or (III) in the case of the Acquisition Stock:

IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN THE INVESTOR RIGHTS AGREEMENT BY AND AMONG THE PARTIES THERETO, COPIES OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE CORPORATION AT THE PRINCIPAL EXECUTIVE OFFICES OF THE CORPORATION.

THE SECURITIES EVIDENCED HEREBY ARE SUBJECT TO THE TERMS OF THAT CERTAIN AGREEMENT AND PLAN OF MERGER BY AND AMONG AVIDXCHANGE, INC., A-P LAKE MERGER SUB, INC., PIRACLE, INC. AND TRUSTEE DATED AS OF OCTOBER 15, 2014.

THE SECURITIES EVIDENCED BY THIS CERTIFICATE ARE THE SUBJECT OF A VOTING TRUST AGREEMENT, A COPY OF WHICH IS ON FILE WITH, AND MAY BE INSPECTED DURING REGULAR BUSINESS HOURS AT THE PRINCIPAL OFFICE OF, THE COMPANY. UNDER THE TERMS OF THE VOTING TRUST AGREEMENT, THE VOTING RIGHTS WITH RESPECT TO THESE SECURITIES HAVE BEEN VESTED EXCLUSIVELY IN THE TRUSTEE NAMED THEREIN.

Each Stockholder consents to the Company's making a notation on its records and giving instructions to any transfer agent of the Preferred Stock, the Convertible Common Stock or the Common Stock in order to implement the restrictions on transfer established in this Section 1. The legend set forth in Section 1.1(a) shall be removed by the Company from any certificate at such time as the holder of the shares represented by the certificate satisfies the requirements of Rule 144 under the Securities Act, provided that Rule 144 as then in effect does not differ substantially from Rule 144 as in effect as of the date of this Agreement, and provided further that the Company has received from the Stockholder a written representation that (i) such Stockholder is not an Affiliate of the Company and has not been an Affiliate during the preceding three (3) months, (ii) such Stockholder has beneficially owned the shares represented by the certificate for a period of at least one (1) year (or such other time period as is prescribed by Rule 144 at such time),

(iii) such Stockholder otherwise satisfies the requirements of Rule 144 as then in effect with respect to such shares, and (iv) such Stockholder will submit the certificate for any such shares to the Company for reapplication of the legend at such time as the holder becomes an Affiliate of the Company or otherwise ceases to satisfy the requirements of Rule 144 as then in effect. The applicable legend(s) set forth in Section 1.1(b) shall be removed by the Company at the same time the legend set forth in Section 1.1(a) is removed if the applicable legend(s) set forth in Section 1.1(b) are no longer applicable, based on the sole reasonable determination of the Company.

1.2 Notice of Proposed Transfers. Each of the Stockholders agrees to comply in all respects with the provisions of this Section 1.2. Prior to any proposed direct or indirect sale, assignment, transfer, hypothecation, pledge or other disposition, whether voluntary or involuntary, other than to the Company, of any Preferred Stock, Convertible Common Stock or Common Stock (a "**Transfer**"), unless there is in effect a registration statement under the Securities Act covering the proposed Transfer, the holder thereof shall give written notice to the Company of such holder's intention to effect such Transfer. Each such notice shall describe the manner and circumstances of the proposed Transfer in sufficient detail, and shall be accompanied at such holder's expense by either (i) a written opinion of legal counsel acceptable to the Company who shall, and whose legal opinion shall, be reasonably satisfactory to the Company and addressed to the Company, to the effect that the proposed Transfer may be effected without registration under the Securities Act or (ii) a "no action" letter from the Commission to the effect that the Transfer without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto, whereupon the holder of such Preferred Stock, Convertible Common Stock or Common Stock shall be entitled to transfer such Preferred Stock, Convertible Common Stock or Common Stock in accordance with the terms of the notice delivered by the holder to the Company, subject to the other provisions of this Agreement. The Company may waive such a legal opinion or "no action" letter (a) in any transaction in compliance with Rule 144, (b) in any transaction in which a Stockholder that is a partnership, limited liability company or corporation distributes Preferred Stock, Convertible Common Stock or Common Stock after six months after the purchase of such securities hereunder solely to partners, members or stockholders (as the case may be) thereof for no consideration, or (c) in the case of Stockholders who are natural persons, to any transfer or gift by a Stockholder to (i) such stock Stockholder's parents, spouse, siblings or lineal descendants, whether by blood or adoption ("**immediate family member**"), or (ii) a trust or other entity established by the Stockholder for the benefit of such Stockholder or his immediate family member, provided that each transferee agrees in writing to be subject to the terms of this Sections 1.2, 2 and 3. Each certificate evidencing the Preferred Stock, the Convertible Common Stock or the Common Stock transferred as above provided shall bear the appropriate restrictive legend set forth in Section 1.1 above, except that such certificate shall not bear the first paragraph of such restrictive legend if in the opinion of counsel for such holder and the Company such legend is not required in order to establish compliance with any provisions of the Securities Act. Notwithstanding the foregoing and without limitation of the obligations in Section 1.3, the Senior Preferred Holders, Redeemable Preferred Holders and Convertible Common Holders shall not be subject to the restrictions in this Section 1.2 for Transfers to Affiliates. Out of the abundance of clarity, for any widely held mutual fund that is a Stockholder, ordinary course transfers of ownership interests in such fund or the ordinary course issuance of additional ownership interests in such fund shall not be deemed a "Transfer" under this Agreement.

1.3 Limitations. Notwithstanding anything contained herein to the contrary:

(a) any transferee of Preferred Stock, Convertible Common Stock or Common Stock who is not a Stockholder shall upon consummation of, and as a condition to, such Transfer (i) execute and agree to be bound by the terms of this Agreement applicable to them and shall thereafter be deemed a Stockholder for all purposes of this Agreement, (ii) execute and deliver a certificate in a form reasonably satisfactory to the Company in which such transferee certifies that (A) it is purchasing such stock for its own account, for investment and not with a view to the distribution thereof and (B) that such Transfer is otherwise being made in compliance with all applicable federal and state law (including without limitation federal and state securities laws and "blue sky" laws);

(b) without the prior approval of the Board of Directors, no Stockholder shall Transfer any shares of Common Stock or Preferred Stock (or any debt or equity securities convertible into, or exercisable or exchangeable for, shares of Common Stock or Preferred Stock) (collectively "**Securities**") to any Person reasonably determined by the Board of Directors of the Company (the "**Board of Directors**"), based on, in part, advice of outside legal counsel, to be a Competitor (as defined herein); and

(c) no Stockholder shall be permitted to Transfer any of such Stockholder's Securities if the direct result of such Transfer would obligate the Company to register any of its Securities under Section 12(g) of the Exchange Act (as defined herein), and any attempt to Transfer Securities that so obligates the Company shall be null and void.

1.4 Unaffiliated Transfers. Notwithstanding anything contained herein to the contrary, without the consent of the Company, which shall not be unreasonably withheld: (a) the Senior Preferred Holders, Redeemable Preferred Holders and Convertible Common Holders shall not be permitted to Transfer (other than to Affiliates, provided that any such transfer to any such Affiliates is in compliance with and does not require registration under applicable federal and state securities laws and regulations) any such securities until after the one-year anniversary of this Agreement; and (b) the Senior Preferred Holders, Redeemable Preferred Holders and Convertible Common Holders shall not be permitted to Transfer the Senior Preferred Stock, Redeemable Preferred Stock or the Convertible Common Stock, respectively, if upon such transfer the Senior Preferred Stock, Redeemable Preferred Stock or Convertible Common Stock would, in each case, be held by more than 8 Persons, provided however, that in each case any Person, its Affiliates, their respective Affiliates or any related entity shall count as only one (1) Person with respect to any such determination

Section 2.
REGISTRATION RIGHTS

2.1 Certain Definitions. As used in this Section 2 and elsewhere in this Agreement, the following terms shall have the following respective meanings:

"**2020 Common Stock Purchase Agreements**" means stock purchase agreements entered into by the Company and closed during 2020 whereby shares of Common Stock were sold by the Company at a price equal to $49.0120 per share of Common Stock, including but not limited to that certain Series F Preferred Stock and Common Stock Purchase Agreement dated March 6, 2020, that certain Common Stock Purchase Agreement dated May 7, 2020, that certain Common Stock Purchase Agreement dated June 29, 2020 and that certain Common Stock Purchase Agreement dated August 7, 2020.

"**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person.

"**BlackRock Purchasers**" means BlackRock Science and Technology Trust, BlackRock Science and Technology Trust II, BlackRock Technology Opportunities Fund, a series of BlackRock Funds, BlackRock Global Funds – World Technology Fund, and BlackRock Global Funds – Next Generation Technology Fund, collectively.

"**Capital Group**" means SMALLCAP World Fund, Inc. and American Funds Insurance Series Global Small Capitalization Fund, collectively.

"**Commission**" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act and the Exchange Act at the time.

"**CPPIB Purchaser**" means CPP Investment Board PMI-2 Inc.

"**Crescent Purchaser**" means Crescent International Holdings Limited.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"**Franklin Purchasers**" means Franklin Growth Opportunities Fund and Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund, collectively.

"**FTP 2021 Shares**" means the shares of Common Stock issued to one or more affiliates of FT Partners pursuant to the Subscription Agreement dated February 19, 2021.

"Initial Public Offering" shall mean an initial underwritten public offering of the Company's Common Stock pursuant to an effective Registration Statement filed under the Securities Act, other than pursuant to a Registration Statement on Form S-8 or any similar or successor form.

"**Lone Pine**" means Lone Cypress, Ltd., Lone Spruce, L.P., Lone Cascade, L.P., Lone Monterey Master Fund, Ltd. And Lone Sierra, L.P., collectively.

"**Major Investor**" means a Series B Holder, Series C Holder, Series D Holder, Series E Holder, Series F Holder, Senior Preferred Holder, Convertible Common Holder, the CPPIB Purchaser, the Franklin Purchasers, the BlackRock Purchasers, the Crescent Purchaser, the Sequoia Purchaser or the Sapphire Purchaser.

"**Mastercard**" means Mastercard Investment Holdings, Inc.

"**Neuberger**" means Neuberger Berman Investment Advisers LLC, Neuberger Berman Alternatives Funds, Neuberger Berman Long Short Fund, Neuberger Berman Equity Funds, Neuberger Berman Focus Fund and Neuberger Berman Equity Funds, Neuberger Berman Guardian Fund, collectively.

"**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

"**Registrable Securities**" shall mean (i) the shares of Common Stock (x) issued or issuable upon conversion of the Preferred Stock or Convertible Common Stock, or (y) issued pursuant to the 2020 Common Stock Purchase Agreements (including, for the avoidance of doubt, any new equity securities that are issued in connection with the exercise of any preemptive rights in respect of the shares of Common Stock issued pursuant to the 2020 Common Stock Purchase Agreements), or (z) the FTP 2021 Shares, and (ii) any securities issued as a dividend or other distribution with respect to, or in exchange or in replacement of, the shares referenced in clause (i) above. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a Registration Statement covering such securities has been declared effective by the Commission and such securities have been disposed of pursuant to such effective Registration Statement, (ii) such securities are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met, (iii) such securities are otherwise transferred and such securities may be resold without subsequent registration under the Securities Act, or (iv) such securities shall have ceased to be outstanding.

"**Registration Expenses**" shall mean all expenses (except for "**Selling Expenses**" as defined below) incurred by the Company in complying with this Section 2, including, without limitation, all registration and filing fees, printing expenses, reasonable fees and disbursements of counsel for the Company and, in the case of a registration referred to in this Section 2, the reasonable fees and disbursements of one counsel for the selling stockholders (as designated by a majority in interest of such selling stockholders).

The terms "**register**", "**registered**" and "**registration**" shall refer to a registration effected by preparing and filing a Registration Statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such Registration Statement.

"**Registration Statement**" shall mean a registration statement on Form S-1 or Form S-3 filed by the Company with the Commission for a public offering and sale of securities of the Company.

"**Restated Certificate**" shall mean the Company's Seventh Amended and Restated Certificate of Incorporation, as in effect as of the date hereof.

"**Sapphire Purchaser**" means Sapphire Ventures Fund IV, L.P.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"**Senior Majority**" means the holders of at least a majority of the outstanding shares of Senior Preferred Stock (provided that after a conversion to Redeemable Preferred Stock, at least a majority of the outstanding shares of Redeemable Preferred Stock), collectively voting together as a separate class.

"**Selling Expenses**" shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to Sections 2.2 or 2.3 and all fees and disbursements of counsel for the Investors not included in Registration Expenses.

"**Sequoia Purchaser**" means SCGE FUND, L.P.

"**Significant Stockholder**" means any Stockholder that, (i) collectively with its Affiliates, holds at least five percent (5%) of the outstanding Registrable Securities, (ii) each of Mastercard, CDPQ (as defined herein) and Temasek (as defined herein), to the extent for each party that such party and its Affiliates collectively own at least fifty percent (50%) of the shares of Series F Stock issued by the Company to such party pursuant to the Series F Purchase Agreement at the initial closing thereunder (subject, in each case, to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations), (iii) Sixth Street to the extent that such party and its Affiliates collectively own at least fifty percent of the shares of Senior Preferred (or if such shares have been converted, shares of Redeemable Preferred and Convertible Common Stock) issued by the Company to such party pursuant to that certain Senior Preferred Stock Purchase Agreement, dated of October 1, 2019 (the "**Senior Preferred Stock Purchase Agreement**"), (iv) Capital Group to the extent such party and its Affiliates collectively own at least fifty percent (50%) of the shares of Series F Stock issued by the Company to such party pursuant to that certain Series F Preferred Stock Purchase Agreement, by and among the Company and Capital Group, dated December 26, 2019.

"**Significant Transaction**" shall have the meaning set forth in the Restated Certificate.

"**Sixth Street**" means the holders of a majority in interest of the equity of the Company held by TCS Finance (A), LLC, Sixth Street Specialty Lending, Inc., TAO Finance 1, LLC and Redwood IV Finance 1, LLC (formerly referred to as "TPG" in this Agreement).

2.2 Required Registrations. At such time as the Company shall have qualified for the use of Form S-3 (or any similar short-form or forms promulgated by the Commission), a Significant Stockholder or a group of Investors holding at least ten percent (10%) of the Preferred Stock, on an as converted basis, shall have the right to request a registration on Form S-3 or such similar form, as the case may be (collectively, "**Form S-3**"). As promptly as practicable, but not later than ten (10) days after receipt of any registration requests hereunder, the Company shall give written notice of the request to all Investors who hold Registrable Securities. The Company shall, as reasonably expeditiously as practicable, use its reasonable best efforts to effect the registration on Form S-3 of all shares of Registrable Securities which the Company has been requested to register (including, without limitations, Registrable Securities of any Investor or Investors joining in the original request as is specified in a written request given within 15 days after receipt of such written notice from the Company); provided, however, that the Company shall not be obligated to file and cause to become effective (i) more than two registrations under Section 2.2 in any one twelve-month period or (ii) any Registration Statement on Form S-3 where the proposed aggregate offering price of the Registrable Securities to be sold thereunder is less than $10,000,000.

2.3 Incidental Registrations.

(a) If at any time or from time to time following an Initial Public Offering, the Company shall determine to register any of its Common Stock, for its own account or for the account of any of its stockholders, other than a registration relating solely to employee benefit plans, or a registration relating solely to a Commission Rule 145 transaction or any Rule adopted by the Commission in substitution therefor or in amendment thereto, or a registration on any registration form which does not include substantially the same information as would be required to be included in a Registration Statement covering the sale of Registrable Securities such as Form S-4 and Form S-8, the Company will:

(i) promptly give to Investors written notice thereof (which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under the applicable Blue Sky or other state securities laws); and

(ii) include in such registration (and any related qualification under Blue Sky laws or other compliance), and in any underwriting involved therein, all of the Registrable Securities specified in a written request or requests received by the Company within twenty (20) days after the giving of such written notice by the Company, by Investors, subject to the limitations set forth in Section 2.3(b).

(b) If the registration of which the Company gives notice is for a registered public offering involving an underwritten public offering, the Company shall so advise the Investors as a part of the written notice given pursuant to Section 2.3(a)(i). In such event the Investors' right to registration pursuant to this Section 2.3 shall be conditioned upon the Investors' participation in such underwritten public offering and the inclusion of the Investors' Registrable Securities in the underwritten public offering to the extent provided herein. Notwithstanding any other provision of this Section 2.3, if the underwriter determines that marketing factors require a limitation of the number of shares to be underwritten, all shares to be sold by the Company shall be included in such offering before any Registrable Securities are so included, and the underwriter may limit the number of Registrable Securities to be included in the registration and underwritten public offering. The Company shall so advise the Investors of the number of shares of Registrable Securities that may be included in the registration and underwritten public offering shall be allocated among the Investors in proportion, as nearly as practicable, to the respective amounts of Registrable Securities owned by such holders at the time of filing the Registration Statement. If the terms of any such underwritten public offering differ materially from the terms (including range of offering price) previously communicated to Investors, the Investors may elect to withdraw therefrom by written notice to the Company and the underwriter, which notice, to be effective, must be received by the Company at least two (2) business days before the anticipated effective date of the Registration Statement. In the event that the contemplated sale does not involve an underwritten public offering and a determination that the inclusion of the Registrable Securities adversely affects the marketing of the shares shall be made by the Board of Directors in its good faith discretion, then no Registrable Securities are required hereby to be included in the contemplated sale.

(c) The Company may at any time withdraw or abandon any Registration Statement which triggers the provisions of this Section 2.3 without any liability to the Investors.

2.4 Demand Registrations.

(a) At any time after 180 days after an Initial Public Offering, Investors holding collectively Registrable Securities valued at more than $200 million, shall have the right to require the Company to file a registration statement under the Securities Act covering all or any part of their respective Registrable Securities on Form S-1 or any successor or similar long-form registration, by delivering a written request therefor to the Company specifying the number of Registrable Securities to be included in such registration and the intended method of distribution thereof. All registrations requested pursuant to this Section 2.4 are referred to herein as "**Demand Registrations**." Within 10 days after receipt of any such request, the Company (i) will give written notice of such requested registration to all Investors and (ii) shall, as soon as practicable, use its diligent best efforts to effect as soon as practicable but in any event within 90 days of the receipt of such request, such registration (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws, and appropriate compliance with applicable regulations issued under the Exchange Act) as may be so requested and as would permit or facilitate the sale and distribution of such portion of such Registrable Securities as is specified in such request, together with such portion of Registrable Securities of any Investor or Investors joining in such request as is specified in a written request given within 15 days after receipt of such written notice from the Company.

(b) Priority on Demand Registrations. The Company will not include in any Demand Registration any securities that are not Registrable Securities, including securities proposed to be sold by the Company for its account, without the prior written consent of the Investors of at least a majority of the Registrable Securities included in such registration. All Demand Registrations shall be underwritten registrations unless the Investors holding at least a majority of the Registrable Securities included therein agree otherwise. If in a Demand Registration the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering, exceeds the number of Registrable Securities and other securities, if any, that can be sold therein without adversely affecting the marketability of the offering, then the Company shall so advise all Investors holding Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all such Investors, including the Investors initiating the registration in proportion (as nearly as practicable) to the respective amounts of Registrable Securities owned by each Investor at the time of filing the Registration Statement; provided, however, that the number of shares of Registrable Securities to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(c) Limitations on Demand Registrations. Notwithstanding the provisions of Section 2, the Company shall not be required to take any action to effect a registration demanded pursuant to this Section 2.4:

(i) after the Company has effected three (3) registrations pursuant to Section 2.4(a) with respect to registrations requested by Investors; provided, however, that any registration that does not include at least 90% of all Registrable Securities requested to be included therein shall not count against such limit and that any registration in which all Registrable Securities included therein (other than a shelf registration that does not contemplate an underwritten offering of Registrable Securities) are not sold in accordance with the plan of distribution described in such registration shall not count against such limit;

(ii) if such registration would become effective within 120 days following the effective date of any prior registration statement with respect to an underwritten public offering of the Company's securities;

(iii) if, within 30 days of receipt of a written request from the Investors initiating registration pursuant to Section 2.4, the Company gives notice to the holders of Registrable Securities of the Company's good faith intention to make a public offering of its securities within 90 days;

(iv) if the Company shall furnish to the Investors initiating registration pursuant to Section 2.4 a certificate signed by the Chairman of the Board of Directors stating that, in the good faith judgment of the Board of Directors, such registration, if made or continued, would materially interfere with any material financing, acquisition, corporate reorganization, merger or other transaction involving the Company, in which event the Company shall have the right to defer the filing of a registration statement for a period of not more than 90 days after receipt of the request of the Investors initiating registration pursuant to Section 2.4; provided that such right to delay a request shall not be exercised by the Company more than once in any twelve month period; or

(v) if the anticipated aggregate offering price to the public in such registration would not exceed $10,000,000.

2.5 Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification and compliance pursuant to subsection 2.2, 2.3 and 2.4 shall be borne by the Company. All Selling Expenses incurred in connection with any such registration shall be borne by the selling stockholders on a *pro rata* basis. If, notwithstanding this Agreement, applicable authorities in any state wherein Registrable Securities are to be sold require an allocation of Registration Expenses, each Investor agrees to pay its apportioned share thereof.

2.6 Registration Procedures. In the case of each registration, qualification or compliance effected by the Company pursuant to this Agreement, the Company will keep Investors advised in writing as to the initiation of each registration, qualification and compliance and as to the completion thereof. At its expense the Company will:

(a) prepare and file with the Commission a Registration Statement with respect to such Registrable Securities, and use its best efforts in good faith to cause such Registration Statement to become and remain effective as provided herein;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus included in such Registration Statement as may be necessary or advisable to comply in all material respects with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement or as may be necessary to keep such Registration Statement effective and current, but for no longer than six (6) months subsequent to the effective date of such registration;

(c) furnish to Investors such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto), the prospectus included in such Registration Statement (including each preliminary prospectus), and such other documents as Investors may reasonably request in order to facilitate the disposition of the Registrable Securities;

(d) enter into such customary agreements and take all such other action in connection therewith as any Investor may reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(e) use its best efforts in good faith to register and qualify the Registrable Securities covered by such Registration Statement under such securities or Blue Sky laws of such jurisdictions as Investors shall reasonably request and do any and all such other acts and things as may be reasonably necessary or advisable to enable Investors to consummate the disposition in such jurisdictions of the Registrable Securities; provided, however that the Company shall not be required in connection therewith to qualify to do business or file a general consent to service of process in any such jurisdiction, nor shall the Company be required to take any position or change in accounting methods in order to effect such registration if the Board of Directors determines in good faith that the same would be materially detrimental to the Company; and

(f) obtain (i) addressed to the underwriters in the offering, an opinion of counsel for the Company, dated the effective date of the Registration Statement, and (ii) addressed to the underwriters in the offering, a “comfort” letter signed by the independent public accountants who have certified the Company’s financial statements included in the Registration Statement, covering substantially the same matters with respect to the Registration Statement (and the prospectus included therein) and (in the case of the “comfort” letter) with respect to events subsequent to the date of the financial statements, as are customarily covered (at the time of such registration) in opinions of issuer’s counsel and in “comfort” letters delivered to the underwriters in underwritten public offerings of securities.

Notwithstanding the foregoing provisions of this Section 2.6, (1) the Investors will not (until further notice) effect sales thereof after receipt of written notice from the Company to suspend sales to permit the Company to correct or update such Registration Statement or prospectus; but the obligations of the Company with respect to maintaining any Registration Statement current and effective shall be extended by a period of days equal to the period such suspension is in effect; and (2) at the end of any period during which the Company is obligated to keep any Registration Statement current and effective as provided by this Section 2.6 (and any extensions thereof required by the preceding paragraph (1) of this Section 2.6), the Investor shall discontinue sales of shares pursuant to such Registration Statement upon notice from the Company of its intention to remove from registration the shares covered by such Registration Statement which remain unsold, and Investors shall notify the Company of the number of shares registered which remain unsold promptly after receipt of such notice from the Company.

2.7 Indemnification.

(a) The Company will indemnify Investors, each of the officers and directors of Investors, and each Person controlling Investors (within the meaning of the Securities Act or the Exchange Act), if Registrable Securities held by Investors are included in the securities with respect to which registration, qualification or compliance has been effected pursuant to this Agreement, and each underwriter of such Registrable Securities, if any, and each Person who controls such underwriter, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other similar document (including any related Registration Statement, notification or the like) incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, or (ii) any violation by the Company of any federal, state or common law rule or regulation applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance, and will reimburse Investors, each of the officers and directors of Investors, and each Person controlling Investors (within the meaning of the Securities Act or the Exchange Act), such underwriter and each Person who controls such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, provided that the Company will not be liable to Investors or underwriter in any such case to the extent that such claim, loss, damage, liability or expense arises out of or is based on (i) any untrue statement or omission made in reliance upon and in conformance with written information furnished to the Company by or on behalf of Investors or underwriter, as applicable, and which was furnished specifically for the purpose of being used therein or (ii) a failure by Investors, as applicable, to deliver a final prospectus to its transferee if any material change has been made to the preliminary prospectus and notice of such change has been previously delivered to such Investors.

(b) Each Investor, severally but not jointly, will, if Registrable Securities held by such Investor are included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such registration, qualification or compliance, and each Person who controls the Company or such underwriter within the meaning of the Securities Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement, prospectus, offering circular or other similar document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and will reimburse the Company, such directors, officers, partners, Persons, underwriters or control Persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Investor and which was furnished specifically for the purpose of being used therein; provided, however, that the liability of each Investor under this Section 2.7 shall be limited to an amount equal to the proceeds to such Investor of Registrable Securities sold as contemplated herein.

(c) Each party entitled to indemnification under this Section 2.7 (the "**Indemnified Party**") shall give notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party, at such party's expense, to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense (except for the payment of fees, costs and expenses provided for below), and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Agreement, unless such failure to give notice shall materially adversely affect the Indemnifying Party in the defense of any such claim or any such litigation. No Indemnifying Party, in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Notwithstanding the election of the Indemnifying Party to assume the defense of any such claim or litigation, the Indemnified Party shall have the right to employ separate counsel and to participate in the defense of such claim or litigation, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of the counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest; (ii) the defendants in, or targets of, any such claim or litigation include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it or to other Indemnified Parties which are different from or additional to those available to the Indemnifying Party (in which case

the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party); (iii) in the exercise of the Indemnified Party's reasonable judgment, the Indemnifying Party shall not have employed satisfactory counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such claim or litigation; or (iv) the Indemnifying Party shall authorize the Indemnified Party to employ separate counsel at the expense of the Indemnifying Party. The Indemnified Party shall not settle any such claim or litigation without the consent of the Indemnifying Party.

(d) Notwithstanding the foregoing provisions of this Section 2.7, if a registration is subject to a firm commitment underwriting, neither the Company nor Investor shall be required to indemnify any other party to a greater extent than the obligation of the Company or Investor to the underwriters pursuant to the underwriting agreement pertaining to such registration.

2.8 Information by Investors. Each Investor shall furnish to the Company in writing such information regarding such Investor and the distribution proposed by such Investor as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Agreement.

2.9 "Market Stand-off" Agreement. If required by the managing underwriter, each Stockholder (subject to the subsection (B) below) hereby agrees that he, she or it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the registration by the Company of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1 for an IPO or on the closing of an acquisition pursuant to a merger proxy on Form S-4 in connection with an acquisition of the Company by a special purpose acquisition company, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Section 2.9 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement or to the establishment of a trading plan pursuant to Rule 10b5-1, provided that such plan does not permit transfers during the restricted period, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers and directors are subject to the same restrictions. The foregoing provisions of this Section 2.9 shall also not apply to (A) the transfer of shares by a Stockholder to its Affiliates, provided that such Affiliates agree to be bound by this Agreement and (B) the holders of Convertible Common Stock (or any Common Stock issued in exchange or conversion of Convertible Common Stock) with

respect to their holdings of Convertible Common Stock (or any Common Stock issued in exchange or conversion of the Convertible Common Stock). The underwriters in connection with such registration are intended third-party beneficiaries of this Section 2.9 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.9 or that are necessary to give further effect thereto.

2.10 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of the Company's capital stock to the public without registration, at all times after 90 days after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public, the Company agrees to make and keep public information available, as those terms are understood and defined under Rule 144, use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and furnish to any Investor upon request, a written statement as to the Company's compliance with the reporting requirements of Rule 144 and such other documents as any Investor may reasonably request in availing itself of any rule or regulation of the Commission allowing the Investors to sell any of their Registrable Securities without registration.

2.11 Company Obligation. With respect to any Investor that is not a Significant Stockholder, the Company shall not be obligated under Sections 2.2, 2.3 or 2.4 to register or include in any registration Registrable Securities that such Investor has requested to be registered if (i) all Registrable Securities held by such Investor may be publicly offered, sold and distributed without registration under the Securities Act pursuant to Rule 144 promulgated by the Commission under the Securities Act, and (ii) a Qualified Offering (as such term is defined in the Restated Certificate from time to time) has occurred.

Section 3.
RIGHT OF FIRST REFUSAL;
RIGHT OF CO-SALE

3.1 Certain Definitions.

(a) As used in this Section 3, the term "**Pro Rata Share**" means, with respect with respect to each Major Investor, the ratio (A) the numerator of which is the number of Securities held by such Major Investor (calculated on an as-converted to Common Stock basis, but for the Senior Preferred, the number of Convertible Common Stock to be issued to the Senior Preferred assuming a conversion of the Senior Preferred on such date pursuant to paragraph IV.G(2) of the Restated Certificate or if converted, the Convertible Common Stock, calculated counting the number of Convertible Common Stock outstanding as the case may be) on the date of the Transferor's (as defined herein) written notice pursuant to Section 3.3 hereof, and (B) the denominator of which is (i) with respect to the right of first refusal set forth in Section 3.3, the number of Securities then-held by all Major Investors (calculated on an as-converted to Common Stock basis, but for the Senior Preferred, the total number of shares of Convertible Common that would be issuable assuming a conversion of the Senior Preferred on such date pursuant to paragraph

IV.G(2) of the Restated Certificate, or if converted, the Convertible Common Stock outstanding as the case may be) or (ii) with respect to the right of co-sale set forth in Section 3.4, the number of Securities then-held by all Major Investors (calculated on an as-converted to Common Stock basis) who intend to exercise co-sale rights with respect to such sale, plus the number of Securities held by the Transferor (calculated on as as-converted to Common Stock basis).

(b) As used in this Section 3, the term "**Competitor**" means any Person who (i) is engaged in developing, manufacturing, distributing, or selling any product, service, or technology that is competitive with any material part of the Company's business at the time of Transfer, including but not limited to development, manufacture, marketing, distribution, and/or sale of: paperless (A) accounts payable software and services, (B) business-to-business payment and management, (C) utilities payment and management, (D) utilities procurement, (E) on-demand invoice management and (F) services related to the foregoing (a "**Competitor Business**") or (ii) beneficially owns twenty percent (20%) or more of the shares of a Competitor Business; provided, that, notwithstanding anything herein to the contrary, each of the Series E Investor (as defined herein), Mastercard, Caisse de dépôt et placement du Québec ("**CDPQ**"), Ossa Investments Pte. Ltd. ("**Temasek**"), Capital Group, Sixth Street and each of their respective Affiliates shall be deemed to not be a Competitor of the Company.

3.2 Company Right of First Refusal. In the event of a proposed Transfer of Securities by a Stockholder (or its successors or assigns) (the "**Transferor**"), other than as permitted in Section 3.5 hereto, the Transferor shall first submit a written offer to sell such Securities to the Company at the same price per Security and upon the same terms and conditions offered by a bona fide purchaser of such Securities and also provide the Company with the executed purchase agreement, if any, with the proposed bona fide purchaser of such Securities. Such written offer to the Company shall continue to be a binding offer to sell such Securities in whole or in part until (1) rejected by the Company, in writing; or (2) the expiration of a period of sixty (60) days after delivery of such written offer to the Company unless the Company has provided written notice of the acceptance of such offer in whole or in part on or prior to such date, whichever shall first occur. Every written offer submitted in accordance with the provisions of this Section 3.2 shall specifically name the Person(s) to whom the Transferor intends to Transfer the Securities, the number of Securities which it or he intends so to Transfer to each Person and the price per Security and other terms upon which each intended Transfer is to be made. To the extent that the price per Security includes any non-cash consideration, the price per Security payable by the Company shall equal the Fair Market Value of the noncash consideration plus any cash consideration. For purposes of this Section 3.2, "**Fair Market Value**" shall be the market value of such noncash consideration as determined by an independent appraiser mutually agreeable to the Company and the Transferor. The cost of such appraisal shall be shared equally by the Company and the Transferor. All Transfers to the Company hereunder shall be consummated contemporaneously at the offices of the Company on a mutually satisfactory business day as soon as practicable once the Company agrees in writing to purchase the Securities. The delivery of certificates or other instruments evidencing such Securities, duly endorsed for Transfer, shall be made on such date against payment of the purchase price for such Securities. Notwithstanding the foregoing, this Section 3.2 shall not apply to Transfers made after July 21, 2018 by (i) Bain Capital Venture Fund 2014, L.P. or any Affiliate thereof (the "**Series E Investor**"), (ii) Mastercard or any Affiliate

thereof, (iii) CDPQ or any Affiliate thereof, or (iv) Temasek or any Affiliate thereof, or (v) any Senior Preferred Holder, Redeemable Preferred Holder or Convertible Common Holder or any Affiliate thereof, in each case as long as such Transfers comply with Section 1 herein. Notwithstanding the foregoing, this Section 3.2 shall not apply to Transfers made after December 27, 2020 by Capital Group or any Affiliate thereof as long as such Transfers comply with Section 1 herein.

3.3 Stockholder Right of First Refusal. In the event of a proposed Transfer of Securities by a Transferor, other than as permitted in Section 3.5 hereto, as to which the Company's right of first refusal, if any, set forth in Section 3.2 is not exercised in full, the Transferor shall then submit to each of the Major Investors written offers to sell (hereinafter the "**Offerees**"), at the same price per Security and upon the same terms and conditions previously offered to the Company, any of the Securities not previously purchased by the Company under the aforesaid offer to it, such Securities to be allocated among the Offerees on the basis of their respective Pro Rata Share. Each such offer shall continue to be a binding offer to sell until expressly accepted or rejected by the Offerees or until the expiration of thirty (30) days after its delivery to the Offerees, whichever shall first occur. Upon the expiration of such 30-day period, the Transferor shall submit notice to each Major Investor if any Offerees have not agreed to purchase its or his Pro Rata Share. If any such Offeree does not elect to purchase all the Securities offered it or to him, the Transferor shall give the other Offerees written notice of the number of unpurchased Securities and any such Offerees may purchase all or any part of the unpurchased Securities by giving to the Transferor written notice of its or his election so to purchase not later than five (5) business days after delivery of the written notice from Transferor. If more than one Offeree exercises this election to purchase unpurchased Securities and such unpurchased Securities are oversubscribed, such Securities shall be divided between or among such Offerees in proportion to their respective Pro Rata Share of all Securities up to the full amount of the unpurchased Securities. Every written offer submitted in accordance with the provisions of this Section 3.3 shall specifically name the Person to whom the Transferor intends to Transfer the Securities, the number of Securities which it or he intends so to Transfer to each Person and the price per Securities and other terms upon which each intended Transfer is to be made. Upon the termination of all such written offers and the five-day period provided for above, the Transferor shall be free to Transfer, for a period of thirty (30) days thereafter, any unpurchased Securities to the Persons so named at the price per Security and upon the other terms and conditions so named in the written offer to the Major Investors, provided that any such transferee of those Securities shall thereafter be bound by all the provisions of this Agreement. To the extent that the price per Security includes any non-cash consideration, the price per Security payable by the Offerees shall equal the Fair Market Value of the noncash consideration plus any cash consideration. For purposes of this Section 3.3, "**Fair Market Value**" shall be the market value of such noncash consideration as determined by an independent appraiser mutually agreeable to the Offerees and the Transferor. The cost of such appraisal shall be shared equally by the Offerees, on one hand, and the Transferor, on the other hand. All Transfers to Offerees hereunder shall be consummated contemporaneously at the offices of the Company on a mutually satisfactory business day as soon as practicable, but in no event more than thirty (30) days after the expiration of the five-day period provided for above. The delivery of certificates or other instruments evidencing such Securities, duly endorsed for Transfer, shall be made on such date against payment of the purchase price for such Securities. Notwithstanding the foregoing, this Section 3.3 shall not apply to Transfers made after July 21, 2018 by (i) the Series E Investor, (ii) Mastercard or any Affiliate thereof, (iii) CDPQ or any Affiliate thereof, or (iv) Temasek or any Affiliate thereof or (v) any Senior Preferred Holder, Redeemable Preferred Holder or Convertible Common Holder or any Affiliate thereof, in each case as long as such Transfers comply with Section 1 herein. Notwithstanding the foregoing, this Section 3.3 shall not apply to Transfers made after December 27, 2020 by Capital Group or any Affiliate thereof as long as such Transfers comply with Section 1 herein.

3.4 Stockholder Right of Co-Sale. In the event of a proposed Transfer of Securities (the "**Offered Shares**") by any Stockholder (or its successors or assigns) to a third party (the "**Buyer**"), other than as permitted in Section 3.5 hereto, as to which the rights of first refusal, if any, set forth in Section 3.2 and Section 3.3 hereof are not exercised in full, each Major Investor (other than the Senior Preferred Holders, the Redeemable Preferred Holders and the Convertible Common Holders in their capacity as such) shall have the right to participate in such Transfer on the same terms and conditions as the Transferor (the "**Co-Sale Right**"). Each Major Investor shall receive consideration for each Security that such Major Investor elects to Transfer up to its Pro Rata Share of the Offered Shares in an amount equal to, on a per Security basis, the price per share being received by the Transferor in the Transfer. Each Major Investor shall be entitled to act upon the Buyer's offer to buy within twenty (20) days after receipt of the written notice that shall be delivered by such Stockholder to the Company and each Major Investor that fully describes the offer. In the event that any Major Investor shall elect to participate in such Transfer, each such Major Investor shall communicate in writing such election to such Stockholder. The Transferor shall not be entitled to proceed with the Transfer until it has complied with its obligations hereunder, and the number of Offered Shares proposed to be Transferred by the Transferor shall be reduced as necessary to permit the exercise of the Co-Sale Rights provided under this Section 3.4. In connection with the exercise of its Co-Sale Right hereunder, (A) no Major Investor (nor any Affiliate thereof) shall be required, as a condition to selling any Securities pursuant to this Section 3.4, to enter into any non-competition or non-solicitation agreement or other agreement that limits or restricts such Major Investor's (of an Affiliate thereof) investments or activities or those of any other fund or client account advised or managed by such Major Investor or its Affiliates, (B) no Major Investor shall be liable for the breach or inaccuracy or breach of any representation or warranty made by any other Person, and (C) in no event shall the liability of a Major Investor in connection with the Transfer of Securities in such transaction be greater than the dollar value of the proceeds received by such Major Investor upon the Transfer of the Securities to Buyer. Notwithstanding the foregoing, the Co-Sale Right of the Major Investors shall not apply to Transfers by (i) the Series E Investor, (ii) Mastercard or any Affiliate thereof, (iii) CDPQ or any Affiliate thereof, (iv) Temasek or any Affiliate thereof, or (v) any Senior Preferred Holder, Redeemable Preferred Holder or Convertible Common Holder or any Affiliate thereof, in each case as long as such Transfers comply with Section 1 herein. Notwithstanding the foregoing, the Co-Sale Right of the Major Investors shall not apply to Transfers by Capital Group or any Affiliate thereof as long as such Transfers comply with Section 1 herein.

3.5 Exempt Transfers.

(a) Notwithstanding the foregoing, the provisions of Sections 3.2, 3.3 and 3.4 shall not apply (i) in the case of Stockholders who are natural persons, to any transfer or gift by a Stockholder to (x) such Stockholder's parents, spouse, siblings or lineal descendants, whether by blood or by adoption ("**immediate family member**"), or (y) a trust or other entity established by the Stockholder for the benefit of such Stockholder or

his immediate family member; (ii) in the case of any Stockholders who are not natural persons, (x) to any transfer to any partner, member or Affiliate of the same, and (y) for such Stockholders that are widely held mutual funds, to any indirect transfer pursuant to a merger or reorganization of such fund with a third party where a primary purpose of such merger or reorganization is not the transfer of the Company's securities; (iii) to any transfer or gift by a Stockholder to a Section 501(c)(3) organization or a non-profit foundation or other non-profit organization; or (iv) subject to the terms as approved by the Board of Directors, (x) the transfer by David and Ken Miller of equity securities of AvidXchange Partners II, LLC ("**AvidXchange Partners**") to other members of AvidXchange Partners, and (y) any transfers of the up to 575,000 shares of Common and Preferred Stock previously transferred by David and Ken Miller to AvidXchange Partners upon the dissolution of AvidXchange Partners in accordance with its operating agreement, provided that, in each of (i), (ii), (iii) and (iv) above, the transferee or donee shall furnish the Company and the Investors with a written agreement to be bound by and comply with all provisions of this Agreement, including Section 3 hereof, and provided, further, that, in the case of (iii) above, the transfer or gift shall not exceed two and one-half percent (2 ½%) of the total outstanding ownership of the Company (on an as-converted to Common Stock basis). Such transferred restricted shares shall remain restricted shares hereunder, and any such transferee or donee shall be treated as a "Stockholder" for purposes of this Agreement.

(b) Notwithstanding the foregoing, the rights of first refusal and rights of co-sale granted under this Section 3 shall not apply to, and shall expire upon, the effectiveness of a registration statement in connection with a Qualified Offering (as defined in the Restated Certificate).

3.6 No Waiver. The exercise or non-exercise by a Major Investor or the Company of its or his rights under this Section 3 shall not adversely affect its right to exercise such rights in connection with future Transfers.

3.7 Material Information. The Company shall provide all Major Investors with all material information necessary to evaluate whether to exercise rights of first refusal or co-sale pursuant to this Section 3 and such rights shall not expire until ten (10) business days after the Company provides such information, notwithstanding any other provisions of this Agreement.

3.8 No Avoidance of Certain Protections. Notwithstanding anything to the contrary set forth in this Agreement, no Stockholder shall, or shall permit its equity-holders to, take or permit any action designed to avoid the right of first refusal set forth in Section 3.2 and Section 3.3 and/or the right of co-sale set forth in Section 3.4, by making one or more exempt transfers pursuant to Section 3.5 and then disposing of such party's interest in any such permitted transferee or having the transferee dispose of all or any portion of the transferred shares.

Section 4.
BOARD OF DIRECTORS

4.1 Board of Directors.

(a) The Stockholders hereby agree to vote (in person, by proxy or by action by written consent, as applicable) all of the shares of voting capital stock of the Company that they own, of record or beneficially, for the election to the Board of Directors of: (i) two (2) representatives nominated by the Series E Holders as set forth in Section 4.1(g) (the "**Series E Directors**"); (ii) two (2) representatives nominated by the Series F Holders as set forth in Section 4.1(i) (the "**Series F Directors**"); (iii) one representative nominated by the Senior Majority as set forth in Section 4.1(k) (the "**Senior Preferred Director**"), and (iv) the remaining representatives nominated by the Stockholders, voting together as a single class as set forth in Section 4.1(f) (the "**Common Directors**"), at least two of the Common Directors shall be independent directors (the "**Independent Directors**") and one shall be the Chief Executive Officer of the Company. The Independent Directors shall not be officers or employees of the Company, and the determination of independence with respect to such directors shall be made by the other members of the Board of Directors or an appropriate committee thereof.

(b) The Stockholders shall (i) set and keep the Board of Directors at no more than twelve (12) members, and (ii) take all other action that may be necessary or proper to effect the foregoing (whether in their capacities as a stockholder, member of the Board of Directors or committee thereof, officer of the Company, or otherwise, and including, without limitation, attendance at meetings of the stockholders or the Board of Directors in person or by proxy for the purposes of obtaining a quorum and the execution of written consents in lieu of meetings). The Company shall take all action that may be necessary or proper to effect the foregoing (including, without limitation, calling regular and special meetings of the stockholders or the Board of Directors).

(c) The Company shall provide Stockholders who hold shares of voting capital stock of the Company with at least ten days prior notice (in writing or by electronic transmission) of any notice to the stockholders of the Company of a meeting at which directors are to be elected. Each Stockholder or Stockholders entitled to nominate a director pursuant to this Section 4 shall give notice (in writing or by electronic transmission) to the Company (and the Company shall deliver such notice to the other stockholders of the Company), no later than five days after their receipt of such notice, of the representative or representatives designated by such Stockholders as their nominees for election to the Board of Directors, which nominee or nominees the Company shall nominate and recommend for election. If any of the parties fails to give their respective notices as provided above, it shall be deemed that the representative nominated by such Stockholders that is then serving on the Board of Directors shall be designated for reelection.

(d) The Stockholders shall not vote to remove any member of the Board of Directors designated as provided in this Agreement other than in the event of willful misconduct (in the reasonable judgment of two-thirds (2/3rds) or more of the other members of the Board of Directors) or unless (i) such removal is requested by the holders of a majority of the shares of stock entitled to designate such member of the Board of Directors or (ii) the individual(s) or entity(ies) originally entitled to designate such director are no longer so entitled to designate such director.

(e) If any member of the Board of Directors designated pursuant to this Agreement ceases for any reason to serve as a member of the Board of Directors during their term of office, the resulting vacancy on the Board of Directors shall be filled by a representative designated by the stockholders that designated such former director pursuant to this Agreement; provided, however, that the Board of Directors may fill any vacancy that occurs in a seat held by a Common Director in accordance with the Bylaws of the Company.

(f) The Common Directors shall be selected by a majority-in-interest of the Common Holders, Acquisition Stock Holders, the Series A Holders and the Major Investors with voting rights, voting together as a single class, and shall be removed at the request of a majority-in-interest of the Common Holders, the Acquisition Stock Holders, Series A Holders and the Major Investors with voting rights, voting together as a single class, with each Common Holder's, Series A Holder's, and Major Investor's interest determined on an as-converted to Common Stock basis and, pursuant to the Company's Restated Certificate, the Acquisition Stock Holders interest determined on a 1/10th of as-converted to Common Stock basis. The Common Directors as of the date hereof are Michael Praeger (Chief Executive Officer), Jim Hausman, Brad Feld (serving as an Independent Director) and Nigel Morris (serving as an Independent Director).

(g) One (1) Series E Director shall be selected by and may be removed at the request of the holders of a majority of the then-outstanding shares of Series E Stock, and one (1) Series E Director shall be selected by and may be removed by Bain Capital Venture Fund 2014, L.P. The Series E Directors as of the date hereof are Matt Harris and Hans Morris. Further, one Series E Director shall have the right to serve on each of the Compensation Committee and Audit Committee of the Company's Board of Directors.

(h) The obligation of the Stockholders to elect the Series E Directors under this Agreement shall terminate at such time as the Series E Investor holds less than fifty percent (50%) of the number of shares of Series E Stock of the Company acquired by the Series E Investor pursuant to the terms of that certain Series E Preferred Stock Purchase Agreement, dated as of July 2, 2015, by and among the Company and the purchasers listed on Exhibit A thereto (the "**Series E Purchase Agreement**"). At such time as the Stockholders are no longer obligated to elect the Series E Directors, the Series E Directors shall be Common Directors and be subject to the provisions set forth above relating to the Common Directors.

(i) Subject to the last sentence of this Section 4.1(i), one (1) Series F Director (the "**Mastercard Director**") shall be selected by and may be removed by Mastercard, and one (1) Series F Director (the "**CDPQ Director**") shall be selected by and may be removed by CDPQ. As of the date hereof, the Mastercard Director is James Anderson and the CDPQ Director is Wendy Murdock. Further, a Series F Director shall have the right to serve on each committee of the Company's Board of Directors. The selection of each Series F Director (including selection of such directors for re-election) shall require the approval of the Company (such approval not to be unreasonably withheld, delayed or conditioned in either case).

(j) The obligation of the Stockholders to elect the Mastercard Director under this Agreement shall terminate at such time as Mastercard owns less than 50% of the shares of Series F Stock issued by the Company to Mastercard pursuant to that certain Series F Preferred Stock Purchase Agreement, dated as of May 31, 2017, by and among the Company and the purchasers listed on Exhibit A thereto (the "**2017 Series F Purchase Agreement**") at the initial closing thereunder (as such shares are appropriately adjusted for stock splits, stock dividends, combinations, and other recapitalizations). The obligation of the Stockholders to elect the CDPQ Director under this Agreement shall terminate at such time CDPQ owns less than 50% of the shares of Series F Stock issued by the Company to CDPQ pursuant to the 2017 Series F Purchase Agreement at the initial closing thereunder (as such shares are appropriately adjusted for stock splits, stock dividends, combinations, and other recapitalizations). At such time as the Stockholders are no longer obligated to elect a Series F Director, such Series F Director shall be a Common Director and be subject to the provisions set forth above relating to the Common Directors.

(k) Subject to the last sentence of this Section 4.1(k), the one (1) Senior Preferred Director shall be selected by and may be removed by the Senior Majority. Subject to the second to last sentence of this Section 4.1(k), the Senior Preferred Director as of the date hereof shall be Robert "Bo" Stanley. Further, the Senior Preferred Director shall have the right to serve on each committee of the Company's Board of Directors, with the expectation that such director, absent special circumstances, will limit himself to serving on only one of the two current working committees of the Board. Notwithstanding the foregoing, if at any time the Senior Majority consists of Senior Preferred Holders or Redeemable Preferred Holders other than Sixth Street and/or its Affiliates, the designated replacement Senior Preferred Director shall require the approval of the Company (not to be unreasonably withheld) and may be subject to regulatory notification and/or approvals such replacement's election as director shall be subject to and contingent upon the Company receiving such approval.

(l) The obligation of the Stockholders to elect the Senior Preferred Director under this Agreement shall terminate at such time as less than 50% of the shares of Senior Preferred Stock (or Redeemable Preferred Stock it converts into) issued by the Company pursuant to the 2019 Senior Preferred Stock Purchase Agreement remain outstanding (as such shares are appropriately adjusted for stock splits, stock dividends, combinations, and other recapitalizations). At such time as the Stockholders are no longer obligated to elect a Senior Preferred Director, such Senior Preferred Director may, at the Board's discretion, become a Common Director and be subject to the provisions set forth above relating to the Common Director and, if the Board does not elect to allow such Senior Preferred Director to become a Common Director, such Senior Preferred Director shall cease to be a director of the Company.

(m) Notwithstanding any other provision of this Section 4, (A) if any of the events described in Rule 506(d)(1)(i) through (viii) promulgated under the Securities Act (each a "**Rule 506 Disqualification**"), occurs with respect to any board member which may result in the Company's ineligibility to rely on the exemption from registration provided by Rule 506 promulgated under the Securities Act, or (B) any governmental agency or authority suspends, withdraws or terminates any license or application of the Company related to money transmission as a result of a director serving on the Company's Board of Directors or advises the Company that a director or director nominee is disqualified from serving on the Board of Directors (each a "**MSB Disqualification**"), in each case as determined by the other board members in consultation with legal counsel, such director shall be promptly removed from office, and the Stockholders hereby agree to vote all of the shares of voting capital stock of the Company that they own, of record or beneficially, to effect such removal, and such resulting vacancy shall be filled pursuant to the provisions of this Section 4. Without limiting the generality of the foregoing, each Person with the right to designate or participate in the designation of a director as specified above hereby agrees (i) not to designate or participate in the designation of any director designee who, to such Person's knowledge, is subject to a Rule 506 Disqualification or a MSB Disqualification and (ii) that in the event such Person becomes aware that a Rule 506 Disqualification or a MSB Disqualification has occurred with respect to any individual previously designated by any such Person, such Person shall as promptly as practicable take such actions as are necessary to remove such disqualified designee from the Board of Directors and designate a replacement designee who is not subject to a Rule 506 Disqualification or a MSB Disqualification.

(n) Unless otherwise determined by the vote of a majority of the directors then in office, including, to the extent such directors are still in office, at least one (1) Series E Director, and at least one (1) Series F Director (a "**Special Board Approval**"), the Board of Directors shall meet at least once per fiscal quarter of the Company in accordance with an agreed-upon schedule. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket expense in connection with their service as a director, including travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors.

(o) Notwithstanding the foregoing, the selection of any member for the Board shall be subject to regulatory notifications and/or approvals, including pursuant to the Company's money transmitter licenses, and if approval from the Company's various money transmitter licensing regulators is required for a new Board member, then such Board member's selection shall be subject to and contingent upon the Company receiving such approval.

4.2 Observer Rights. The Company, upon the approval of the Board of Directors, may from time to time invite individuals to serve in a nonvoting observer capacity of the Board of Directors. Such Board of Directors observers shall enter into an agreement with the Company, that is approved by the Board of Directors, that outlines the details regarding the arrangement, including but not limited to information rights, attendance rights, payment for services (if any), term, removal processes and confidentiality obligations.

4.3 Expiration. The rights granted under this Section 4 shall not apply to, and shall expire upon, the effectiveness of a registration statement in connection with a Qualified Offering (as defined in the Restated Certificate).

Section 5.
COVENANTS

5.1 Restrictions on Sales of Control of the Company. Other than in connection with a Redemption of the Redeemable Preferred Stock or Convertible Common Stock (in accordance with the Restated Certificate), neither the Company nor any Stockholder shall be a party to any Significant Transaction unless all holders of Preferred Stock and Convertible Common Stock and all holders of Common Stock issued pursuant to the 2020 Common Stock Purchase Agreements are allowed to participate in such transaction and the consideration received pursuant to such transaction is allocated among the parties thereto in the manner specified in paragraph IV.C of the Restated Certificate.

5.2 Confidentiality, Inventions and Non-Competition Agreements. The Company shall cause each of its current and future officers and management, technical or professional employees to execute and deliver a confidentiality, inventions and non-competition agreement, except as otherwise provided by the Board of Directors in a particular case.

5.3 Compensation Committee. The Company's Compensation Committee shall (among other things) (a) determine the compensation of (including issuances of options or other incentive equity), as well as the terms of any agreement or arrangement with, members of senior management of the Company (in their capacities as such), including the hiring and termination of any members of senior management and (b) on an annual basis, review and evaluate compensation and benefits for all members of senior management of the Company and its subsidiaries, and determine whether (i) to amend, modify or terminate the compensation and/or benefits of any existing member of senior management and/or (ii) authorize the payment of compensation to any new member of senior management of the Company and its subsidiaries. The Compensation Committee will act by a majority of its members.

5.4 Drag Along.

(A) In the event that (I) a Sale Trigger (as defined in Section 5.12 hereto) occurs, at the direction of the Senior Majority; or (II) (i) subject to Section 5.4(C) below, the holders of at least a majority of the shares of Common Stock issued or issuable upon conversion of the shares of Series E Stock, (ii) subject to Section 5.4(D), the holders of at least a majority of the shares of Common Stock issued or issuable upon conversion of the shares of Series F Stock originally issued prior to 2019 and the holders of at least a majority of the shares of Common Stock issued or issuable upon conversion of the shares of Series F Stock originally issued in 2019 or thereafter, (iii) subject to Section 5.4(E) below, a Senior Majority, (v) the Board of Directors and (vi) the holders of at least a majority of the shares of Common Stock then-outstanding (calculated on an as converted basis) (collectively, the "**Electing Holders**") approve a Significant Transaction in writing, specifying that this Section 5.4 shall apply to such transaction, at the direction of the Electing Holders; then, in each case, each Stockholder and the Company hereby agrees:

(a) if such transaction requires stockholder approval, with respect to all Securities that such Stockholder owns or over which such Stockholder otherwise exercises voting power, to vote (in person, by proxy or by action by written consent, as applicable) all Securities in favor of, and adopt, such Significant Transaction and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Significant Transaction;

(b) if such transaction is structured as a sale of Securities, to sell the same proportion of Securities beneficially held by such Stockholder as is being sold by the Electing Holders to the Person to whom the Electing Holders propose to sell their Securities, and on the same terms and conditions as the Electing Holders;

(c) to execute and deliver all customary related documentation and take such other action in support of the Significant Transaction as shall reasonably be requested by the Company in order to carry out the terms and provision of this Section 5.4, including, without limitation, executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow agreement, consent, waiver, governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances), and any similar or related documents;

(d) not to deposit, and to cause their Affiliates not to deposit, except as provided in this Agreement, any Securities owned by such party or Affiliate in a voting trust or subject any Securities to any arrangement or agreement with respect to the voting of such Securities, unless specifically requested to do so by the acquiror in connection with the Significant Transaction; and

(e) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Significant Transaction.

(B) Notwithstanding the foregoing, a Stockholder will not be required to comply with its obligations under this Section 5.4, unless:

(a) any representations and warranties to be made by such Stockholder in connection with the Significant Transaction are limited to representations and warranties related to authority, ownership and the ability to convey title to such Securities, including, but not limited to, representations and warranties that (i) the Stockholder holds all right, title and interest in and to the Securities such Stockholder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Stockholder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Stockholder have been duly executed by the Stockholder and delivered to the acquirer and are enforceable against the Stockholder in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Stockholder's obligations thereunder, will cause a breach or violation of the terms of any law or judgment, order or decree of any court or governmental agency;

(b) the Stockholder shall not be liable for the breach or inaccuracy of any representation or warranty made by any other Person in connection with the Significant Transaction, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any stockholder of any identical representations, warranties and covenants provided by all stockholders);

(c) the liability for indemnification, if any, of such Stockholder in the Significant Transaction and for the breach or inaccuracy of any representations and warranties made by the Company or its stockholders in connection with such Significant Transaction, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any stockholder of any of identical representations, warranties and covenants provided by all stockholders), and subject to the provisions of the Restated Certificate related to the allocation of the escrow, is *pro rata* in proportion to, and does not exceed, the amount of consideration paid to such Stockholder in connection with such Significant Transaction;

(d) liability shall be limited to such Stockholder's applicable share (determined based on the respective proceeds payable to each Stockholder in connection with such Significant Transaction in accordance with the provisions of the Restated Certificate) of a negotiated aggregate indemnification amount that applies equally to all Stockholders but that in no event exceeds the amount of consideration otherwise payable to such Stockholder in connection with such Significant Transaction, except with respect to claims related to fraud by such Stockholder, the liability for which need not be limited as to such Stockholder;

(e) upon the consummation of the Significant Transaction (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock, (ii) each holder of a series of Preferred Stock will receive the same amount of consideration per share of such series of Preferred Stock as is received by other holders in respect of their shares of such same series, (iii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, and (iv) the aggregate consideration receivable by all holders of the Preferred Stock and Common Stock shall be allocated among the holders of Preferred Stock and Common Stock on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Stock and the holders of Common Stock are entitled in a Significant Transaction in accordance with the Restated Certificate (as in effect immediately prior to the Significant Transaction); provided, however, that, notwithstanding the foregoing, if the consideration to be paid in exchange for any shares of capital stock pursuant to this Section 5.4 includes any securities and due receipt thereof by any Stockholder would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Stockholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to

"accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Stockholder in lieu thereof, against surrender of such Stockholder's shares of capital stock of the Company, which would have otherwise been sold by such Stockholder, an amount in cash equal to the fair value (as determined by a Special Board Approval) of the securities which such Stockholder would otherwise receive as of the date of the issuance of such securities in exchange for such shares of capital stock of the Company;

(f) in the case such Stockholder is an Investor (other than an Investor that is also an employee of the Company), neither such Stockholder nor any of its Affiliates is required to agree to any non-competition or non-solicitation covenant or obligation or release of claims (other than a release solely in such Stockholder's capacity as a stockholder of the Company) or any similar covenant or agreement or other agreement that directly or indirectly limits or restricts the business or activities of such Stockholder or any of its Affiliates in connection with such Significant Transaction; and

(g) in the case of any holder of Senior Preferred Stock, Redeemable Preferred Stock or Convertible Common Stock, all such holders receive at the closing of such Significant Transaction in cash at least an amount equal to the Senior Preference Amount, the Redeemable Preferred Preference Amount and the Convertible Common Redemption Price (each as defined in the in the Restated Certificate) per share, respectively, for all shares held by such holders.

(C) Notwithstanding the foregoing, the approval of at least a majority of the shares of Common Stock issued or issuable upon conversion of the shares of Series E Stock shall not be required under this Section 5.4 in the event such Stockholders are to receive, in cash, in the Significant Transaction $31.43 per share minus an amount equal to any dividends actually paid in respect of such Series E Stock.

(D) Notwithstanding the foregoing, the approval of at least a majority of the shares of Common Stock issued or issuable upon conversion of the shares of Series F Stock shall not be required under this Section 5.4 in the event such Stockholders are to receive, in cash, in the Significant Transaction $60.4545 per share minus an amount equal to any dividends actually paid in respect of such Series F Stock.

(E) Notwithstanding the foregoing, the approval of a Senior Majority shall not be required under Section 5.4(A) in the event each outstanding share of Senior Preferred Stock, Redeemable Preferred Stock and/or Convertible Common Stock receives in cash at the closing of such transaction, and solely to the extent any of the following amounts are actually paid or distributed by the Company in connection with the closing of such transaction, at least an amount equal to the Senior Preference Amount, the Redeemable Preferred Preference Amount or the Convertible Common Redemption Price, as applicable (each as defined in the Restated Certificate and as applicable) per share, respectively.

5.5 Vote to Increase Authorized Common Stock. Each Stockholder agrees to vote or cause to be voted all Securities owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized shares of Common Stock from time to time to ensure that there will be sufficient shares of Common Stock available for conversion of all of the shares of Preferred Stock and Convertible Common Stock outstanding at any given time.

5.6 Financial Statements. The Company shall, upon the written request of any Stockholder holding at least one percent (1%) of the Securities, provide to such Stockholder the following:

(a) Annual Financial Statements. As soon as practicable, but in any event within 120 days after the end of each fiscal year of the Company, a consolidated statement of earnings for such fiscal year, a consolidated balance sheet of the Company as of the end of such year, and a consolidated statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles, and audited and certified by an independent public accounting firm selected by the Audit Committee of the Board of Directors.

(b) Quarterly Financial Statements. Within 60 days of the end of each calendar quarter, an unaudited statement of earnings, balance sheet and statement of cash flow for or as of the end of such quarter, in reasonable detail.

(c) Monthly Financial Statements. Within 30 days after the end of the each month, an unaudited statement of earnings, balance sheet and statement of cash flows for or as of the end of such month.

(d) Budgets. As soon as practicable, but in any event within 30 days after the beginning of each relevant fiscal year of the Company, a budget for such fiscal year as approved by the Company's Board of Directors.

5.7 Expiration. Notwithstanding the foregoing or the following, the rights granted under this Section 5 shall not apply to, and shall expire upon, the effectiveness of a registration statement in connection with a Qualified Offering (as defined in the Restated Certificate).

5.8 Series F Strategic Purchasers. In the event that the approval of the Series F Stock is sought or required pursuant to paragraph IV.E(4)(d) of the Restated Certificate (as it may be amended from time to time):

(a) Each Series F Strategic Purchaser shall be entitled to vote its shares of Series F Stock in its sole discretion except with respect to the following matters (collectively, "**Excluded Matters**"):

(i) Matters raised by paragraph IV.E(4)(d)(iii)(B);

(ii) Matters raised by paragraph IV.E(4)(d)(v);

(iii) Matters raised by paragraph IV.E(4)(d)(viii);

(iv) Matters raised by paragraph IV.E(4)(d)(x);

(v) Matters raised by paragraph IV.E(4)(d)(xi); and

(vi) Matters raised by paragraph IV.E(4)(d)(xii).

(b) For each Excluded Matter, each Series F Strategic Purchaser shall vote its shares of Series F Stock *pro rata* in proportion to the manner in which the shares of Series F Stock held by the Series F New Financial Purchasers are voted with respect to such Excluded Matter.

(c) For the purposes of this Section 5.8, (i) the term "**Series F Strategic Purchaser**" shall mean a holder of Series F Stock whose primary business is not making capital investments in companies with a goal of realizing a return on their investments, (ii) the term "**Series F Financial Purchaser**" shall mean a holder of Series F Stock who is not a Series F Strategic Purchaser. Mastercard and its Affiliates shall be deemed to be Series F Strategic Purchasers and (iii) the term "**Series F New Financial Purchaser**" shall mean a Series F Financial Purchaser that does not (and is not an Affiliate of any Person that) beneficially own shares of any other class or series of capital stock of the Company existing as of May 31, 2017.

(d) Each Series F Strategic Purchaser grants an irrevocable proxy and power of attorney (coupled with an interest) to the Chief Executive Officer of the Company with full power of substitution by vote of the Board of Directors, solely with respect to votes on an Excluded Matter (to be voted by such proxy and power of attorney holder strictly in accordance with Section 5.8(b)) and only to be used if such Series F Strategic Purchaser (i) fails to vote, or (ii) attempts to vote (whether by proxy, in person or by written consent), with respect to such Excluded Matter in a manner which is inconsistent with the terms of this Section 5.8.

(e) In addition to the provisions of Section 6.5 herein regarding amendments, this Section 5.8 shall not be amended without the consent of a majority of the Series F Stock held by Series F Strategic Purchasers.

(f) Notwithstanding the foregoing, the provisions of this Section 5.8 shall not apply in the event that more than twenty percent (20%) of the outstanding shares of Series F Stock are held by Series F Financial Purchasers also holding other shares of Preferred Stock.

5.9 Senior Preferred and Redeemable Preferred Covenants. Notwithstanding anything in this Agreement or otherwise to the contrary, for as long as no less than 50% of the shares of the Senior Preferred Stock or, if the Senior Preferred Stock has converted, no less than 50% of the Redeemable Preferred Stock (on an as converted basis) issued pursuant to the Senior Preferred Stock Purchase Agreement remain outstanding, the Company shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without obtaining the prior approval of a Senior Majority:

(a) Except for employment related arrangements in the ordinary course of business consistent with past practice, enter into any new material transaction with any director, officer, stockholder of the Company, or any of their respective relatives or affiliates, any entity under the control of a director, officer or stockholder of the Company, or any of their respective relatives or affiliates, unless such contract is on terms no less favorable to the Company than would be obtained in a transaction with a person that is not one of the foregoing and has been approved by no less than a majority of the number of directors constituting the whole Board of Directors or the Audit Committee of the Board of Directors (excluding for both the Board of the Committee, as the case may be, any member having a direct or indirect interest in the arrangement or transaction in question) (an "**Affiliated Transaction**"); provided, however, that ordinary course compensatory arrangements with the Company's executive officers and employees (including equity compensation) (i) shall not be deemed an Affiliated Transaction and (ii) for the Company's executive officers, only require the prior approval of the Board of Directors;

(b) incur any indebtedness for borrowed money or issue any debt securities (including, without limitation, any negative pledges, guarantees, debts, liens or leases), in excess of (i) any amounts existing under, available (whether committed or uncommitted) under, or permitted by the financing contemplated by (collectively, the "**New Permitted Debt**") that certain Credit and Guaranty Agreement dated as of the date hereof (as amended, restated, amended and restated, supplemented, replaced or otherwise modified from time to time, the "**New Credit Agreement**") among the Company, AvidXchange Financial Services, Inc., a Delaware corporation, Piracle, Inc., a Utah corporation, Strongroom Solutions, Inc., a Texas corporation, Ariett Business Solutions, Inc., a Massachusetts corporation, and AFV Holdings One, Inc., a North Carolina corporation, certain other subsidiaries of the Company as borrowers or Guarantors thereunder from time to time, certain financial institutions as Lenders thereunder, Sixth Street (as defined under the New Credit Agreement), in its capacity as Collateral Agent and Administrative Agent thereunder, Sixth Street and KeyBank National Association ("**KeyBank**"), as joint lead arrangers, and Sixth Street and KeyBank, as joint book runners or (ii) in the event that the Company enters into a debt facility in replacement of the New Credit Agreement in compliance with this subsection (b)(ii) (the "**Replacement Credit Facility**"), any amounts existing under, available (whether committed or uncommitted) under, or permitted by such Replacement Credit Facility provided that the Replacement Credit Facility (including the debt negative covenant thereunder) shall, in the aggregate (other than in respect of customary fees and changes in interest rates), be materially consistent with the New Credit Agreement; provided that this subsection (b) shall not prohibit the Company from entering into the Replacement Credit Facility provided that such facility does not increase the aggregate principal amount of the loans available by more than $25,000,000 in the aggregate more than the original aggregate principal amount available (whether committed or uncommitted) as of the date hereof under the New Credit Agreement;

(c) change the size of the Board of Directors;

(d) enter into or agree to any (A) sale or purchase of assets outside the ordinary course of the Company in one or more series of related transactions involving payments to or from the Company in excess of the greater of (i) $100,000,000 in the aggregate or (ii) 30% of the Company's Available Cash (as defined in the Restated Certificate) as of the date of such transaction or series of related transactions or (B) Significant Transaction,

except to the extent that in connection with such transaction each outstanding share of Senior Preferred Stock, Redeemable Preferred Stock and Convertible Common Stock receives in cash at least an amount equal to the Senior Preference Amount, the Redeemable Preferred Preference Amount and the Convertible Common Redemption Price (each as defined in the Restated Certificate) per share, respectively; or

(e) enter into any agreement to do any of the foregoing that is not expressly made conditional on obtaining such approval.

5.10 Right to Conduct Activities.

(a) The parties hereto acknowledge and agree that Mastercard and its Affiliates engage in a wide variety of businesses and activities (including investments in other companies), some of which may be competitive with the business of the Company and its Affiliates as conducted from time to time, and the parties hereto acknowledge and agree that neither Mastercard nor any of its Affiliates shall be liable to the Company or any other party for any claim arising out of or based upon (i) Mastercard or any of its Affiliates engaging in any business or activity (including any investment in another company) which may be competitive with the Company and/or its Affiliates, or (ii) any actions taken by any officer, director, employee or other representative of Mastercard or any of its Affiliates to assist any such competitive business, activity or company. In addition, the parties hereto hereby acknowledge and agree that Mastercard shall not have any duty to disclose any information to the Company or permit the Company to participate in any businesses, activities, investments or other opportunities of Mastercard or its Affiliates, and each hereby waives, to the fullest extent permitted by law, any claim based on the corporate opportunity doctrine or otherwise that could limit the ability of Mastercard or its Affiliates to pursue such opportunities or that would require Mastercard to disclose any such information to the Company or offer any opportunity relating thereto to the Company. In furtherance of the foregoing, notwithstanding any provision in this Agreement to the contrary, in no event shall Mastercard or any of its Affiliates be required, in connection with any Significant Transaction or otherwise, to enter into, or be bound by or subject to any provision in (or agree or commit to enter into or be bound by or subject to), any agreement that, directly or indirectly, (x) would limit or restrict Mastercard' or any of its Affiliates' freedom to engage in any business or investment activity, whether or not it may be competitive with the Company and/or its Affiliates (including, without limitation, any non-competition or non-solicitation agreement) or (y) would require Mastercard or any of its Affiliates to waive or release any claim against the Company in connection with a Significant Transaction or otherwise other than claims arising solely in their respective capacities as holders of Series F Stock and/or any other securities of the Company.

(b) The parties hereto acknowledge and agree that CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates and the Series E Investor engage in a wide variety of businesses and activities (including investments in other companies), some of which may be competitive with the business of the Company and its Affiliates as conducted from time to time, and the parties hereto acknowledge and agree that neither CDPQ, Temasek, Sixth Street, Capital Group, Lone

Pine, Neuberger, CPPIB Purchaser, their respective Affiliates nor the Series E Investor shall be liable to the Company or any other party for any claim arising out of or based upon (i) CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor engaging in any business or activity (including any investment in another company) which may be competitive with the Company and/or its Affiliates, or (ii) any actions taken by any officer, director, employee or other representative of CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor to assist any such competitive business, activity or company. In addition, the parties hereto hereby acknowledge and agree that neither CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates nor the Series E Investor shall have any duty to disclose any information to the Company or permit the Company to participate in any businesses, activities, investments or other opportunities of CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor, and each hereby waives, to the fullest extent permitted by law, any claim based on the corporate opportunity doctrine or otherwise that could limit the ability of CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor to pursue such opportunities or that would require CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser or the Series E Investor to disclose any such information to the Company or offer any opportunity relating thereto to the Company. In furtherance of the foregoing, notwithstanding any provision in this Agreement to the contrary, in no event shall CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor be required, in connection with any Significant Transaction or otherwise, to enter into, or be bound by or subject to any provision in (or agree or commit to enter into or be bound by or subject to), any agreement that, directly or indirectly, (x) would limit or restrict the freedom of CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor to engage in any business or investment activity, whether or not it may be competitive with the Company and/or its Affiliates (including, without limitation, any non-competition or non-solicitation agreement) or (y) would require CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor to waive or release any claim against the Company in connection with a Significant Transaction or otherwise other than claims arising solely in their respective capacities as holders of Series F Stock and/or any other securities of the Company.

5.11 Future Securities and Rights Issuances. The Company shall not (i) issue any Securities (as defined in the Restated Certificate), other than Excluded Securities (as defined herein) to, (ii) grant any rights to or (iii) agree or bind itself to any obligations to, any Person if such issuance or the grant of such rights or agreement to be subject to such obligations would result in such Person acquiring control of the Company within the meaning of applicable money transmitter laws in any jurisdiction where the Company holds a money transmitter license or has applied for a money transmitter license (such Securities, rights and or obligations, "**Control Rights**"); provided, that such restriction shall not apply with respect to any jurisdiction if (x) a consent to such Person obtaining control of the Company in such jurisdiction has been obtained from the applicable governmental regulatory authority or notification thereof has been delivered

to such governmental regulatory authority, as the case may be, under such applicable law or (y) such governmental regulatory authority has, or the Company and such Person have, determined that consent is not necessary, in either case prior to the acquisition of the Control Rights by such Person. Prior to the issuance of any Control Rights to any Person, the Company shall obtain the advice of regulatory legal counsel of the Company with respect thereto (such counsel to be approved by the Board of Directors). "**Excluded Securities**" shall mean any, (i) shares of Common Stock issued upon conversion of Preferred Stock, (ii) shares of capital stock issued in connection with a stock dividend, subdivision, split-up, combination or other event in which the relative voting power of the Company's stockholders does not change, (ii) securities issued pursuant to the Company's equity incentive plans, (iii) securities issued upon conversion or exercise of warrants issued outstanding as of the date hereof, (v) shares of Series F Stock issued on or prior to the date hereof, (vi) shares of Senior Preferred Stock, (vii) shares of Redeemable Preferred Stock and (viii) shares of the Convertible Common Stock.

5.12 Redemption Sale. If an election has been made to redeem any shares of Redeemable Preferred and any such shares are not redeemed in full for cash for any reason within eighteen (18) months of the Redeemable Preferred Redemption Date (as defined in the Restated Certificate), except to the extent prohibited by applicable law, the Redeemable Preferred Majority shall have the right to cause the Corporation take commercially reasonable steps to begin to initiate a Significant Transaction (as such term is defined in the Restated Certificate (a "**Redemption Sale**"). In addition to taking all other reasonably necessary and desirable actions in connection with the consummation of a Redemption Sale, upon notice by the Redeemable Preferred, except to the extent prohibited by applicable law, the Corporation shall take, and the holders of Redeemable Preferred shall have the right to cause each of the other shareholders of the Corporation pursuant to this Agreement to support, the following actions: (i) engaging an investment bank selected by the Corporation and acceptable to the Redeemable Preferred Majority (as such term is defined in the Restated Certificate) (the "**Investment Bank**") to effect such Redemption Sale, (ii) cooperating in a reasonable and customary manner with the Investment Bank and its representatives in accordance with such procedures, (iii) cooperating in a reasonable and customary manner with the proposed buyer(s), (iv) hiring legal counsel selected by the Corporation to act on behalf of the Corporation in connection with such Redemption Sale, (v) facilitating the due diligence process in respect of any such Redemption Sale, including establishing, populating and maintaining an online "data room", (vi) executing a reasonably acceptable sale contract and other customary documents, (vii) making required governmental filings and using best efforts to obtain required third party consents, and (viii) providing any financial or other information or audit required by the proposed buyer's financing sources. If a Redemption Sale is not consummated by the two year anniversary of the initial Redeemable Preferred Redemption Date, then the Redeemable Preferred Majority shall have the right after notice to the Corporation to force a Redemption Sale directly (a "**Sale Trigger**"). After a Sale Trigger, the Corporation shall take, and each of the other shareholders of the Corporation shall take pursuant to this Agreement, all reasonably necessary and desirable actions as are directed by the Redeemable Preferred Majority, except to the extent prohibited by applicable law, including without limitation taking all of the corporate actions contemplated above, in connection with the consummation of any such Redemption Sale. The Corporation shall bear all of the costs of any actual or proposed Redemption Sale and such costs shall come out of the proceeds of such Redemption Sale (including without limitation a Redemption Sale after a Sale Trigger).

Section 6.
MISCELLANEOUS

6.1 Governing Law; Waiver of Jury Trial. This Agreement shall be governed by, and construed and interpreted in accordance with the laws of the State of Delaware as applied to agreements among Delaware residents made and to be performed entirely within the State of Delaware, without regard to its laws regarding conflicts of law. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in the Chancery Court of the State of Delaware and any state appellate court therefrom within the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto.

EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF, OR RELATING TO, THIS AGREEMENT.

6.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

6.3 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof. This Agreement supersedes and replaces in all respects the Prior Rights Agreement, which is hereby terminated in full. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto and their successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.4 Severability. Any invalidity, illegality or limitation of the enforceability with respect to any Stockholder of any one or more of the provisions of this Agreement, or any part thereof, whether arising by reason of the law of any such Person’s domicile or otherwise, shall in no way affect or impair the validity, legality or enforceability of this Agreement with respect to any other Stockholder. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6.5 Amendment and Waiver. Except as otherwise expressly provided herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely) with the written consent of the Company, the Series E Investor, and the holders of Preferred Stock (other than the Senior Preferred and the Redeemable Preferred), or their transferees, holding two-thirds (2/3) of the shares of Preferred Stock (other than the Senior Preferred and the Redeemable Preferred) held by the holders of Preferred Stock (other

than the Senior Preferred and the Redeemable Preferred), voting together as a single group (treated for the Series A Holders, Series B Holders, Series C Holders, Series D Holders, Series E Holders and Series F Holders as if converted at the conversion rate then in effect and treated for the Acquisition Stock Holders as if converted at 1/10th the conversion rate then in effect, and including for holders of Preferred Stock(other than the Senior Preferred and the Redeemable Preferred), for such purposes shares of Common Stock into which any shares of the Preferred Stock (other than the Senior Preferred and the Redeemable Preferred) shall have been converted that are held by a holder of Preferred Stock); provided that (a) with respect to the provisions in the last sentence of Section 1.2, Sections 1.4, 3.2(v), 3.3(v), 3.4(v), 4.1(a)(iii), 4.1(e) 4,1(k), 4.1(l), 5.1, 5.4 (solely as it applies to the Senior Preferred Stock or Redeemable Preferred Stock), 5.9, 5.10(b) (solely as it applies to Sixth Street and its affiliates), 5.12 and this proviso in Section 6.5, or (b) if the amendment adversely affects the rights of the Senior Preferred Holders or Redeemable Preferred Holders, a Senior Majority must also consent in writing; provided that if the amendment adversely affects the rights of the Convertible Common Holders, a majority in interest of the Convertible Common Holders must also consent in writing; provided that if the amendment adversely affects the rights of the Common Holders, a majority in interest of the Common Holders must also consent in writing. Notwithstanding the foregoing, (i) this Agreement may not be amended and the observance of any term hereof may not be waived with respect to any specific Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion, (ii) this Agreement may not be amended and the observance of any term hereof may not be waived in a manner adverse to any series of Preferred Stock (other than the Senior Preferred and the Redeemable Preferred) without the written consent of the holders of a majority of the shares of such series of Preferred Stock, unless such amendment, termination, or waiver applies to all series of Preferred Stock (other than the Senior Preferred and the Redeemable Preferred) in the same fashion, (iii) any amendment to the definition of Significant Stockholder or Major Investor that would result in Mastercard no longer being a Significant Stockholder or Majority Investor, as applicable, or any amendment or waiver of Section 5.4(B), shall require the consent of Mastercard and (iv) any amendment or waiver of Section 5.11 shall require the consent of the holders of a majority of the shares of Series F Stock. The parties hereto acknowledge and agree that CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates and the Series E Investor engage in a wide variety of businesses and activities (including investments in other companies), some of which may be competitive with the business of the Company and its Affiliates as conducted from time to time, and the parties hereto acknowledge and agree that neither CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates nor the Series E Investor shall be liable to the Company or any other party for any claim arising out of or based upon (i) CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor engaging in any business or activity (including any investment in another company) which may be competitive with the Company and/or its Affiliates, or (ii) any actions taken by any officer, director, employee or other representative of CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor to assist any such competitive business, activity or company. In addition, the parties hereto hereby acknowledge and agree that neither CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates nor the Series E Investor shall have any duty to disclose any information to the Company or permit the Company to participate in any businesses, activities, investments or other opportunities of CDPQ, Temasek, Sixth Street,

Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor, and each hereby waives, to the fullest extent permitted by law, any claim based on the corporate opportunity doctrine or otherwise that could limit the ability of CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor to pursue such opportunities or that would require CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser or the Series E Investor to disclose any such information to the Company or offer any opportunity relating thereto to the Company. In furtherance of the foregoing, notwithstanding any provision in this Agreement to the contrary, in no event shall CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor be required, in connection with any Significant Transaction or otherwise, to enter into, or be bound by or subject to any provision in (or agree or commit to enter into or be bound by or subject to), any agreement that, directly or indirectly, (x) would limit or restrict the freedom of CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor to engage in any business or investment activity, whether or not it may be competitive with the Company and/or its Affiliates (including, without limitation, any non-competition or non-solicitation agreement) or (y) would require CDPQ, Temasek, Sixth Street, Capital Group, Lone Pine, Neuberger, CPPIB Purchaser, their respective Affiliates or the Series E Investor to waive or release any claim against the Company in connection with a Significant Transaction or otherwise other than claims arising solely in their respective capacities as holders of Series F Stock and/or any other securities of the Company. Any amendment to the definition of Major Investor that would result in the CPPIB Purchaser, the Franklin Purchasers, the BlackRock Purchasers, the Crescent Purchaser, the Sequoia Purchaser or the Sapphire Purchaser no longer being a Major Investor shall require the consent of such party. Any amendment or waiver effected in accordance with this Section 6.5 shall be binding upon each Common Holder, each Investor and each transferee of the Senior Preferred Stock, Redeemable Preferred Stock, Convertible Common Stock, Series F Stock, Series E Stock, Series D Stock, the Series C Stock, the Series B Stock, the Series A Stock, Acquisition Stock and Common Stock. Upon the effectuation of each such amendment or waiver, the Company shall promptly give written notice thereof to the Stockholders who have not previously consented thereto in writing.

6.6 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to the Company, the Investors or any transferees upon any breach, default or noncompliance of the Investors or any transferee or the Company under this Agreement, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on the part of the Company or the Investors of any breach, default or noncompliance under this Agreement or any waiver on the Company's or the Investors' part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing and that all remedies, either under this Agreement, by law, or otherwise afforded to the Company and the Investors, shall be cumulative and not alternative.

6.7 Notices, etc.

(a) All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon personal delivery or upon confirmed delivery by facsimile or telecopy, or on the fifth day (or the tenth day if to a party with an address outside of the United States) following mailing by certified mail, return receipt requested, postage prepaid, addressed: (i) if to the Company, at:

AvidXchange, Inc.
1210 AvidXchange Lane
Charlotte, NC 28206
Attn: President
Phone: 704-971-8160
Fax: 704-971-8172
email: mpraeger@avidxchange.com

With copies (which shall not constitute notice) to:

AvidXchange, Inc.
1210 AvidXchange Lane
Charlotte, NC 28206
Attn: General Counsel
Phone: 704-808-7735
Fax: 704-971-8172
email: rstahl@avidxchange.com

Paul Hastings LLP
200 Park Ave
New York, NY 10166
Attn: Christopher J. Austin, Esq.
Phone: 212-318-6092
email: christopheraustin@paulhastings.com

or at such other address as the Company shall have furnished to the Investors in writing, and

(ii) if to the Investors (other than the Acquisition Stock Holders) at the addresses of such Investors specified on **Exhibit A**, **B, C, D, E, F, G** or **H** currently possessed by the Company or at such other addresses as the Investors shall have furnished to the Company in writing;

(iii) if to the Acquisition Stock Holders, at the address of the Acquisition Stock Voting Trustee at Piracle, Inc., 6415 South 3000 East, Suite 150, Salt Lake City, Utah, 84121; and

(iv) if to a Stockholder other than the Investors, at such Stockholder's address as shall have been furnished to the Company in writing.

(b) In each case set forth in clauses (i) – (iv) above, notices shall also be provided, to the extent possible, with electronic messaging, but shall not be deemed effective until received as provided above.

6.8 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.9 Subsequent Purchasers.

(a) Subject to the terms of the Restated Certificate, the Company shall be entitled to include additional holders and purchasers of its Common Stock and Preferred Stock as parties to this Agreement, and to treat such holders as "Common Holders", "Acquisition Stock Holders", "Series A Holders", "Series B Holders", "Series C Holders", "Series D Holders", "Series E Holders", "Series F Holders", "Senior Preferred Holders", "Redeemable Preferred Holders" or "Convertible Common Holders" as applicable, hereunder by having such holder execute a joinder hereto, substantially in the form of Annex I (a "**Joinder**") and amending the applicable Exhibit in the Company's possession.

(b) Any permitted transferee of any shares of Common Stock or Preferred Stock shall have the rights and duties of a Common Holder, Acquisition Stock Holder, a Series A Holder, a Series B Holder, a Series C Holder, a Series D Holder, a Series E Holder, a Series F Holder, a Senior Preferred Holder, a Redeemable Preferred Holder and a Convertible Common Holder as applicable, under this Agreement, and shall become a party to this Agreement by executing a Joinder and, upon receipt of such Joinder, the Company shall amend the applicable Exhibit in the Company's possession. For illustrative purposes only, if a holder of Common Stock transfers its Common Stock to a permitted transferee, such permitted transferee shall be identified on Exhibit J in the Company's possession.

6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. Signatures hereto transmitted by facsimile or electronically shall be deemed original for all purposes.

6.11 Consent to Email. Each of the Stockholders hereby consents to the receipt of notice from the Company under any provision of the Delaware General Corporation Law ("**DGCL**") or the Company's bylaws and certificate of incorporation by email or other form of "electronic transmission" (as such term is defined in Section 232(c) of the DGCL). Such consent is revocable in accordance with Section 232(a) of the DGCL.

6.12 Rule 506 Covenant and Call Right.

(a) In the event that any Stockholder that is the beneficial owner of 20% or more of the Company's outstanding voting equity securities, any beneficial owner of the Company's securities through such Stockholder or any Stockholder designee(s) to the Company's Board of Directors (a "**Stockholder Party**") become subject to a Rule 506 Disqualification after the date hereof, the Stockholder shall notify the Company in writing of such Rule 506 Disqualification (including the material facts related thereto) as promptly

as practicable, and in no event later than five (5) business days after the Stockholder's discovery of such Rule 506 Disqualification. At any time or from time to time after the date hereof, each Stockholder agrees to cooperate with the Company, and at the request of the Company, to execute and deliver any further instruments or documents as the Company may reasonably request in order to evidence that no Stockholder Party is subject to a Rule 506 Disqualification such that the Company may be ineligible to rely on the exemption provided by Rule 506.

(b) If a Rule 506 Disqualification Event has occurred with respect to a Stockholder that is the beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power (a "**Disqualified Stockholder**"), the Company shall have the right, upon written notice to the Disqualified Stockholder (the "**Call Notice**"), to redeem or call (i.e., to purchase and require the Disqualified Stockholder to sell), such number of shares of the Company's securities necessary to cause the Disqualified Stockholder's beneficial ownership of the Company's outstanding voting equity securities, calculated on the basis of voting power, to fall below 20% (the "**Call Securities**"). The purchase price for the Call Securities shall be an amount equal to the Fair Market Value of such Call Securities as of the date of the Call Notice. For purposes of this Section 6.12(b) "**Fair Market Value**" shall mean the fair market value of the Call Securities as determined by the Company's Board of Directors in good faith consistent with other valuations of the Company's shares.

6.13 Aggregation of Securities. All Securities held or acquired by a Stockholder and/or its Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.14 Recapitalization Affecting the Company's Stock. Without any further action required by the Stockholders, the provisions of this Agreement shall apply, to the full extent set forth herein, with respect to any successor or assign of the Company ("**Successor Company**") and to any and all shares of capital stock of the Company or any Successor Company that may be issued in respect of, in exchange for, or in substitution of such shares of capital stock (whether by merger, consolidation, sale of assets, business combination, formation of a holding company or otherwise) and shall be appropriately adjusted for any stock splits, reverse splits, combinations, recapitalization, corporate reorganization, "corporate inversion" involving the creation of one or more holding companies and/or holding company subsidiaries, or any similar transaction permissible under applicable law occurring after the date hereof.

[Signature pages to follow.]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first written above.

AVIDXCHANGE, INC.

By: /s/ Michael Praeger
Name: Michael Praeger
Title: Chief Executive Officer

ANNEX I
FORM OF JOINDER AGREEMENT

AVIDXCHANGE, INC.

AGREEMENT TO JOIN AS A PARTY TO
EIGHTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

This Agreement to Join as a party to Eighth Amended and Restated Investor Rights Agreement, as amended (this "**Agreement**") is entered into as of **[___]**, by and between AvidXchange, Inc., a Delaware corporation (the **Company**"), and **[___]** (the ["**Investor**"/ "**Permitted Transferee**"]).

WHEREAS, the Company is party to that certain Eighth Amended and Restated Investor Rights Agreement, dated March [__], 2021 (as amended from time to time, the "**Investor Rights Agreement**"; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Investor Rights Agreement);

WHEREAS, Section 6.9 of the Investor Rights Agreement provides that the Company is entitled to include additional holders, purchasers and permitted transferees of its Common Stock and Preferred Stock as parties to the Investor Rights Agreement by amending the applicable exhibit of the Investor Rights Agreement to include such additional holders, purchasers and permitted transferees; and

WHEREAS, the **[Investor/Permitted Transferee]** desires to join and assume the rights and obligations of a party under the Investor Rights Agreement.

NOW, THEREFORE, in consideration of the premises, the covenants of the parties set forth below and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The **[Investor/Permitted Transferee]** hereby acknowledges that **[he/she/it]** has received a copy of the Investor Rights Agreement and has had the opportunity to review the terms thereof and hereby joins as a [**Common Holder/Acquisition Stock Holder/Series A Holder/Series B Holder/Series C Holder/Series D Holder/Series E Holder/Series F Holder/ Senior Preferred Holder/Redeemable Preferred Holder/Convertible Common Holder]** and agrees to be bound by the terms and conditions of the Investor Rights Agreement on the date hereof.

2. The Company hereby consents to the **[Investor/Permitted Transferee]** joining as a [**Common Holder/Acquisition Stock Holder/Series A Holder/Series B Holder/Series C Holder/Series D Holder/Series E Holder/Series F Holder /Senior Preferred Holder/Redeemable Preferred Holder/Convertible Common Holder]** under the Investor Rights Agreement and to the addition of the name of the undersigned **[Investor/Permitted Transferee]** to the applicable exhibit in the possession of the Company to such Investor Rights Agreement.

3. The **[Investor/Permitted Transferee]** herby certifies, pursuant to Section 1.3 of the Investor Rights Agreement, that **[he/she/it]** is acquiring and will hold the Transferred Securities for investment for **[his/her/its**] own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended, and that such Transfer is being made in compliance with all applicable federal and state law (including without limitation federal and state securities laws and "blue sky" laws).

4. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to conflicts of laws principles.

5. This Agreement may be executed in one or more counterparts.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first written above.

AVIDXCHANGE, INC.

By: _____
Print Name:
Title:

[INVESTOR/ PERMITTED TRANSFEREE]:

_____
_____(SEAL)
Print Name:

AVIDXCHANGE, INC.
NONQUALIFIED DEFERRED COMPENSATION PLAN

(as amended and restated effective as of January 1, 2019)

This document is drafted with the intent that it comply with Internal Revenue Code Section 409A and regulations promulgated thereunder.

AVIDXCHANGE, INC.
NONQUALIFIED DEFERRED COMPENSATION PLAN

AvidXchange, Inc., a Delaware corporation (the "Company"), adopted the AvidXchange, Inc. Nonqualified Deferred Compensation Plan (the "Plan") effective as of October 1, 2015 for the benefit of a select group of management or highly compensated employees. This Plan is an unfunded arrangement and is intended to be exempt from the participation, vesting, funding, and fiduciary requirements set forth in Title I of the Employee Retirement Income Security Act of 1974, as amended. It is intended to comply with Internal Revenue Code Section 409A.

Effective as of January 1, 2019, the Company hereby amends and restates the Plan to (i) provide that commissions are eligible for deferral under the Plan separate from deferral of other compensation, (ii) require a new deferral election each year, (iii) revise the provisions related to distribution following a separation from service in order to comply with Code Section 409A, and (iv) make other desired revisions for clarification purposes.

ARTICLE 1
ARTICLE 1- DEFINITIONS

1.1. Account. The sum of all the bookkeeping sub-accounts as may be established for each Participant as provided in Section 5.1 hereof.

1.2. Administrative Committee. An administrative committee appointed by the Employer. The Administrative Committee shall serve as the agent for the Employer with respect to the Trust.

1.3. Annual Distribution Date. February 1st in the calendar year immediately succeeding the Plan Year in which a distribution is triggered for reasons other than death or Disability.

1.4. Base Salary or Salary. The Compensation equal to the base rate of cash compensation paid by the Company to or for the benefit of a Participant, other than Bonus, Commissions or Performance–Based Compensation, for services rendered or labor performed while a Participant, including any pretax elective deferrals from said Salary to any Employer sponsored plan that includes amounts deferred under a Deferral Agreement or any elective deferral as defined in Code Section 402(g)(3), or any amount contributed or deferred at the election of the Eligible Employee to any cafeteria plan maintained by the Company in accordance with Code Section 125 or 132(f)(4).

1.5. Beneficiary. Beneficiary means the person, persons or entity designated by the Participant to receive any benefits payable under the Plan pursuant to Article 7.

1.6. Board. The Board of Directors of the Employer.

1.7. Annual Bonus. Compensation which is designated by the Employer as an Annual Bonus eligible for deferral under the Plan, and which relates to services performed during an incentive period by an Eligible Employee in addition to his or her Salary, Commissions or Performance-based Compensation, including any pretax elective deferrals from said Annual Bonus to any Employer sponsored plan that includes amounts deferred under a Deferral Agreement or any elective deferral as defined in Code Section 402(g)(3) or any amount contributed or deferred at the election of the Eligible Employee in accordance with Code Section 125 or 132(f)(4).

1.8. Change-in-Control. Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, a "Change-in-Control" of the Employer (which, for purpose of this Section 1.8 shall mean AvidXchange, Inc.) shall mean the first to occur of any of the following:

(a) the date that any one person or persons acting as a group acquires ownership of Employer stock constituting more than fifty percent (50%) of the total fair market value or total voting power of the Employer;

(b) the date that any one person or persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of the stock of the Employer possessing thirty percent (30%) or more of the total voting power of the stock of the Employer;

(c) the date that any one person or persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Employer that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Employer immediately prior to such acquisition; or

(d) the date that a majority of members of the Employer's Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or elections.

Provided, however, that the above events shall not be deemed to constitute a Change-in-Control so long as Employer remains 100% directly or indirectly owned by AvidXchange, Inc.

1.9. Code. The Internal Revenue Code of 1986, as amended.

1.10. Commissions. Compensation which is designated as such by the Employer and earned during a Plan Year by an Eligible Employee in addition to his or her Base Salary, Annual Bonus or Performance-based Compensation, including any pretax elective deferrals from said Commissions to any Employer sponsored plan that includes amounts deferred under a Deferral Agreement or any elective deferral as defined in Code Section 402(g)(3) or any amount contributed or deferred at the election of the Eligible Employee in accordance with Code Section 125 or 132(f)(4).

1.11. Compensation. The Participant's earned income, including Salary, Annual Bonus, Performance-based Compensation, Commissions and other remuneration from the Employer as may be included by the Administrative Committee.

1.12. Deferrals. The portion of Compensation that a Participant elects to defer in accordance with Section 3.1 hereof.

1.13. Deferral Agreement. The separate agreement, submitted to the Administrative Committee, by which an Eligible Employee agrees to participate in the Plan and make Deferrals thereto. Such Deferral Agreement may also be known as an "Eligible Compensation Deferral Agreement".

1.14. Deferral Period. The period of time after which payment of an Account is to be made or begin to be made as specified in Article 6. In the case of a Form of Payment that is substantially equal annual installments, the Deferral Period for each installment shall mean the period closing on the date that such installment payment is due under the terms of the Plan.

1.15. Disability. Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, a Participant shall be considered to have incurred a Disability if: (i) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; (ii) the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's Employer; or (iii) determined to be totally disabled by the Social Security Administration.

1.16. Effective Date . The original Effective Date is October 1, 2015. The Effective Date of this amendment and restatement is January 1, 2019.

1.17. Eligible Employee. An Employee shall be considered an Eligible Employee if such Employee is a member of a "select group of management or highly compensated employees," within the meaning of Sections 201, 301 and 401 of ERISA, and is designated as an Eligible Employee by the Administrative Committee. The Administrative Committee may at any time, in its sole discretion, change the eligible criteria for an Eligible Employee or determine that one or more Participants will cease to be an Eligible Employee. The designation of an Employee as an Eligible Employee in any year shall not confer upon such Employee any right to be designated as an Eligible Employee in any future Plan Year.

1.18. Employee. Any person employed by the Employer.

1.19. Employer. AvidXchange, Inc. and its subsidiaries and affiliates.

1.20. Employer Discretionary Contribution. A discretionary contribution made by the Employer that is credited to one or more Participant's Accounts in accordance with the terms of Section 3.7 hereof.

1.21. ERISA. The Employee Retirement Income Security Act of 1974, as amended.

1.22. Form of Payment. Form of Payment shall be as provided for in Article 6.

1.23. Hardship Withdrawal. The early payment of all or part of the balance in an account due to an Unforeseeable Emergency, as defined in Code section 409A(a)(2)(B)(ii), pursuant to Section 6.9.

1.24. Hypothetical Investment Benchmark. The phantom investment benchmarks which are used to measure the return credited to a Participant's Deferral Account pursuant to Section 5.2.

1.25. Matching Contribution. A contribution made by the Employer that is credited to one or more Participant's Accounts in accordance with the terms of Section 3.6 hereof.

1.26. Modification Agreement. The form filed by a Participant to change the Deferral Period or the Form of Payment with respect to an Account under rules established by the Committee from time to time and pursuant to Section 6.7.

1.27. Participant. An Eligible Employee who is a Participant as provided in Article 2.

1.28. Performance-based Compensation. Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, "Performance-based Compensation" shall mean compensation that (i) meets the definition of Code Section 409A(a)(4)(B)(iii) and related guidance and regulations, and (ii) is designated as such by the Employer and relates to services performed during a performance period of at least twelve months by an Eligible Employee, including any pretax elective deferrals from said Performance-based Compensation to any Employer sponsored plan that includes amounts deferred under a Deferral Agreement or any elective deferral as defined in Code Section 402(g)(3) or any amount contributed or deferred at the election of the Eligible Employee in accordance with Code Section 125 or 132(f)(4).

1.29. Plan Year. For the initial Plan Year, Effective Date through December 31, 2015. For each year thereafter, January 1 through December 31.

1.30. Retirement. A Participant's Separation from Service with the Company, other than by reason of Disability, upon or after attaining age fifty-five (55) with five (5) Years of Service.

1.31. Salary. An Eligible Employee's Base Salary earned during a Plan Year.

1.32. Separation from Service. Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, a Participant shall incur a voluntary Separation from Service with the Service Recipient due to death, retirement or voluntarily leaving the company or an involuntary Separation from Service due to termination of employment by the Service Recipient. A Separation from Service will not occur if the employment relationship is treated as continuing intact while the individual is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the individual retains a right to reemployment with the Service Recipient under an applicable statute or by contract. Upon a sale or other disposition of the assets of the Employer to an unrelated purchaser, the Administrative Committee reserves the right, to the extent permitted by Code section 409A to determine whether Participants providing services to the purchaser after and in connection with the purchase transaction have experienced a Separation from Service.

1.33. Service Recipient. Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, Service Recipient shall mean the Employer or person for whom the services are performed and with respect to whom the legally binding right to compensation arises, and all persons with whom such person would be considered a single employer under Code Section 414(b) (employees of controlled group of corporations), and all persons with whom such person would be considered a single employer under Code Section 414(c) (employees of partnerships, proprietorships, etc., under common control).

1.34. Specified Employee. Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, a "Specified Employee" shall mean a participant who is considered a key employee on the Identification Date, as defined in Code Section 416(i) without regard to section 416(i)(5) and such other requirements imposed under Code Section 409A(a)(2)(B)(i) and regulations thereunder for the period beginning January 1 of the year subsequent to the Identification Date and ending December 31 of the following year. The Identification Date for this Plan is December 31 of each year. Notwithstanding anything to the contrary, a Participant is not a Specified Employee unless any stock of the Service Recipient is publicly traded on an established securities market or otherwise.

1.35. Trust. The agreement between the Employer and the Trustee under which the assets of the Plan are held, administered and managed, which shall conform to the terms of Rev. Proc. 9264.

1.36. Trustee. Initial person or entity, or such other successor that shall become trustee pursuant to the terms of the Plan.

1.37. Valuation Date. The last calendar date when the New York Stock Exchange was open, or such other date as the Administrative Committee in its sole discretion may determine.

1.38. Years of Service. A Participant's "Years of Service" shall be measured by employment during a twelve (12) month period commencing with the Participant's date of hire and anniversaries thereof.

ARTICLE 2
PARTICIPATION

2.1. Commencement of Participation. Each Eligible Employee shall become a Participant at the earlier of the date on which his or her Deferral Agreement first becomes effective or the date on which an Employer Discretionary Contribution is first credited to his or her Account.

2.2. Loss of Eligible Employee Status. A Participant who is no longer an Eligible Employee shall not be permitted to submit a Deferral Agreement and all Deferrals for such Participant shall cease as of the end of the Plan Year in which such Participant is determined to no longer be an Eligible Employee**.** Amounts credited to the Account of a Participant who is no longer an Eligible Employee shall continue to be held pursuant to the terms of the Plan and shall be distributed as provided in Article 6.

ARTICLE 3
CONTRIBUTIONS

3.1. Deferral Elections – General. A Participant's Deferral Agreement for a Plan Year, or if applicable the Employer's fiscal year, is irrevocable for that applicable Plan Year or fiscal year; provided, however that a cessation of Deferrals shall be allowed if required by the terms of the Employer's qualified 401(k) plan in order for the Participant to obtain a hardship withdrawal from the 401(k) plan, or if required under Section 6.9 (Unforeseeable Emergency) of this Plan. Such amounts deferred under the Plan shall not be made available to such Participant, except as provided in Article 6, and shall reduce such Participant's Compensation from the Employer in accordance with the provisions of the applicable Deferral Agreement; provided, however, that all such amounts shall be subject to the rights of the general creditors of the Employer as provided in Article 8. The Deferral Agreement, in addition to the requirements set forth below, must designate: (i) the amount of Compensation to be deferred, (ii) the time of the distribution, and (iii) the form of the distribution.

3.2. Time of Election. A Deferral Agreement shall be void if it is not made in a timely manner as follows:

(a) A Deferral Agreement with respect to any Compensation must be submitted to the Administrative Committee before the beginning of the calendar year during which the amount to be deferred will be earned. As of December 31 of each calendar year, said Deferral Agreement is irrevocable for the calendar year. A Deferral Agreement that is effective for a Plan Year beginning on and after January 1, 2019 shall be valid and effective only for the Plan Year with respect to which the election is made; a Participant must make a new Deferral Agreement applicable to deferrals for any subsequent Plan Year. Deferral Agreements in effect for Plan Years prior to January 1, 2019 are subject to the Evergreen provisions of the Plan as in effect prior to the January 1, 2019 restatement of the Plan.

(b) Notwithstanding the foregoing and in the discretion of the Employer, in a year in which an Employee is first eligible to participate, and provided that such Employee is not eligible to participate in any other similar account balance arrangement subject to Code Section 409A, such Deferral Agreement shall be submitted within thirty (30) days after the date on which an Employee is first eligible to participate, and such Deferral Agreement shall apply to Compensation to be earned during the remainder of the calendar year after such election is made.

(c) Notwithstanding the foregoing and in the discretion of the Employer, a Deferral Agreement with respect to any Performance-based Compensation may be submitted by the Eligible Employee or Participant provided that such Deferral Agreement is submitted at least six (6) months prior to the end of the performance period on which the Performance-based Compensation is based.

(d) Notwithstanding the foregoing and in the discretion of the Employer, a Deferral Agreement with respect to any fiscal-based Annual Bonus may be submitted by the Eligible Employee or Participant provided that such Deferral Agreement is submitted prior to the beginning of the Employer's fiscal year for which the fiscal-based Annual Bonus is earned.

3.3. Distribution Elections. At the time a Participant makes a Deferral Agreement, he or she must also elect the time and form of the distribution by establishing one or more In-Service Account(s) and/or Separation from Service Account(s) as provided in Sections 5.1 and 6.1. If the Participant fails to properly designate the time and form of a distribution, the Participant's Account shall be designated as an In-Service Account with distributions commencing in the minimal year and shall be paid in a lump sum.

3.4. Additional Requirements. The Deferral Agreement, subject to the limitations set forth in Sections 3.1 and 3.2 hereof, shall comply with the following additional requirements, or as otherwise required by the Administrative Committee in its sole discretion:

(a) Deferrals may be made in whole percentages with such limitations as determined by the Administrative Committee, including, but not limited to, contingent deferral election percentages.

(b) The maximum amount that may be deferred each Plan Year is seventy five percent (75%) of the Participant's Salary, and one-hundred percent (100%) of the Participant's Annual Bonus, Commissions or Performance-based Compensation, net of applicable taxes.

(c) The distribution year for an In-Service Account must be at least three (3) Plan Years after the Plan Year in which such Deferral is credited to an In-Service subaccount.

3.5. Cancellation of Deferral Election due to Disability. Notwithstanding anything to the contrary, if a Participant incurs a disability as defined in this Section 3.5, said Participant may file an election to stop Deferrals as of the date the election is received by the Administrative Committee, provided that such cancellation occurs by the later of the end of the calendar year or the 15th day of the third month following the date the Participant incurs a disability. Disability for purposes of this Section 3.5 only means that a Participant incurs a medically determinable physical or mental impairment resulting in the Participant's inability to perform the duties of his or her position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than six months, as determined by the Administrative Committee in its sole discretion.

3.6. Matching Contribution. The Employer may also credit to the Account of each Participant who makes Deferrals a Matching Contribution in an amount equal to a percentage of the Deferrals contributed by the Participant, with such percentage determined annually by the Employer, in its sole discretion. Such Matching Contribution shall be credited to an In-Service sub-account in the Participant's Account, given the shortest payment period available and a lump sum distribution in accordance with Section 5.1. Additionally, in the event Participant fails to properly designate the investment election pursuant to Section 5.2 hereinbelow, the Matching Contribution deferral shall be deemed invested in the hypothetical investment with the least risk.

3.7. Employer Discretionary Contributions. The Employer reserves the right to make discretionary contributions to some or all Participants' Accounts in such amount and in such manner as may be determined by the Employer. In the event the Employer does not designate which Participant sub-account shall be credited, such Employer Discretionary Contribution shall be credited to an In-Service sub-account in the Participant's Account, given the shortest payment period available and a lump sum distribution in accordance with Section 5.1. Additionally, in the event Participant fails to properly designate the investment election pursuant to Section 5.2 hereinbelow, the Employer Discretionary Contribution deferral shall be deemed invested in the hypothetical investment with the least risk.

3.8. Crediting of Contributions.

(a) Salary, Annual Bonus, Commissions and Performance-based Compensation Deferrals shall be credited to a Participant's Account, and if applicable transferred to the Trust, at such time as the Employer shall determine in their sole and absolute discretion.

(b) Matching Contributions shall be credited to a Participant's Account, and if applicable transferred to the Trust, at such time as the Employer shall determine in their sole and absolute discretion.

(c) Employer Discretionary Contributions, if any, shall be credited to a Participant's Account, and if applicable transferred to the Trust, at such time as the Employer shall determine in their sole and absolute discretion.

ARTICLE 4
VESTING

4.1. Vesting of Deferrals. A Participant shall be one-hundred percent (100%) vested in his or her Account attributable to Deferrals and any earning or losses on the investment of such Deferrals.

4.2. Vesting of Matching Contributions. A Participant shall have a vested right to the portion of his or her Account attributable to Matching Contribution(s) and any earnings or losses on the investment of such Matching Contribution(s) according to AvidXchange, Inc. vesting schedule (3 year vesting schedule, 33% vested in the first year, 66% in the second year and 100% vested in third year). Vesting date is based upon participant's enrollment date.

4.3. Vesting of Employer Discretionary Contributions. A Participant shall have a vested right to the portion of his or her Account attributable to Employer Discretionary Contribution(s) and any earnings or losses on the investment of such Employer Discretionary Contribution(s) according to AvidXchange, Inc. vesting schedule (3 year vesting schedule, 33% vested in the first year, 66% in the second year and 100% vested in third year). Vesting date is based upon participant's enrollment date.

4.4. Vesting due to Certain Events.

(a) A Participant who incurs a Separation from Service and has attained the definition of Retirement (as indicated in Section 1.30) shall be fully vested in the amounts credited to his or her Account as of the date of the Separation from Service.

(b) A Participant who incurs a Disability while actively employed shall be fully vested in the amounts credited to his or her Account as of the date of Disability.

(c) Upon a Participant's death, the Participant shall be fully vested in the amounts credited to his or her Account if death occurs while actively employed.

(d) A Participant who incurs a Separation from Service within 2 years of a Change-in-Control, shall be fully vested in the amounts credited to their Accounts as of the date of the Separation from Service.

4.5. Amounts Not Vested. Any amounts credited to a Participant's Account that are not vested at the time of a distribution event shall be forfeited.

4.6. Forfeitures. At the discretion of the Employer, any forfeitures from a Participant's Account (i) shall continue to be held in the Trust, shall be separately invested, and shall be used to reduce succeeding Deferrals and any Employer Contributions, or (ii) shall be returned to the Employer as soon as administratively feasible.

ARTICLE 5
ACCOUNTS

5.1. Accounts. The Administrative Committee shall establish and maintain a bookkeeping account in the name of each Participant. The Administrative Committee shall also establish sub-accounts as provided in subsection (a) and (b), below, as elected by the Participant pursuant to Article 3.

(a) A Participant may establish one or more Separation from Service Account(s) ("Separation from Service sub-accounts") by designating as such on the Participant's Deferral Agreement. Each Participant's Separation from Service sub-account shall be credited with Deferrals (as specified in the Participant's Deferral Agreement), any Matching Contributions allocable thereto, any Employer Discretionary Contributions and the Participant's allocable share of any earnings or losses on the foregoing. Each Participant's Separation from Service sub-account shall be reduced by any distributions made plus any federal and state tax withholding, and any social security withholding tax as may be required by law.

(b) A Participant may elect to establish one or more In-Service Account(s) ("In-Service sub-accounts") by designating as such in the Participant's Deferral Agreement the year in which payment shall be made. Each Participant's In-Service sub-account shall be credited with Deferrals (as specified in the Participant's Deferral Agreement), any Matching Contributions allocable thereto, any Employer Discretionary Contributions and the Participant's allocable share of any earnings or losses on the foregoing. Each Participant's In-Service sub-account shall be reduced by any distributions made plus any federal and state tax withholding and any social security withholding tax as may be required by law.

5.2. Investments, Gains and Losses.

(a) A Participant may direct that his or her Separation from Service sub-accounts and or In-Service sub-accounts established pursuant to Section 5.1 may be valued as if they were invested in one or more Investment Funds as selected by the Employer in multiples of one percent (1%). If the Participant fails to properly designate the investment election, the deferral shall be deemed invested in the hypothetical investment with the least risk. The Employer may from time to time, at the discretion of the Administrative Committee, change the Investment Funds for purposes of this Plan.

(b) The Administrative Committee shall adjust the amounts credited to each Participant's Account to reflect Deferrals, Matching Contributions, any Employer Discretionary Contributions, investment experience, distributions and any other appropriate adjustments. Such adjustments shall be made as frequently as is administratively feasible.

(c) A Participant may change his or her selection of Investment Funds with respect to his or her Account or sub-accounts by filing a new election in accordance with procedures established by the Administrative Committee. An election shall be effective as soon as administratively feasible following the date the change is submitted on a form prescribed by the Administrative Committee.

(d) Notwithstanding the Participant's ability to designate the Investment Fund in which his or her deferred Compensation shall be deemed invested, the Employer shall have no obligation to invest any funds in accordance with the Participant's election. Participants' Accounts shall merely be bookkeeping entries on the Employer's books, and no Participant shall obtain any property right or interest in any Investment Fund.

ARTICLE 6
DISTRIBUTIONS

6.1. Distribution Election. Each Participant shall designate in his or her Deferral Agreement the form and timing of his or her distribution by indicating the type of sub-account as described under Section 5.1, and by designating the form in which payments shall be made from the choices available under Section 6.2 and 6.3 hereof. Notwithstanding anything to the contrary contained herein provided, no acceleration of the time or schedule of payments under the Plan shall occur except as permitted under both this Plan and Code Section 409A.

6.2. Distributions Upon an In-Service Account Triggering Date. In-Service sub-account distributions shall begin no later than ninety (90) days following the February 1st of the calendar year designated by the Participant on a properly submitted Deferral Agreement, and are payable in either a lump-sum payment or substantially equal annual installments, as described in Section 6.4 below, over a period of up to ten (10) years as elected by the Participant in his or her Deferral Agreement. If the Participant fails to properly designate the form of the distribution, the sub-account shall be paid in a lump-sum payment.

6.3. Distributions Upon Separation from Service.

If the Participant has a Separation from Service (whether voluntary or involuntary) for any reason other than death or disability, the Participant's Separation from Service sub-account(s) shall be distributed on or following the February 1st immediately following the Participant's Separation from Service but not later than ninety (90) days following such February 1st, subject to Section 6.10 (Distributions to Specified Employees). Distribution shall be made either in a lump-sum payment or in substantially equal annual installments, as defined in Section 6.4 below, over a period of up to ten (10) years as elected by the Participant. If the Participant fails to properly designate the form of the distribution, the sub-account shall be paid in a lump-sum payment.

If a Participant has any In-Service sub-accounts that are not yet in payment at the time of his or her Separation from Service, said sub-accounts shall be distributed on or following the February 1st immediately following the Participant's Separation from Service but not later than ninety (90) days following such February 1st, subject to Section 6.10 (Distributions to Specified Employees). Distribution shall be paid based on the Separation from Service elections on file. If the Participant has any In-Service sub-accounts that have already begun their distributions, they will continue to be paid in the manner elected.

6.4. Substantially Equal Annual Installments.

(a) The amount of the substantially equal payments shall be determined by multiplying the Participant's Account or sub-account by a fraction, the denominator of which in the first year of payment equals the number of years over which benefits are to be paid, and the numerator of which is one (1). The amounts of the payments for each succeeding year shall be determined by multiplying the Participant's Account or sub-account as of the applicable anniversary of the payout by a fraction, the denominator of which equals the number of remaining years over which benefits are to be paid, and the numerator of which is one (1). Installment payments made pursuant to this Section 6.4 shall be made as soon as administratively feasible but no later than ninety (90) days following the anniversary of the initial distribution.

(b) For purposes of the Plan pursuant to Code Section 409A and regulations thereunder, a series of annual installments from a particular subaccount shall be considered a single payment.

6.5. Distributions due to Disability. Upon a Participant's Disability, all amounts credited to his or her Account shall be paid to the Participant in a lump sum no later than ninety (90) days following the Participant's date of Disability.

6.6. Distributions upon Death. Upon the death of a Participant, all amounts credited to his or her Account shall be paid, no later than ninety (90) days following the Participant's death, to his or her beneficiary or beneficiaries, as determined under Article 7 hereof, in a lump sum.

6.7. Changes to Distribution Elections. A Participant will be permitted to elect to change the form or timing of the distribution of the balance of his or her one or more In-Service sub-accounts within his or her Account to the extent permitted and in accordance with the requirements of Code Section 409A(a)(4)(C), including the requirement that (i) a re-deferral election may not take effect until at least twelve (12) months after such election is filed with the Employer, (ii) an election to further defer a distribution (other than a distribution upon death, Disability or an unforeseeable emergency) must result in the first distribution subject to the election being made at least five (5) years after the previously elected date of distribution, and (iii) any re-deferral election affecting a distribution at a fixed date must be filed with the Employer at least twelve (12) months before the first scheduled payment under the previous fixed date distribution election. Once a sub-account begins distribution, no such changes to distributions shall be permitted.

6.8. Acceleration or Delay in Payments. To the extent permitted by Code Section 409A, and notwithstanding any provision of the Plan to the contrary, the Administrative Committee, in its sole discretion, may elect to (i) accelerate the time or form of payment of a benefit owed to a Participant hereunder in accordance with the terms and subject to the conditions of Treasury Regulations Section 1.409A-3(j)(4), or (ii) delay the time of payment of a benefit owed to a Participant hereunder in accordance with the terms and subject to the conditions of Treasury Regulations Section 1.409A-2(b)(7). By way of example, and at the sole discretion of the Administrative Committee, if a Participant's entire Account balance is less than the applicable Code Section 402(g) annual limit, the Employer may distribute the Participant's Account in a lump sum provided that the distribution results in the termination of the participant's entire interest in the Plan, subject to the plan aggregation rules of Code Section 409A and regulations thereunder. By way of example, the Administrative Committee may permit such acceleration of the time or schedule of a payment under the arrangement to an individual other than a Participant as may be necessary to fulfill a domestic relations order (as defined in Code Section 414(p)(1)(B)).

6.9. Unforeseeable Emergency. The Administrative Committee may permit an early distribution of part or all of any deferred amounts; provided, however, that such distribution shall be made only if the Administrative Committee, in its sole discretion, determines that the Participant, or the Participant's beneficiary, has experienced an Unforeseeable Emergency. An Unforeseeable Emergency is defined as a severe financial hardship resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's beneficiary, or a dependent (as defined in Code Section 152(a)) of the Participant, loss of the Participant's property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. If an Unforeseeable Emergency is determined to exist, a distribution may not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). Upon a distribution to a Participant under this Section 6.9, the Participant's Deferrals shall cease and no further Deferrals shall be made for such Participant for the remainder of the Plan Year and one (1) subsequent Plan Year.

6.10. Distributions to Specified Employee. Notwithstanding anything herein to the contrary, if any Participant is a Specified Employee upon a Separation from Service for any reason other than death, distributions to such Participant shall not commence until the first day of the seventh month following the date of Separation from Service (or, if earlier, the date of death of the Participant). If distributions are to be made in annual installments, the second installment and all those thereafter will be made on the applicable Annual Distribution Date after the anniversary of the Participant's Separation from Service.

6.11. Domestic Relations Orders. The Administrative Committee may permit such acceleration of the time or schedule of a payment under the arrangement to an individual other than a Participant as may be necessary to fulfill a domestic relations order (as defined in Code Section 414(p)(1)(B)).

6.12. Minimum Distribution. Notwithstanding any provision to the contrary, if the balance of a Participant's Account or sub-account at the time of a distribution event is equal to or less than the applicable dollar amount established under Section 402(g)(1)(B) of the Internal Revenue Code, then the Participant shall be paid his or her Account or sub-account as a single lump sum.

6.13. Form of Payment. All distributions shall be made in the form of cash.

6.14. Distributions Upon a Change-in-Control. Upon a Change-in-Control, distributions will be made according to the one-time Change in Control election made by the Participant or, if no election is made, in a lump-sum payment no later than ninety (90) days following the Change-in-Control. Notwithstanding any distribution election to the contrary, if a Change-in-Control occurs and a Participant incurs a Separation from Service (whether voluntary or involuntary) during the period beginning on the date of the Change-in-Control and ending on the second anniversary of the Change-in-Control, then the remaining amount of the Participant's vested Account shall be paid to the Participant or his or her beneficiary in a lump-sum payment no later than ninety (90) days following the Participant's Separation from Service.

ARTICLE 7
BENEFICIARIES

7.1. Beneficiaries. Each Participant may from time to time designate one or more persons (who may be any one or more members of such person's family or other persons, administrators, trusts, foundations or other entities) as his or her beneficiary under the Plan. Such designation shall be made in a form prescribed by the Administrative Committee. If you are married, your spouse generally is treated as your beneficiary, unless you and your spouse properly designate an alternative beneficiary to receive your benefits under the Plan. Each Participant may at any time and from time to time, change any previous beneficiary designation, by amending his or her previous designation in a form prescribed by the Administrative Committee. If more than one person is the beneficiary of a deceased Participant, each such person shall receive a pro rata share of any death benefit payable unless otherwise designated in the applicable form. If a beneficiary who is receiving benefits dies, all benefits that were payable to such beneficiary shall then be payable to the estate of that beneficiary. If you do not designate a beneficiary to receive your benefits upon death, your benefits will be distributed first to your spouse. If you have no

spouse at the time of death, your benefits will be distributed equally to your children. If you have no children at the time of your death, your benefits will be distributed to your estate. For this purpose, any designation of your spouse as designated beneficiary is automatically revoked upon a formal divorce decree unless you re-execute a new beneficiary designation form or enter into a valid qualified domestic relations order (QDRO).

7.2. Lost Beneficiary. All Participants and beneficiaries shall have the obligation to keep the Administrative Committee informed of their current address until such time as all benefits due have been paid. If a Participant or beneficiary cannot be located by the Administrative Committee exercising due diligence, then, in its sole discretion, the Administrative Committee may presume that the Participant or beneficiary is deceased for purposes of the Plan and all unpaid amounts (net of due diligence expenses) owed to the Participant or beneficiary shall be paid accordingly or, if a beneficiary cannot be so located, then such amounts may be forfeited. Any such presumption of death shall be final, conclusive and binding on all parties.

ARTICLE 8
FUNDING

8.1. Prohibition Against Funding. Should any investment be acquired in connection with the liabilities assumed under this Plan, it is expressly understood and agreed that the Participants and beneficiaries shall not have any right with respect to, or claim against, such assets nor shall any such purchase be construed to create a trust of any kind or a fiduciary relationship between the Employer and the Participants, their beneficiaries or any other person. Any such assets shall be and remain a part of the general, unpledged, unrestricted assets of the Employer, subject to the claims of its general creditors. It is the express intention of the parties hereto that this arrangement shall be unfunded for tax purposes and for purposes of Title I of the ERISA. Each Participant and beneficiary shall be required to look to the provisions of this Plan and to the Employer itself for enforcement of any and all benefits due under this Plan, and to the extent any such person acquires a right to receive payment under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer. The Employer or the Trust shall be designated the owner and beneficiary of any investment acquired in connection with its obligation under this Plan.

8.2. Deposits in Trust. Notwithstanding Section 8.1, or any other provision of this Plan to the contrary, the Employer may deposit into the Trust any amounts it deems appropriate to pay the benefits under this Plan. The amounts so deposited may include all contributions made pursuant to a Deferral Agreement by a Participant, all Matching Contributions and any Employer Discretionary Contributions.

8.3. Withholding of Employee Contributions. The Administrative Committee is authorized to make any and all necessary arrangements with the Employer in order to withhold the Participant's Deferrals under Section 3.1 hereof from his or her Compensation. The Administrative Committee shall determine the amount and timing of such withholding.

ARTICLE 9
CLAIMS ADMINISTRATION

9.1. General. If a Participant, beneficiary or his or her representative is denied all or a portion of an expected Plan benefit for any reason and the Participant, beneficiary or his or her representative desires to dispute the decision of the Administrative Committee, he or she must file a written notification of his or her claim with the Administrative Committee.

9.2. Claims Procedure. Upon receipt of any written claim for benefits, the Administrative Committee shall be notified and shall give due consideration to the claim presented. If any Participant or beneficiary claims to be entitled to benefits under the Plan and the Administrative Committee determines that the claim should be denied in whole or in part, the Administrative Committee shall, in writing, notify such claimant within ninety (90) days (forty-five (45) days if the claim is on account of Disability) of receipt of the claim that the claim has been denied. The Administrative Committee may extend the period of time for making a determination with respect to any claim for a period of up to ninety (90) days (thirty (30) days if claim is on account of Disability), provided that the Administrative Committee determines that such an extension is necessary because of special circumstances and notifies the claimant, prior to the expiration of the initial ninety (90) day (or forty-five (45) day) period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If the claim is denied to any extent by the Administrative Committee, the Administrative Committee shall furnish the claimant with a written notice setting forth:

(a) the specific reason or reasons for denial of the claim;

(b) a specific reference to the Plan provisions on which the denial is based;

(c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(d) an explanation of the provisions of this Article.

Under no circumstances shall any failure by the Administrative Committee to comply with the provisions of this Section 9.2 be considered to constitute an allowance of the claimant's claim.

9.3. Right of Appeal. A claimant who has a claim denied wholly or partially under Section 9.2 may appeal to the Administrative Committee for reconsideration of that claim. A request for reconsideration under this Section must be filed by written notice within sixty (60) days (one-hundred and eighty (180) days if the claim is on account of Disability) after receipt by the claimant of the notice of denial under Section 9.2.

9.4. Review of Appeal. Upon receipt of an appeal the Administrative Committee shall promptly take action to give due consideration to the appeal. Such consideration may include a hearing of the parties involved, if the Administrative Committee feels such a hearing is necessary. In preparing for this appeal the claimant shall be given the right to review pertinent documents and the right to submit in writing a statement of issues and comments. After consideration of the merits of the appeal the Administrative Committee shall issue a written decision which shall be binding on all parties. The decision shall specifically state its reasons and pertinent Plan provisions on which it relies. The Administrative Committee's decision shall be issued within sixty (60) days

(forty-five (45) days if the claim is on account of Disability) after the appeal is filed, except that the Administrative Committee may extend the period of time for making a determination with respect to any claim for a period of up one-hundred and twenty (120) days (ninety (90) days if the claim is on account of Disability), provided that the Administrative Committee determines that such an extension is necessary because of special circumstances and notifies the claimant, prior to the expiration of the initial one-hundred and twenty (120) day (or, if the claim is on account of Disability, initial ninety (90) day) period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. Under no circumstances shall any failure by the Administrative Committee to comply with the provisions of this Section 9.4 be considered to constitute an allowance of the claimant's claim.

In the case of a claim on account of Disability: (i) the review of the denied claim shall be conducted by an employee who is neither the individual who made the initial determination or a subordinate of such person; and (ii) no deference shall be given to the initial determination. For issues involving medical judgment, the employee must consult with an independent health care professional who may not be the health care professional who rendered the initial claim.

9.5. Designation. The Administrative Committee may designate any other person of its choosing to make any determination otherwise required under this Article. Any person so designated shall have the same authority and discretion granted to the Administrative Committee hereunder.

ARTICLE 10
GENERAL PROVISIONS

10.1. Administrative Committee.

(a) The Administrative Committee is expressly empowered to limit the amount of Compensation that may be deferred; to deposit amounts into the Trust in accordance with Section 8.2 hereof; to interpret the Plan, and to determine all questions arising in the administration, interpretation and application of the Plan; to employ actuaries, accountants, counsel, and other persons it deems necessary in connection with the administration of the Plan; to request any information from the Employer it deems necessary to determine whether the Employer would be considered insolvent or subject to a proceeding in bankruptcy; and to take all other necessary and proper actions to fulfill its duties as the Administrative Committee.

(b) The Administrative Committee shall not be liable for any actions by it hereunder, unless due to its own negligence, willful misconduct or lack of good faith.

(c) The Administrative Committee shall be indemnified and saved harmless by the Employer from and against all personal liability to which it may be subject by reason of any act done or omitted to be done in its official capacity as Administrative Committee in good faith in the administration of the Plan and Trust, including all expenses reasonably incurred in its defense in the event the Employer fails to provide such defense upon the request of the Administrative Committee. The Administrative Committee is relieved of all responsibility in connection with its duties hereunder to the fullest extent permitted by law, short of breach of duty to the beneficiaries.

10.2. No Assignment. Benefits or payments under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or the Participant's beneficiary, whether voluntary or involuntary, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish the same shall not be valid, nor shall any such benefit or payment be in any way liable for or subject to the debts, contracts, liabilities, engagement or torts of any Participant or beneficiary, or any other person entitled to such benefit or payment pursuant to the terms of this Plan, except to such extent as may be required by law. If any Participant or beneficiary or any other person entitled to a benefit or payment pursuant to the terms of this Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish any benefit or payment under this Plan, in whole or in part, or if any attempt is made to subject any such benefit or payment, in whole or in part, to the debts, contracts, liabilities, engagements or torts of the Participant or beneficiary or any other person entitled to any such benefit or payment pursuant to the terms of this Plan, then such benefit or payment, in the discretion of the Administrative Committee, shall cease and terminate with respect to such Participant or beneficiary, or any other such person.

10.3. No Employment Rights. Participation in this Plan shall not be construed to confer upon any Participant the legal right to be retained in the employ of the Employer, or give a Participant or beneficiary, or any other person, any right to any payment whatsoever, except to the extent of the benefits provided for hereunder. Each Participant shall remain subject to discharge to the same extent as if this Plan had never been adopted.

10.4. Incompetence. If the Administrative Committee determines that any person to whom a benefit is payable under this Plan is incompetent by reason of physical or mental disability, the Administrative Committee shall have the power to cause the payments becoming due to such person to be made to another for his or her benefit without responsibility of the Administrative Committee or the Employer to see to the application of such payments. Any payment made pursuant to such power shall, as to such payment, operate as a complete discharge of the Employer, the Administrative Committee and the Trustee.

10.5. Identity. If, at any time, any doubt exists as to the identity of any person entitled to any payment hereunder or the amount or time of such payment, the Administrative Committee shall be entitled to hold such sum until such identity or amount or time is determined or until an order of a court of competent jurisdiction is obtained. The Administrative Committee shall also be entitled to pay such sum into court in accordance with the appropriate rules of law. Any expenses incurred by the Employer, Administrative Committee, and Trust incident to such proceeding or litigation shall be charged against the Account of the affected Participant.

10.6. Other Benefits. The benefits of each Participant or beneficiary hereunder shall be in addition to any benefits paid or payable to or on account of the Participant or beneficiary under any other pension, disability, annuity or retirement plan or policy whatsoever.

10.7. Expenses. Expenses incurred in the administration of the Plan, whether incurred by the Employer or the Plan shall be paid by the Employer. Notwithstanding the immediately preceding sentence or anything to the contrary contained herein, the Administrative Committee shall provide for and allow the Employer to forward for payment all expenses, or any portion thereof as determined in the sole and absolute discretion of the Employer, associated with the administration of the Plan to the Participants. Distributions to and payment of such Plan related expenses by the Participants shall be done in a manner as determined by the Employer in their sole and absolute discretion. Participants shall evidence their acceptance of this Section 10.7 Expenses by virtue of their individual participation in this Plan.

10.8. Insolvency. Should the Employer be considered insolvent (as defined by the Trust), the Employer, through its Board and chief executive officer, shall give immediate written notice of such to the Administrative Committee of the Plan and the Trustee. Upon receipt of such notice, the Administrative Committee or Trustee shall cease to make any payments to Participants who were Employees of the Employer or their beneficiaries and shall hold any and all assets attributable to the Employer for the benefit of the general creditors of the Employer.

10.9. Amendment or Modification. The Employer may, at any time, in its sole discretion, amend or modify the Plan in whole or in part, except that no such amendment or modification shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts, and provided that such amendment or modification complies with Code Section 409A and related regulations thereunder.

10.10. Plan Suspension. The Employer further reserves the right to suspend the Plan in whole or in part, except that no such suspension shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts, and provided that the distribution of the vested Participant Accounts shall not be accelerated but shall be paid at such time and in such manner as determined under the terms of the Plan immediately prior to suspension as if the Plan had not been suspended.

10.11. Plan Termination. The Employer further reserves the right to terminate the Plan in whole or in part, in the following manner, except that no such termination shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts, and provided that such termination complies with Code Section 409A and related regulations thereunder:

(a) The Employer, in its sole discretion, may terminate the Plan and distribute all vested Participants' Accounts no earlier than twelve (12) calendar months from the date of the Plan termination and no later than twenty-four (24) calendar months from the date of the Plan termination, provided however that all other similar arrangements are also terminated by the Employer for any affected Participant and no other similar arrangements are adopted by the Employer for any affected Participant within a three (3) year period from the date of termination; or

(b) The Employer may decide, in its sole discretion, to terminate the Plan in the event of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court, provided that the Participants vested Account balances are distributed to Participants and are included in the Participants' gross income in the latest of: (i) the calendar year in which the termination occurs; (ii) the calendar year in which the amounts deferred are no longer subject to a substantial risk of forfeiture; or (iii) the first calendar year in which payment is administratively practicable.

10.12. Plan Termination due to a Change-in-Control. The Employer may decide, in its discretion, to terminate the Plan in the event of a Change-in-Control and distribute all vested Participants Account balances no earlier than thirty (30) days prior to the Change-in-Control and no later than twelve (12) months after the effective date of the Change-in-Control, provided however that the Employer terminates all other similar arrangements for any affected Participant.

10.13. Construction. All questions of interpretation, construction or application arising under or concerning the terms of this Plan shall be decided by the Administrative Committee, in its sole and final discretion, whose decision shall be final, binding and conclusive upon all persons.

10.14. Governing Law. This Plan shall be governed by, construed and administered in accordance with the applicable provisions of ERISA, Code Section 409A, and any other applicable federal law, provided, however, that to the extent not preempted by federal law this Plan shall be governed by, construed and administered under the laws of the State Commonwealth of Delaware, other than its laws respecting choice of law.

10.15. Severability. If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provision of this Plan and this Plan shall be construed and enforced as if such provision had not been included therein. If the inclusion of any Employee (or Employees) as a Participant under this Plan would cause the Plan to fail to comply with the requirements of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, or Code Section 409A, then the Plan shall be severed with respect to such Employee or Employees, who shall be considered to be participating in a separate arrangement.

10.16. Headings. The Article headings contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of this Plan nor in any way shall they affect this Plan or the construction of any provision thereof.

10.17. Terms. Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine, and vice versa, as appropriate.

10.18. Right of Setoff. The Employer may, to the extent permitted by applicable law, deduct from and setoff against any amounts payable to a Participant from this Plan such amounts as may be owed by a Participant to the Employer, although the Participant shall remain liable for any part of the Participant's payment obligation not satisfied through such deduction and setoff; provided, however, that this setoff may occur only at the date on which the amount would otherwise be distributed to the Participant as required by Code Section 409A. By electing to participate in the Plan and deferring compensation hereunder, the Participant agrees to any deduction or setoff under this Section 10.18 which is allowed by law.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is made and entered into by and between Michael Praeger ("***Executive***") and AvidXchange, Inc. (the "***Company***") as of August 26, 2021. Executive and the Company are collectively referred to as the "***Parties***" or individually as a "***Party***".

1. **Employment and Position**. Subject to the terms and conditions set forth in this Agreement, the Company agrees to employ Executive and Executive hereby accepts such employment. Executive's initial position under this Agreement shall be as the Company's Chief Executive Officer and President reporting to the Company's Board of Directors. Executive's position shall be based in the Company's offices located in Charlotte, North Carolina. In addition, Executive understands and acknowledges that his position will require business travel as needed from time to time.

2. **Duties**. During the Executive's employment with the Company, Executive shall: (a) diligently, faithfully and competently perform, on a full time basis, the services and duties customary and commensurate with Executive's position(s) with the Company or as may be assigned to Executive from time to time by the Board of Directors (the "***Board***") or the Executive's supervisor at the Company, if any; (b) subject to Section 7 of this Agreement, devote Executive's full professional time, attention and best efforts to the business of the Company and the performance of Executive's duties and responsibilities; (c) comply with all Company policies and all requests, instructions and directions from the Board or Executive's supervisor at the Company, if any; and (d) adhere faithfully to all applicable laws and regulations and professional ethics related to the Company's business, including any applicable Company policies.

3. **Employment At-Will**. Notwithstanding any provision of this Agreement, offer letters, or other pre-employment documents, the Company and Executive agree that Executive's employment with the Company is "at will" and may be terminated at any time with or without cause without any liability or obligation of the Company except as expressly set forth herein. Executive shall give Company at least four (4) weeks prior written notice of resignation for any reason. The Company is entitled upon receiving such notice to accept the resignation as effective on the resignation date proposed by Executive or an earlier date during the notice period as designated by the Company, in its sole discretion, and in such case the Executive's employment and all related Company obligations shall cease as of such date. Upon giving notice of a resignation and until the resignation becomes effective, Executive shall diligently perform Executive's duties during the notice period and shall help transition Executive's job responsibilities to others at the Company, all to the extent requested by the Company. The Company may terminate Executive's employment at any time without advanced notice, written or otherwise.

4. **Compensation and Benefits**.

(a) **Base Salary**. As compensation for Executive's services, the Company will pay Executive a base salary (as potentially adjusted by the Company from time to time in its sole discretion, the "***Base Salary***"). Executive's Base Salary under this Agreement initially shall be at an annualized periodic gross rate equivalent to $485,000.00; provided, however, the Base Salary shall be subject to review and adjustment by the Board's Compensation Committee in accordance with the Compensation Committee's standard practices for executive compensation. The Base Salary shall, in all cases, be subject to applicable deductions and withholdings required by law. The Company will pay the Base Salary to Executive in accordance with the Company's standard payroll practices for its employees which Executive acknowledges may be changed by the Company from time to time in its sole discretion.

(b) **Annual Bonus**. For each fiscal year during Executive's employment with the Company, Executive shall be eligible to earn a "Targeted Annual Management Bonus" as set forth on **Exhibit A** to this Agreement as amended from time to time, as determined in the sole discretion of the Compensation Committee.

(c) **Benefits/ PTO**. During the Executive's employment with the Company, the Executive will be eligible to participate in the employee benefit programs and PTO generally in effect for the Company's employees at Executive's level in the same geographic location, subject to and in accordance with the terms and conditions for such programs as they may be instituted, modified, or terminated from time to time by the Company in its sole discretion.

(d) **Equity Awards.**

(i) Annual Equity Awards. Executive will be eligible to participate in the Company's annual equity grant program based on performance metrics, which may include both Company and personal performance metrics, commencing with the 2021 performance year (with such grants to be issued in 2022). All equity grants are subject to the approval of the Board's Compensation Committee.

(e) **Tax/Financial Planning Reimbursement**. The Company will reimburse Executive up to $5,000.00 annually for financial and tax planning services expenses incurred by Executive, subject to documentation provided in accordance with Company expense reimbursement policies in effect from time to time.

5. **Withholdings; Taxes; Indemnification**. All payments to Executive under this Agreement shall be reduced by (a) any tax or other amounts required to be withheld under applicable law, and (b) other amounts authorized by Executive. Executive is advised to consult with Executive's own tax professional regarding all tax matters related to compensation and benefits from the Company including the tax treatment of any option grants and the exercise of such options. The Executive shall be responsible for all federal, state and local taxes, penalties, interest, or fines that are imposed on Executive under applicable law as a result of this Agreement, including Executive's personal taxes on payments received by Executive under this Agreement, and the Company and its employees, accountants, attorneys, and affiliates shall have no obligation or liability to Executive related to any such taxes, penalties, interest, or fines. Executive represents and acknowledges that in signing this Agreement, Executive does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, managers, directors or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise including regarding the tax consequences to Executive resulting from the payments, benefits, or other consideration provided under the Agreement.

6. **Reimbursement of Expenses**. The Company agrees to pay or to reimburse the Executive for all reasonable, ordinary, necessary, and properly documented business-related travel, cell phone expenses, for Company business, entertainment, and other expenses, incurred by the Executive in the performance of the Executive's services hereunder, subject to and in accordance with Company policies in effect at the time the expense was incurred. The Executive shall promptly submit vouchers and itemized receipts for all expenses for which reimbursement is sought.

7. **Conflicts of Interest**. During the Executive's employment with the Company, Executive is expected to devote all of Executive's business time and efforts to Executive's services to the Company. Consistent with that, Executive shall not: (a) engage, directly or indirectly, in any business transaction with the Company or any of its affiliates without the prior written approval of the Board, or (b) knowingly engage in any conduct intended to or reasonably expected to harm the interests of the Company or its affiliates. Notwithstanding the foregoing, Executive may engage in personal investment and estate planning activities, charitable work and community affairs, including service on non-profit boards of directors, and service on for profit boards of directors with the pre-approval of the General Counsel, that do not materially interfere with Executive's duties for the Company, so long as such activities do not conflict with, or interfere with the performance of, Executive's duties or obligations to the Company, as determined in the sole judgment of the CEO or Board, and in each case subject to the terms and conditions of Confidentiality Agreement (as defined below).

8. **Protection of Confidential Information**. As a condition to employment with the Company, Executive shall execute a Confidential Information, Inventions, Non-Competition and Non-Solicitation Agreement in the form attached as Exhibit B, if Executive has not already signed such agreement (such agreement, as executed by Executive, the "***Confidentiality Agreement***"). Executive acknowledges and agrees that the Confidentiality Agreement is supported by good and valuable consideration, including but not limited to, Executive's continued employment with the Company.

9. **Reasonableness of Restrictions**. Executive has carefully read and considered the provisions of this Agreement and the Confidentiality Agreement and, having done so, agrees that the restrictions set forth herein are fair, reasonable, and necessary to protect the Company's legitimate business interests, including goodwill with its customers and employees and its confidential and trade secret information. In addition, Executive acknowledges and agrees that the restrictions of this Agreement and the Confidentiality Agreement do not unreasonably restrict Executive from earning a living should Executive's employment with the Company end. Thus, Executive agrees not to contest the general validity or enforceability of this Agreement or the Confidentiality Agreement in any forum. The Confidentiality Agreement shall survive the end of the Executive's employment and shall be in addition to any restrictions imposed upon Executive by statute, at common law, or other agreements. The Confidentiality Agreement shall continue to be enforceable regardless of whether there is any dispute between the Parties concerning any alleged breach of this Agreement. As a result of Executive's educational background, prior work experience, and Executive's employment and position with the Company, Executive possesses general skills and knowledge enabling Executive, if need be, to pursue profitable work in businesses not competitive with the Company's business.

10. **Suspensions**. If Executive is temporarily prohibited from participating in any of the affairs of the Company by a regulatory, governmental, court or administrative notice, order, or similar action under federal or state law, then the CEO or Board may unilaterally suspend all of the Company's obligations under this Agreement during the pendency of such prohibition. Also, if the Company or the Board is investigating any potential Termination For Cause or other potential serious misconduct by Executive, the Company or the Board may place Executive on temporary leave with pay and benefits, temporarily exclude Executive from any premises of the Company or its affiliates, and/or temporarily reassign Executive's duties during the pendency of such investigation, and such actions shall not be deemed a constructive or actual termination of Executive's employment and shall not give rise to Executive to assert a Termination for Good Reason.

11. **Final Compensation Regardless of Reason for End of Employment.** Following the termination of Executive's employment for any reason, Executive or, in the event of Executive's death, Executive's estate, shall be entitled to: (a) any earned but unpaid Base Salary earned and payable during the Executive's employment with the Company through the last date of employment; (b) any vested 401(k) and any other vested benefits with the Company, if any, subject to the terms and conditions of the applicable 401(k) plan; (c) reimbursement of reasonable business expenses incurred by Executive during Executive's employment with the Company that are due to Executive in accordance with this Agreement and Company's written expense reimbursement policy; (d) earned but unpaid bonuses set forth in this Agreement subject to the written terms and conditions applicable to such bonuses; and (e) any other amounts required to be paid to Executive or Executive's estate under applicable law (collectively, the "***Accrued Amounts"***). Otherwise, except as set forth in this Agreement, Executive and/or Executive's estate, as applicable, shall not be entitled to receive under this Agreement any additional compensation, payments, bonuses, severance pay, equity interests, stock, consideration or benefits of any kind from the Company or any affiliate of the Company upon or following Executive's last day of employment with the Company.

12. **Severance**.

(a) **Eligibility**. Subject to the terms in this Section and provided: (i) Executive's employment with the Company ends due to "Termination Without Cause" (as defined below), "Termination for Good Reason" (as defined below) or due to Executive's death or Disability (as defined below) (a ***"Qualifying Termination"***); (ii) Executive continues to abide by the Confidentiality Agreement and the post-employment provisions of this Agreement; and (iii) Executive (or Executive's estate, in the case of Executive's death) timely executes and delivers (and does not revoke) a full and general release (the "***Release***") of any and all claims that Executive has or may have against the Company or its affiliates and such entities' past and then current officers, directors, owners, managers, members, agents and employees relating to all matters, in form and substance satisfactory to the Company in its sole discretion such that the Release becomes fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination (such 60-day period, the "***Release Period***"), then the Company will provide Executive with certain additional benefits as set forth in Section 12(b)(i) ("***Severance***").

The Company agrees to provide a form of the Release to the Executive (or Executive's estate, in the case of Executive's death) promptly following the date of the Qualifying Termination, and an in any event within seven (7) days thereafter. For the avoidance of doubt, if the Release is not timely executed and returned to the Company, or if the Release is subsequently revoked by Executive, such that the Release does not become fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination, Executive will not be entitled to any Severance.

(b) **Severance**.

(i) If Executive meets eligibility requirements set forth in this Agreement, Executive shall be paid or provided Severance as follows:

(1) continued payment of Executive's Base Salary (at the rate in effect at the end of the Executive's employment with the Company) for twelve (12) months, or if such Qualifying Termination occurs during the Change in Control Protection Period (defined below) (such a Qualifying Termination during the Change in Control Protection Period, a "***Transaction Qualifying Termination***"), then for eighteen (18) months (the "***Severance Pay***"); provided, however, that (i) amounts shall accrue with accrued amounts paid on the first regularly scheduled payroll date after the Release becomes irrevocably effective; and (ii) notwithstanding clause (i) to the contrary, if the Release Period spans two calendar years amounts will accrue until the later of (and then be paid on) (x) the first regularly scheduled payroll date in the second calendar year, and (y) the first regularly scheduled payroll date after the Release becomes irrevocably effective;

(2) if the Qualifying Termination is a Transaction Qualifying Termination, then Executive's pro-rated Targeted Annual Management Bonus assuming achievement of 100% of Target, paid when Targeted Annual Management Bonuses are paid to other officers for the fiscal year in which the Transaction Qualifying Termination occurs, but in no event prior to January 1 of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs or prior to December of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs;

(3) subject to Executive electing to continue medical benefits for Executive and his or her eligible dependents under applicable law (i.e., COBRA benefits), reimbursement for the premiums Executive pays to continue such benefits for the duration of the Severance Pay or, if earlier, for the duration of Executive's COBRA coverage; provided, however, if such reimbursement would result in fines or penalties to the Company (as reasonably determined by the Board), then no amounts will be paid or reimbursed under this clause (3); and

(4) notwithstanding the terms and conditions of the applicable equity plan and the applicable equity plan award agreement, and subject to applicable law, (A) with respect to any issued and outstanding option awards that were issued to Executive prior to the date hereof, in the event of Qualifying Termination, then any such option awards that vest subject solely to continued service will vest as to all of the covered shares of Company common stock, (B) with respect to any other equity awards (other than the options in the foregoing clause (A) that vest as to all of the covered shares), (I) in the event of Qualifying Termination (other than Transaction Qualifying Termination), then the Executive's issued and outstanding option awards and restricted stock unit awards or any other equity awards that, in each case, vest subject solely to continued service, will vest with respect to the covered shares (or units) otherwise scheduled to vest in the subsequent twelve (12) months following the date of the Qualifying Termination, and (II) if the Qualifying Termination is a Transaction Qualifying Termination, then the Executive's issued and outstanding option awards and restricted stock unit awards and any other equity awards that, in each case, vest subject solely to continued service, will vest as to all of the covered shares of Company common stock. The Executive's stock option and restricted stock unit and any other equity awards shall otherwise remain subject to the terms and condition as reflected in the applicable award agreement.

(ii) The Severance specified in the foregoing clause (i) shall be in lieu of and replace Executive's right to severance under any other Company agreement, plan, or program.

(c) **Definitions**. For purposes of this Agreement, the following terms shall have the meaning set forth below.

(i) **Change in Control**. "***Change in Control***" shall mean a Transfer of Control as defined in the Company's Equity Incentive Plan; provided, however, for the avoidance of doubt, the closing of the Company's initial public offering shall not be a Change in Control.

(ii) **Change in Control Protection Period**. "***Change in Control Protection Period***" shall mean that period beginning three (3) months prior to a Change in Control and ending eighteen (18) months after the Change in Control.

(iii) **Disability**. "***Disability***" means a disability that entitles Executive to benefits under the Company long-term disability plan applicable to Executive or, in the absence of such a plan, a disability that would reasonably be expected to result in Executive's inability to perform the essential elements of his or her duties for a period of at least six (6) months even with reasonable accommodations, as reasonably determined by the Board.

(iv) **Termination For Cause**. "***Termination For Cause***" or "***Cause"*** means the Company's termination of Executive's employment with the Company as the result of any one or more of the following:

(1) Executive's theft, fraud, embezzlement, dishonesty, or misappropriation of Company property, funds, information or other assets;

(2) Executive's breach of fiduciary duty or breach of duty of loyalty to the Company;

(3) Executive's conviction in respect of, or plea of nolo contendere to, any crime involving fraud, dishonesty, or moral turpitude or any felony (or the equivalent thereof in any jurisdiction in which Executive is providing services);

(4) Executive's violation of the Company's lawful policies, rules or regulations;

(5) Executive's refusal to perform Executive's duties hereunder or to carry out or follow lawful instructions or assignments commensurate with Executive's position(s) with the Company given by the Company or the Board;

(6) Executive's material breach of any agreement between Executive and the Company or any Company affiliate; or

(7) Executive's willful misconduct or gross negligence in connection with providing services to the Company.

Employee expressly acknowledges and agrees that the determination of whether Employee's termination is "Termination for Cause" will be made by the Company in its sole discretion. "Termination For Cause" shall not include or be predicated upon any act or omission by the Executive which is taken or made either (a) at the direction of the CEO or the Board; (b) pursuant to the advice of the Company's counsel; or (c) to comply with a lawful court order, directive from a federal state or local government agency or industry regulatory authority.

(v) **Termination Without Cause.** "***Termination Without Cause***" or ***"Without Cause"*** means the Company's termination of Executive's employment with the Company for any reason other than Executive's death, Executive's Disability, Termination For Cause or Executive's resignation (for any reason).

(vi) **Termination for Good Reason**. "***Termination for Good Reason***" means any of the following actions by the Company: (i) the material diminution in Executive's title, authority, duties or responsibilities; or (ii) a material reduction in Executive's annual base salary as in effect on the date of this Agreement (or as the same may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary reduction for substantially all other officers; or (iii) requiring Executive to be based anywhere located more than 50 miles from Executive's current primary office location, except for required travel on the Company's business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to the Company's headquarters for specified periods or time) or a relocation (whether now or in the immediate future); provided,

however, that a requirement that Executive return to the office following a period pursuant to which Executive was permitted to "work from home" shall not be treated as a change in Executive's current primary office location so long as Executive's primary office location in connection with a requirement to "return to the office" is either (x) within 50 miles of the location prior to Executive being permitted to work from home, or (y) is within 50 miles of Executive's primary residence; or (iv) the failure by a successor to the Company to assume this Agreement. Notwithstanding the foregoing, the events described in clauses (i) through (iv) above shall not constitute a Termination for Good Reason unless (A) Executive has delivered a written notice of Termination for Good Reason to the Company within 60 days of the occurrence of the event, which notice sets forth in reasonable detail the basis for Executive's claim that Good Reason exists and (B) the Company fails to cure such event or circumstance within the 30 day period following receipt of such notice of Termination for Good Reason whereupon Executive's employment shall be terminated.

13. **Tax Provisions**.

(a) Section 409A Compliance.

(i) It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") (including the Treasury regulations and other published guidance relating thereto) ("***Code Section 409A***") so as not to subject the Executive to payment of any interest or additional tax imposed under Code Section 409A. To the extent that any amount payable under this Agreement would trigger the additional tax, penalty or interest imposed by Code Section 409A, this Agreement shall be modified to avoid such additional tax, penalty or interest yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Executive. In no event shall the Company, any member of the Board, or any employee, agent or other service provider have any liability to the Executive for any tax, fine or penalty associated with any failure to comply with the requirements of Code Section 409A. Nothing in this Agreement shall be construed as a guarantee of any particular tax treatment to the Executive. Executive shall be solely responsible for the tax consequences with respect to all amounts payable under this Agreement, and in no event shall the Company have any responsibility or liability if this Agreement does not meet any applicable requirements of Code Section 409A. The provisions of this Section 13 shall apply to all payments under this Agreement, notwithstanding any contrary provision herein.

(ii) To the extent a payment or benefit is nonqualified deferred compensation subject to Code Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall

be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company. If Executive is deemed on the date of a "separation from service" (within the meaning of Code Section 409A) to be a "specified employee" (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or, if none, the default methodology and procedure specified under Code Section 409A), then with regard to any payment or the provision of any benefit that is "nonqualified deferred compensation" within the meaning of Code Section 409A and which is paid as a result of Executive's "separation from service," such payment or benefit shall not be made or provided prior to the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death (the "***Delay Period***"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this clause (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. If any payment or benefit subject to Section 409A is contingent on the delivery of a release by the Executive and could occur in either of two calendar years, the payment will occur in the later year.

(iii) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code solely because such expenses are subject to a limit related to the period the arrangement is in effect; and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

(b) Section 280G. If any payment or benefit Executive would receive pursuant to this Agreement or otherwise, including accelerated vesting of any equity compensation ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be reduced to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse

chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; and (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) employee benefits shall be reduced last and in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced. In no event will Executive have any discretion with respect to the ordering of Payment reductions. The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

14. **Certain Consequences of Breach by Executive**.

(a) Executive acknowledges and agrees that Executive's breach of the Confidentiality Agreement would result in irreparable damage and continuing injury to the Company. Therefore, in the event of any breach or threatened breach of the Confidentiality Agreement, the Company shall be entitled to seek an injunction from a court of competent jurisdiction enjoining Executive from committing any violation or threatened violation of the Confidentiality Agreement without posting of bond. All remedies available to the Company by reason of a breach by Executive of the provisions of this Agreement are cumulative, none is exclusive, and all remedies may be exercised concurrently or consecutively at the Company's option.

(b) If Executive is found in a final judgment by a court of competent jurisdiction to have breached the Confidentiality Agreement in an intentional and material respect, Executive shall immediately refund to the Company, upon the Company's demand, any Severance Pay already paid to Executive pursuant to this Agreement beyond the first $5,000 (gross) in Severance Pay (the "***Release Consideration***"), and Executive shall forfeit at the time of such breach the right to any Severance Pay pursuant to this Agreement beyond the Release Consideration. Executive agrees that if Executive executed a Release pursuant to this Agreement, such Release shall remain in full force and effect notwithstanding any repayment/forfeiture of Severance Pay under this subsection and that the Release Consideration is good and sufficient consideration for the Release.

15. Executive's Representations. Executive hereby represents and warrants to the Company that: (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, noncompetition or nonsolicitation agreement or confidentiality agreement with any other person or entity besides the Company and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. EXECUTIVE HEREBY ACKNOWLEDGES AND REPRESENTS THAT

EXECUTIVE HAS CONSULTED WITH INDEPENDENT LEGAL COUNSEL REGARDING EXECUTIVE'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT, TO THE EXTENT DETERMINED NECESSARY OR APPROPRIATE BY EXECUTIVE, AND THAT EXECUTIVE FULLY UNDERSTANDS THE TERMS AND CONDITIONS CONTAINED HEREIN.

16. **Assignment**. This Agreement may not be assigned or delegated by Executive. The Company shall have the right to assign or transfer this Agreement to any affiliated entity or any successor to all or part of the business and/or assets of the Company, and Executive irrevocably consents to any such assignment or transfer. As used in this Agreement, the "***Company***" shall mean the Company as defined above, but if this Agreement is assigned or transferred to any affiliated entity or to successor as allowed by this Section then the "***Company***" shall mean the entity to which this Agreement is so assigned or transferred.

17. **Applicable Law, Exclusive Venue, Consent to Jurisdiction, Mandatory Mediation**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to any conflict-of-law principles. Moreover, any litigation under this Agreement shall be brought by either party exclusively in federal or state courts in Mecklenburg County, North Carolina. As such, the Parties irrevocably consent to the jurisdiction of the courts in Mecklenburg County, North Carolina (whether federal or state) for all disputes related to this Agreement and irrevocably consent to service via nationally recognized overnight carrier, without limiting other service methods allowed by applicable law. Except with regard to an action to enforce the restrictive covenants or confidentiality provisions set out in the Confidentiality Agreement, prior to submitting any controversy, claim or dispute to any court or administrative agency, the Parties agree to seek to resolve their dispute through non-binding mediation; which mediation shall be conducted on or before a date 90 days from the date one party provides the other with written notice of the existence of a dispute. The mediation shall be conducted in accordance with the rules governing mediations in the Superior Court of the General Court of Justice of the State of North Carolina with the parties to bear their respective costs and to split the cost of the mediator unless otherwise agreed in the mediation. The mediation shall be held in Charlotte, North Carolina.

18. **Severability**. The terms of this Agreement, including paragraph subparts, are severable, and if any part or subpart is found to be unenforceable, the other terms shall remain in full force and effect and are valid and enforceable.

19. **Cooperation**. During and after Executive's employment, Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while Executive was employed by the Company. Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel for the Company to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company in connection with any investigation or review conducted by any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall reimburse Executive for any reasonable out-of-pocket expenses lost in connection with his performance of obligations under this Agreement following the termination of his employment with the Company.

20. **Modification; Waiver; Construction; Counterparts.** No modification, termination, or attempted waiver of any of the provisions of this Agreement shall be binding upon either party unless reduced to writing and signed for by both Parties (for the Company, by a duly authorized Company officer). This Agreement shall be construed according to a plain reading of its terms and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision in this Agreement. Any reference in this Agreement to any Section refers to the corresponding Section of this Agreement. The word "including" in this Agreement means "including without limitation". Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.

21. **Right of Setoff; Recoupment**. Executive agrees and acknowledges that the Company shall have the right to offset any amounts due from the Executive against any amounts owed under this Agreement, subject to any applicable notice requirements. Compensation payable to Executive shall be subject to applicable securities rules and Company policies regarding recapture or claw back, and Executive shall reimburse the Company any amount previously paid that is subject to such recapture or claw back provision.

22. **Entire Agreement**. This Agreement (including the recitals, Exhibit A, Exhibit B and any other exhibits and any applicable bonus plans and equity plans and grant agreements which are hereby incorporated by reference) constitute the entire agreement among the Parties pertaining to the subject matter contained herein and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties related to the subject matter contained herein, including any previous offer letters or employment agreements. Any such prior and contemporaneous agreements, representations, and understandings, including offer letters or other agreements, are void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned hereto set their hands and seals as of the dates set forth below.

AVIDXCHANGE, INC

Date: 8/26/2021

/s/ Ryan M. Stahl
Name: Ryan M. Stahl

EXECUTIVE

Date: 8/26/2021

/s/ Michael Praeger
Name: Michael Praeger

EXHIBIT A

Annual Bonus:

The Targeted Annual Management Bonus (the "Annual Bonus") is targeted towards achieving the Company's revenue targets, strategic initiative objectives, gross margin targets, and certain management objectives (MBO) for the applicable calendar year, all as set and determined by the Company and the Board/Compensation Committee (each a "Target" and collectively the "Targets").

If 100% of all Targets are reached, the Annual Bonus shall be in an amount equal to eighty five percent (85%) of Executive's Base Salary for the applicable calendar year, less deductions and withholdings required by law. A portion of the Annual Bonus, such portion determined in the Company and the Board/Compensation Committee's discretion, can be earned if 80% of each of the Targets is reached. The Company's Annual Bonus plan typically contains a maximum opportunity of 200% of the Annual Bonus can be earned based on the attainment of stretch objectives set by the Company in its sole discretion. The Targeted Annual Management Bonus will be paid following the end of each fiscal year subject to Executive's continued employment through payment and is not earned and is forfeited if Executive is not employed with the Company on the applicable payment date.

These payout percentages are subject to annual Board or Compensation Committee review and approval. The terms of the Annual Bonus program are subject to modification from time to time in the Company's reasonable discretion. The Executive's plan objectives and Executive's achievement of those objectives shall be determined in the sole discretion of the Company and the Board of Directors or Compensation Committee. Any future "additional" bonuses shall be in the sole discretion and approval of the Company and the Board/Compensation Committee as may be determined from time to time.

EXHIBIT B

Confidentiality Information, Inventions, Non-Competition and Non-Solicitation Agreement

See attached.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is made and entered into by and between Joel Wilhite ("***Executive***") and AvidXchange, Inc. (the "***Company***") as of August 26, 2021. Executive and the Company are collectively referred to as the "***Parties***" or individually as a "***Party***".

1. **Employment and Position**. Subject to the terms and conditions set forth in this Agreement, the Company agrees to employ Executive and Executive hereby accepts such employment. Executive's initial position under this Agreement shall be as the Company's Chief Financial Officer and Senior Vice President reporting to Michael Praeger, the Company's Chief Executive Officer. Executive understands and acknowledges that his or her position and/or reporting relationship may be changed during Executive's employment, subject to the terms and conditions contained herein. Executive's position shall primarily be remote based. In addition, Executive understands and acknowledges that given his position he will be required to travel frequently to the Company's offices located in Charlotte, North Carolina and will also require other business travel as needed from time to time.

2. **Duties**. During the Executive's employment with the Company, Executive shall: (a) diligently, faithfully and competently perform, on a full time basis, the services and duties customary and commensurate with Executive's position(s) with the Company or as may be assigned to Executive from time to time by the Executive's supervisor at the Company, if any, or the CEO or Board of Directors (the "***Board***"); (b) subject to Section 7 of this Agreement, devote Executive's full professional time, attention and best efforts to the business of the Company and the performance of Executive's duties and responsibilities; (c) comply with all Company policies and all requests, instructions and directions from the Board or Executive's supervisor at the Company, if any, or the CEO; and (d) adhere faithfully to all applicable laws and regulations and professional ethics related to the Company's business, including any applicable Company policies.

3. **Employment At-Will**. Notwithstanding any provision of this Agreement, offer letters, or other pre-employment documents, the Company and Executive agree that Executive's employment with the Company is "at will" and may be terminated at any time with or without cause without any liability or obligation of the Company except as expressly set forth herein. Executive shall give Company at least four (4) weeks prior written notice of resignation for any reason. The Company is entitled upon receiving such notice to accept the resignation as effective on the resignation date proposed by Executive or an earlier date during the notice period as designated by the Company, in its sole discretion, and in such case the Executive's employment and all related Company obligations shall cease as of such date. Upon giving notice of a resignation and until the resignation becomes effective, Executive shall diligently perform Executive's duties during the notice period and shall help transition Executive's job responsibilities to others at the Company, all to the extent requested by the Company. The Company may terminate Executive's employment at any time without advanced notice, written or otherwise.

4. **Compensation and Benefits**.

(a) **Base Salary**. As compensation for Executive's services, the Company will pay Executive a base salary (as potentially adjusted by the Company from time to time in its sole discretion, the "***Base Salary***"). Executive's Base Salary under this Agreement initially shall be at an annualized periodic gross rate equivalent to $380,000.00; provided, however, the Base Salary shall be subject to review and adjustment by the Board's Compensation Committee in accordance with the Compensation Committee's standard practices for executive compensation. The Base Salary shall, in all cases, be subject to applicable deductions and withholdings required by law. The Company will pay the Base Salary to Executive in accordance with the Company's standard payroll practices for its employees which Executive acknowledges may be changed by the Company from time to time in its sole discretion.

(b) **Annual Bonus**. For each fiscal year during Executive's employment with the Company, Executive shall be eligible to earn a "Targeted Annual Management Bonus" as set forth on **Exhibit A** to this Agreement as amended from time to time, as determined in the sole discretion of the Compensation Committee.

(c) **Benefits/ PTO**. During the Executive's employment with the Company, the Executive will be eligible to participate in the employee benefit programs and PTO generally in effect for the Company's employees at Executive's level in the same geographic location, subject to and in accordance with the terms and conditions for such programs as they may be instituted, modified, or terminated from time to time by the Company in its sole discretion.

(d) **Equity Awards.**

(i) Annual Equity Awards. Executive will be eligible to participate in the Company's annual equity grant program based on performance metrics, which may include both Company and personal performance metrics, commencing with the 2021 performance year (with such grants to be issued in 2022). All equity grants are subject to the approval of the Board's Compensation Committee.

(e) **Tax/Financial Planning Reimbursement.** The Company will reimburse Executive up to $5,000.00 annually for financial and tax planning services expenses incurred by Executive, subject to documentation provided in accordance with Company expense reimbursement policies in effect from time to time.

(f) **Apartment Reimbursement**. The Company will reimburse Executive for certain monthly out of pocket living and travel expenses in the net amount of $2,395.00 (subject to gross up adjustment for taxes) for the Executive's apartment, utilities and travel expenses, in each case until further notice by the Company.

5. **Withholdings; Taxes; Indemnification**. All payments to Executive under this Agreement shall be reduced by (a) any tax or other amounts required to be withheld under applicable law, and (b) other amounts authorized by Executive. Executive is advised to consult with Executive's own tax professional regarding all tax matters related to compensation and benefits from the Company including the tax treatment of any option grants and the exercise of

such options. The Executive shall be responsible for all federal, state and local taxes, penalties, interest, or fines that are imposed on Executive under applicable law as a result of this Agreement, including Executive's personal taxes on payments received by Executive under this Agreement, and the Company and its employees, accountants, attorneys, and affiliates shall have no obligation or liability to Executive related to any such taxes, penalties, interest, or fines. Executive represents and acknowledges that in signing this Agreement, Executive does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, managers, directors or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise including regarding the tax consequences to Executive resulting from the payments, benefits, or other consideration provided under the Agreement.

6. **Reimbursement of Expenses**. The Company agrees to pay or to reimburse the Executive for all reasonable, ordinary, necessary, and properly documented business-related travel, cell phone expenses, for Company business, entertainment, and other expenses, incurred by the Executive in the performance of the Executive's services hereunder, subject to and in accordance with Company policies in effect at the time the expense was incurred. The Executive shall promptly submit vouchers and itemized receipts for all expenses for which reimbursement is sought.

7. **Conflicts of Interest**. During the Executive's employment with the Company, Executive is expected to devote all of Executive's business time and efforts to Executive's services to the Company. Consistent with that, Executive shall not: (a) engage, directly or indirectly, in any business transaction with the Company or any of its affiliates without the prior written approval of the Board, or (b) knowingly engage in any conduct intended to or reasonably expected to harm the interests of the Company or its affiliates. Notwithstanding the foregoing, Executive may engage in personal investment and estate planning activities, charitable work and community affairs, including service on non-profit boards of directors, and service on for profit boards of directors with the pre-approval of the General Counsel, that do not materially interfere with Executive's duties for the Company, so long as such activities do not conflict with, or interfere with the performance of, Executive's duties or obligations to the Company, as determined in the sole judgment of the CEO or Board, and in each case subject to the terms and conditions of Confidentiality Agreement (as defined below).

8. **Protection of Confidential Information**. As a condition to employment with the Company, Executive shall execute a Confidential Information, Inventions, Non-Competition and Non-Solicitation Agreement in the form attached as Exhibit B, if Executive has not already signed such agreement (such agreement, as executed by Executive, the "***Confidentiality Agreement***"). Executive acknowledges and agrees that the Confidentiality Agreement is supported by good and valuable consideration, including but not limited to, Executive's continued employment with the Company.

9. **Reasonableness of Restrictions**. Executive has carefully read and considered the provisions of this Agreement and the Confidentiality Agreement and, having done so, agrees that the restrictions set forth herein are fair, reasonable, and necessary to protect the Company's legitimate business interests, including goodwill with its customers and employees and its confidential and trade secret information. In addition, Executive acknowledges and agrees that the

restrictions of this Agreement and the Confidentiality Agreement do not unreasonably restrict Executive from earning a living should Executive's employment with the Company end. Thus, Executive agrees not to contest the general validity or enforceability of this Agreement or the Confidentiality Agreement in any forum. The Confidentiality Agreement shall survive the end of the Executive's employment and shall be in addition to any restrictions imposed upon Executive by statute, at common law, or other agreements. The Confidentiality Agreement shall continue to be enforceable regardless of whether there is any dispute between the Parties concerning any alleged breach of this Agreement. As a result of Executive's educational background, prior work experience, and Executive's employment and position with the Company, Executive possesses general skills and knowledge enabling Executive, if need be, to pursue profitable work in businesses not competitive with the Company's business.

10. **Suspensions**. If Executive is temporarily prohibited from participating in any of the affairs of the Company by a regulatory, governmental, court or administrative notice, order, or similar action under federal or state law, then the CEO or Board may unilaterally suspend all of the Company's obligations under this Agreement during the pendency of such prohibition. Also, if the Company or the Board is investigating any potential Termination For Cause or other potential serious misconduct by Executive, the Company or the Board may place Executive on temporary leave with pay and benefits, temporarily exclude Executive from any premises of the Company or its affiliates, and/or temporarily reassign Executive's duties during the pendency of such investigation, and such actions shall not be deemed a constructive or actual termination of Executive's employment and shall not give rise to Executive to assert a Termination for Good Reason.

11. **Final Compensation Regardless of Reason for End of Employment.** Following the termination of Executive's employment for any reason, Executive or, in the event of Executive's death, Executive's estate, shall be entitled to: (a) any earned but unpaid Base Salary earned and payable during the Executive's employment with the Company through the last date of employment; (b) any vested 401(k) and any other vested benefits with the Company, if any, subject to the terms and conditions of the applicable 401(k) plan; (c) reimbursement of reasonable business expenses incurred by Executive during Executive's employment with the Company that are due to Executive in accordance with this Agreement and Company's written expense reimbursement policy; (d) earned but unpaid bonuses set forth in this Agreement subject to the written terms and conditions applicable to such bonuses; and (e) any other amounts required to be paid to Executive or Executive's estate under applicable law (collectively, the "***Accrued Amounts"***). Otherwise, except as set forth in this Agreement, Executive and/or Executive's estate, as applicable, shall not be entitled to receive under this Agreement any additional compensation, payments, bonuses, severance pay, equity interests, stock, consideration or benefits of any kind from the Company or any affiliate of the Company upon or following Executive's last day of employment with the Company.

12. **Severance**.

(a) **Eligibility**. Subject to the terms in this Section and provided: (i) Executive's employment with the Company ends due to "Termination Without Cause" (as defined below), "Termination for Good Reason" (as defined below) or due to Executive's death or Disability (as defined below) (a ***"Qualifying Termination"***); (ii) Executive continues to abide by the Confidentiality Agreement and the post-employment provisions of this Agreement; and (iii) Executive (or Executive's estate, in the case of Executive's death) timely executes and delivers (and does not revoke) a full and general release (the "***Release***") of any and all claims that Executive has or may have against the Company or its affiliates and such entities' past and then current officers, directors, owners, managers, members, agents and employees relating to all matters, in form and substance satisfactory to the Company in its sole discretion such that the Release becomes fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination (such 60-day period, the "***Release Period***"), then the Company will provide Executive with certain additional benefits as set forth in Section 12(b)(i) ("***Severance***"). The Company agrees to provide a form of the Release to the Executive (or Executive's estate, in the case of Executive's death) promptly following the date of the Qualifying Termination, and an in any event within seven (7) days thereafter. For the avoidance of doubt, if the Release is not timely executed and returned to the Company, or if the Release is subsequently revoked by Executive, such that the Release does not become fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination, Executive will not be entitled to any Severance.

(b) **Severance**.

(i) If Executive meets eligibility requirements set forth in this Agreement, Executive shall be paid or provided Severance as follows:

(1) continued payment of Executive's Base Salary (at the rate in effect at the end of the Executive's employment with the Company) for six (6) months, or if such Qualifying Termination occurs during the Change in Control Protection Period (defined below) (such a Qualifying Termination during the Change in Control Protection Period, a "***Transaction Qualifying Termination***"), then for twelve (12) months (the "***Severance Pay***"); provided, however, that (i) amounts shall accrue with accrued amounts paid on the first regularly scheduled payroll date after the Release becomes irrevocably effective; and (ii) notwithstanding clause (i) to the contrary, if the Release Period spans two calendar years amounts will accrue until the later of (and then be paid on) (x) the first regularly scheduled payroll date in the second calendar year, and (y) the first regularly scheduled payroll date after the Release becomes irrevocably effective;

(2) if the Qualifying Termination is a Transaction Qualifying Termination, then Executive's pro-rated Targeted Annual Management Bonus assuming achievement of 100% of Target, paid when Targeted Annual Management Bonuses are paid to other officers for the fiscal year in which the Transaction Qualifying Termination occurs, but in no event prior to January 1 of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs or prior to December of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs;

(3) subject to Executive electing to continue medical benefits for Executive and his or her eligible dependents under applicable law (i.e., COBRA benefits), reimbursement for the premiums Executive pays to continue such benefits for the duration of the Severance Pay or, if earlier, for the duration of Executive's COBRA coverage; provided, however, if such reimbursement would result in fines or penalties to the Company (as reasonably determined by the Board), then no amounts will be paid or reimbursed under this clause (3); and

(4) notwithstanding the terms and conditions of the applicable equity plan and the applicable equity plan award agreement, and subject to applicable law, (A) with respect to any issued and outstanding option awards that were issued to Executive prior to the date hereof, in the event of Qualifying Termination, then any such option awards that vest subject solely to continued service will vest as to all of the covered shares of Company common stock, (B) with respect to any other equity awards (other than the options in the foregoing clause (A) that vest as to all of the covered shares), (I) in the event of Qualifying Termination (other than Transaction Qualifying Termination), then the Executive's issued and outstanding option awards and restricted stock unit awards or any other equity awards that, in each case, vest subject solely to continued service, will vest with respect to the covered shares (or units) otherwise scheduled to vest in the subsequent twelve (12) months following the date of the Qualifying Termination, and (II) if the Qualifying Termination is a Transaction Qualifying Termination, then the Executive's issued and outstanding option awards and restricted stock unit awards and any other equity awards that, in each case, vest subject solely to continued service, will vest as to all of the covered shares of Company common stock. The Executive's stock option and restricted stock unit and any other equity awards shall otherwise remain subject to the terms and condition as reflected in the applicable award agreement.

(ii) The Severance specified in the foregoing clause (i) shall be in lieu of and replace Executive's right to severance under any other Company agreement, plan, or program.

(c) **Definitions**. For purposes of this Agreement, the following terms shall have the meaning set forth below.

(i) **Change in Control**. "***Change in Control***" shall mean a Transfer of Control as defined in the Company's Equity Incentive Plan; provided, however, for the avoidance of doubt, the closing of the Company's initial public offering shall not be a Change in Control.

(ii) **Change in Control Protection Period**. "***Change in Control Protection Period***" shall mean that period beginning three (3) months prior to a Change in Control and ending eighteen (18) months after the Change in Control.

(iii) **Disability**. "***Disability***" means a disability that entitles Executive to benefits under the Company long-term disability plan applicable to Executive or, in the absence of such a plan, a disability that would reasonably be expected to result in Executive's inability to perform the essential elements of his or her duties for a period of at least six (6) months even with reasonable accommodations, as reasonably determined by the Board.

(iv) **Termination For Cause**. "***Termination For Cause***" or "***Cause"*** means the Company's termination of Executive's employment with the Company as the result of any one or more of the following:

(1) Executive's theft, fraud, embezzlement, dishonesty, or misappropriation of Company property, funds, information or other assets;

(2) Executive's breach of fiduciary duty or breach of duty of loyalty to the Company;

(3) Executive's conviction in respect of, or plea of nolo contendere to, any crime involving fraud, dishonesty, or moral turpitude or any felony (or the equivalent thereof in any jurisdiction in which Executive is providing services);

(4) Executive's violation of the Company's lawful policies, rules or regulations;

(5) Executive's refusal to perform Executive's duties hereunder or to carry out or follow lawful instructions or assignments commensurate with Executive's position(s) with the Company given by the Company or the Board;

(6) Executive's material breach of any agreement between Executive and the Company or any Company affiliate; or

(7) Executive's willful misconduct or gross negligence in connection with providing services to the Company.

Employee expressly acknowledges and agrees that the determination of whether Employee's termination is "Termination for Cause" will be made by the Company in its sole discretion. "Termination For Cause" shall not include or be predicated upon any act or omission by the Executive which is taken or made either (a) at the direction of the CEO or the Board; (b) pursuant to the advice of the Company's counsel; or (c) to comply with a lawful court order, directive from a federal state or local government agency or industry regulatory authority.

(v) **Termination Without Cause.** "***Termination Without Cause***" or ***"Without Cause"*** means the Company's termination of Executive's employment with the Company for any reason other than Executive's death, Executive's Disability, Termination For Cause or Executive's resignation (for any reason).

(vi) **Termination for Good Reason**. ***"Termination for Good Reason"*** means any of the following actions by the Company, if occurring on or after a Change in Control without Executive's express written consent: (i) a material reduction in Executive's annual base salary as in effect on the date of this Agreement (or as the same may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary

reduction for substantially all other officers; or (ii) a material modification to the Executive's current remote work arrangement, except for required travel on the Company's business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to the Company's headquarters for specified periods or time) or a relocation (whether now or in the immediate future); or (iii) the failure by a successor to the Company to assume this Agreement. Notwithstanding the foregoing, the events described in clauses (i) through (iii) above shall not constitute a Termination for Good Reason unless (A) Executive has delivered a written notice of Termination for Good Reason to the Company within 60 days of the occurrence of the event, which notice sets forth in reasonable detail the basis for Executive's claim that Good Reason exists and (B) the Company fails to cure such event or circumstance within the 30 day period following receipt of such notice of Termination for Good Reason whereupon Executive's employment shall be terminated.

13. **Tax Provisions**.

(a) Section 409A Compliance.

(i) It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the ***"Code"***) (including the Treasury regulations and other published guidance relating thereto) ("***Code Section 409A"***) so as not to subject the Executive to payment of any interest or additional tax imposed under Code Section 409A. To the extent that any amount payable under this Agreement would trigger the additional tax, penalty or interest imposed by Code Section 409A, this Agreement shall be modified to avoid such additional tax, penalty or interest yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Executive. In no event shall the Company, any member of the Board, or any employee, agent or other service provider have any liability to the Executive for any tax, fine or penalty associated with any failure to comply with the requirements of Code Section 409A. Nothing in this Agreement shall be construed as a guarantee of any particular tax treatment to the Executive. Executive shall be solely responsible for the tax consequences with respect to all amounts payable under this Agreement, and in no event shall the Company have any responsibility or liability if this Agreement does not meet any applicable requirements of Code Section 409A. The provisions of this Section 13 shall apply to all payments under this Agreement, notwithstanding any contrary provision herein.

(ii) To the extent a payment or benefit is nonqualified deferred compensation subject to Code Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or

like terms shall mean “separation from service.” For purposes of Code Section 409A, the Executive’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “payment shall be made within thirty (30) days following the date of termination”), the actual date of payment within the specified period shall be within the sole discretion of the Company. If Executive is deemed on the date of a “separation from service” (within the meaning of Code Section 409A) to be a “specified employee” (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or, if none, the default methodology and procedure specified under Code Section 409A), then with regard to any payment or the provision of any benefit that is “nonqualified deferred compensation” within the meaning of Code Section 409A and which is paid as a result of Executive’s “separation from service,” such payment or benefit shall not be made or provided prior to the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such “separation from service” of the Executive, and (B) the date of the Executive’s death (the **“*Delay Period*”**). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this clause (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. If any payment or benefit subject to Section 409A is contingent on the delivery of a release by the Executive and could occur in either of two calendar years, the payment will occur in the later year.

(iii) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code solely because such expenses are subject to a limit related to the period the arrangement is in effect; and (iii) such payments shall be made on or before the last day of the Executive’s taxable year following the taxable year in which the expense was incurred.

(b) Section 280G. If any payment or benefit Executive would receive pursuant to this Agreement or otherwise, including accelerated vesting of any equity compensation (**“*Payment*”**) would (i) constitute a “parachute payment” within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “***Excise Tax***”), then such Payment shall be reduced to the Reduced Amount. The “***Reduced Amount***” shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive’s receipt, on an

after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; and (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) employee benefits shall be reduced last and in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced. In no event will Executive have any discretion with respect to the ordering of Payment reductions. The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

14. **Certain Consequences of Breach by Executive**.

(a) Executive acknowledges and agrees that Executive's breach of the Confidentiality Agreement would result in irreparable damage and continuing injury to the Company. Therefore, in the event of any breach or threatened breach of the Confidentiality Agreement, the Company shall be entitled to seek an injunction from a court of competent jurisdiction enjoining Executive from committing any violation or threatened violation of the Confidentiality Agreement without posting of bond. All remedies available to the Company by reason of a breach by Executive of the provisions of this Agreement are cumulative, none is exclusive, and all remedies may be exercised concurrently or consecutively at the Company's option.

(b) If Executive is found in a final judgment by a court of competent jurisdiction to have breached the Confidentiality Agreement in an intentional and material respect, Executive shall immediately refund to the Company, upon the Company's demand, any Severance Pay already paid to Executive pursuant to this Agreement beyond the first $5,000 (gross) in Severance Pay (the "***Release Consideration***"), and Executive shall forfeit at the time of such breach the right to any Severance Pay pursuant to this Agreement beyond the Release Consideration. Executive agrees that if Executive executed a Release pursuant to this Agreement, such Release shall remain in full force and effect notwithstanding any repayment/forfeiture of Severance Pay under this subsection and that the Release Consideration is good and sufficient consideration for the Release.

15. Executive's Representations. Executive hereby represents and warrants to the Company that: (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, noncompetition

or nonsolicitation agreement or confidentiality agreement with any other person or entity besides the Company and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. EXECUTIVE HEREBY ACKNOWLEDGES AND REPRESENTS THAT EXECUTIVE HAS CONSULTED WITH INDEPENDENT LEGAL COUNSEL REGARDING EXECUTIVE'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT, TO THE EXTENT DETERMINED NECESSARY OR APPROPRIATE BY EXECUTIVE, AND THAT EXECUTIVE FULLY UNDERSTANDS THE TERMS AND CONDITIONS CONTAINED HEREIN.

16. **Assignment**. This Agreement may not be assigned or delegated by Executive. The Company shall have the right to assign or transfer this Agreement to any affiliated entity or any successor to all or part of the business and/or assets of the Company, and Executive irrevocably consents to any such assignment or transfer. As used in this Agreement, the "***Company***" shall mean the Company as defined above, but if this Agreement is assigned or transferred to any affiliated entity or to successor as allowed by this Section then the "***Company***" shall mean the entity to which this Agreement is so assigned or transferred.

17. **Applicable Law, Exclusive Venue, Consent to Jurisdiction, Mandatory Mediation**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to any conflict-of-law principles. Moreover, any litigation under this Agreement shall be brought by either party exclusively in federal or state courts in Mecklenburg County, North Carolina. As such, the Parties irrevocably consent to the jurisdiction of the courts in Mecklenburg County, North Carolina (whether federal or state) for all disputes related to this Agreement and irrevocably consent to service via nationally recognized overnight carrier, without limiting other service methods allowed by applicable law. Except with regard to an action to enforce the restrictive covenants or confidentiality provisions set out in the Confidentiality Agreement, prior to submitting any controversy, claim or dispute to any court or administrative agency, the Parties agree to seek to resolve their dispute through non-binding mediation; which mediation shall be conducted on or before a date 90 days from the date one party provides the other with written notice of the existence of a dispute. The mediation shall be conducted in accordance with the rules governing mediations in the Superior Court of the General Court of Justice of the State of North Carolina with the parties to bear their respective costs and to split the cost of the mediator unless otherwise agreed in the mediation. The mediation shall be held in Charlotte, North Carolina.

18. **Severability**. The terms of this Agreement, including paragraph subparts, are severable, and if any part or subpart is found to be unenforceable, the other terms shall remain in full force and effect and are valid and enforceable.

19. **Cooperation**. During and after Executive's employment, Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while Executive was employed by the Company. Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel for the Company to prepare for discovery or trial

and to act as a witness on behalf of the Company at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company in connection with any investigation or review conducted by any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall reimburse Executive for any reasonable out-of-pocket expenses lost in connection with his performance of obligations under this Agreement following the termination of his employment with the Company.

20. **Modification; Waiver; Construction; Counterparts.** No modification, termination, or attempted waiver of any of the provisions of this Agreement shall be binding upon either party unless reduced to writing and signed for by both Parties (for the Company, by a duly authorized Company officer). This Agreement shall be construed according to a plain reading of its terms and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision in this Agreement. Any reference in this Agreement to any Section refers to the corresponding Section of this Agreement. The word "including" in this Agreement means "including without limitation". Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.

21. **Right of Setoff; Recoupment**. Executive agrees and acknowledges that the Company shall have the right to offset any amounts due from the Executive against any amounts owed under this Agreement, subject to any applicable notice requirements. Compensation payable to Executive shall be subject to applicable securities rules and Company policies regarding recapture or claw back, and Executive shall reimburse the Company any amount previously paid that is subject to such recapture or claw back provision.

22. **Entire Agreement**. This Agreement (including the recitals, Exhibit A, Exhibit B and any other exhibits and any applicable bonus plans and equity plans and grant agreements which are hereby incorporated by reference) constitute the entire agreement among the Parties pertaining to the subject matter contained herein and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties related to the subject matter contained herein, including any previous offer letters or employment agreements. Any such prior and contemporaneous agreements, representations, and understandings, including offer letters or other agreements, are void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned hereto set their hands and seals as of the dates set forth below.

AVIDXCHANGE, INC

Date: 8/26/2021

/s/ Ryan M. Stahl

Name: Ryan M. Stahl

EXECUTIVE

Date: 8/26/2021

/s/ Joel Wilhite

Name: Joel Wilhite

EXHIBIT A

Annual Bonus:

The Targeted Annual Management Bonus (the "Annual Bonus") is targeted towards achieving the Company's revenue targets, strategic initiative objectives, gross margin targets, and certain management objectives (MBO) for the applicable calendar year, all as set and determined by the Company and the Board/Compensation Committee (each a "Target" and collectively the "Targets").

If 100% of all Targets are reached, the Annual Bonus shall be in an amount equal to sixty five percent (65%) of Executive's Base Salary for the applicable calendar year, less deductions and withholdings required by law. A portion of the Annual Bonus, such portion determined in the Company and the Board/Compensation Committee's discretion, can be earned if 80% of each of the Targets is reached. The Company's Annual Bonus plan typically contains a maximum opportunity of 200% of the Annual Bonus can be earned based on the attainment of stretch objectives set by the Company in its sole discretion. The Targeted Annual Management Bonus will be paid following the end of each fiscal year subject to Executive's continued employment through payment and is not earned and is forfeited if Executive is not employed with the Company on the applicable payment date.

These payout percentages are subject to annual Board or Compensation Committee review and approval. The terms of the Annual Bonus program are subject to modification from time to time in the Company's reasonable discretion. The Executive's plan objectives and Executive's achievement of those objectives shall be determined in the sole discretion of the Company and the Board of Directors or Compensation Committee. Any future "additional" bonuses shall be in the sole discretion and approval of the Company and the Board/Compensation Committee as may be determined from time to time.

EXHIBIT B

Confidentiality Information, Inventions, Non-Competition and Non-Solicitation Agreement

See attached.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is made and entered into by and between Dan Drees ("***Executive***") and AvidXchange, Inc. (the "***Company***") as of August 26, 2021. Executive and the Company are collectively referred to as the "***Parties***" or individually as a "***Party***".

1. **Employment and Position**. Subject to the terms and conditions set forth in this Agreement, the Company agrees to employ Executive and Executive hereby accepts such employment. Executive's initial position under this Agreement shall be as the Company's Chief Growth Officer and Senior Vice President reporting to Michael Praeger, the Company's Chief Executive Officer. Executive understands and acknowledges that his or her position and/or reporting relationship may be changed during Executive's employment, subject to the terms and conditions contained herein. Executive's position shall be based in the Company's offices located in Charlotte, North Carolina. In addition, Executive understands and acknowledges that his position will require business travel as needed from time to time.

2. **Duties**. During the Executive's employment with the Company, Executive shall: (a) diligently, faithfully and competently perform, on a full time basis, the services and duties customary and commensurate with Executive's position(s) with the Company or as may be assigned to Executive from time to time by the Executive's supervisor at the Company, if any, or the CEO or Board of Directors (the "***Board***"); (b) subject to Section 7 of this Agreement, devote Executive's full professional time, attention and best efforts to the business of the Company and the performance of Executive's duties and responsibilities; (c) comply with all Company policies and all requests, instructions and directions from the Board or Executive's supervisor at the Company, if any, or the CEO; and (d) adhere faithfully to all applicable laws and regulations and professional ethics related to the Company's business, including any applicable Company policies.

3. **Employment At-Will**. Notwithstanding any provision of this Agreement, offer letters, or other pre-employment documents, the Company and Executive agree that Executive's employment with the Company is "at will" and may be terminated at any time with or without cause without any liability or obligation of the Company except as expressly set forth herein. Executive shall give Company at least four (4) weeks prior written notice of resignation for any reason. The Company is entitled upon receiving such notice to accept the resignation as effective on the resignation date proposed by Executive or an earlier date during the notice period as designated by the Company, in its sole discretion, and in such case the Executive's employment and all related Company obligations shall cease as of such date. Upon giving notice of a resignation and until the resignation becomes effective, Executive shall diligently perform Executive's duties during the notice period and shall help transition Executive's job responsibilities to others at the Company, all to the extent requested by the Company. The Company may terminate Executive's employment at any time without advanced notice, written or otherwise.

4. **Compensation and Benefits**.

(a) **Base Salary**. As compensation for Executive's services, the Company will pay Executive a base salary (as potentially adjusted by the Company from time to time in its sole discretion, the "***Base Salary***"). Executive's Base Salary under this Agreement initially shall be at an annualized periodic gross rate equivalent to $365,000.00; provided, however, the Base Salary shall be subject to review and adjustment by the Board's Compensation Committee in accordance with the Compensation Committee's standard practices for executive compensation. The Base Salary shall, in all cases, be subject to applicable deductions and withholdings required by law. The Company will pay the Base Salary to Executive in accordance with the Company's standard payroll practices for its employees which Executive acknowledges may be changed by the Company from time to time in its sole discretion.

(b) **Annual Bonus**. For each fiscal year during Executive's employment with the Company, Executive shall be eligible to earn a "Targeted Annual Management Bonus" and a variable sales based bonus, in each case as set forth on **Exhibit A** to this Agreement and as amended from time to time, as determined in the sole discretion of the Compensation Committee.

(c) **Benefits/ PTO**. During the Executive's employment with the Company, the Executive will be eligible to participate in the employee benefit programs and PTO generally in effect for the Company's employees at Executive's level in the same geographic location, subject to and in accordance with the terms and conditions for such programs as they may be instituted, modified, or terminated from time to time by the Company in its sole discretion.

(d) **Equity Awards.**

(i) Annual Equity Awards. Executive will be eligible to participate in the Company's annual equity grant program based on performance metrics, which may include both Company and personal performance metrics, commencing with the 2021 performance year (with such grants to be issued in 2022). All equity grants are subject to the approval of the Board's Compensation Committee.

(e) **Tax/Financial Planning Reimbursement.** The Company will reimburse Executive up to $5,000.00 annually for financial and tax planning services expenses incurred by Executive, subject to documentation provided in accordance with Company expense reimbursement policies in effect from time to time.

5. **Withholdings; Taxes; Indemnification**. All payments to Executive under this Agreement shall be reduced by (a) any tax or other amounts required to be withheld under applicable law, and (b) other amounts authorized by Executive. Executive is advised to consult with Executive's own tax professional regarding all tax matters related to compensation and benefits from the Company including the tax treatment of any option grants and the exercise of such options. The Executive shall be responsible for all federal, state and local taxes, penalties, interest, or fines that are imposed on Executive under applicable law as a result of this Agreement, including Executive's personal taxes on payments received by Executive under this Agreement, and the Company and its employees, accountants, attorneys, and affiliates shall have no obligation or liability to Executive related to any such taxes, penalties, interest, or fines. Executive represents

and acknowledges that in signing this Agreement, Executive does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, managers, directors or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise including regarding the tax consequences to Executive resulting from the payments, benefits, or other consideration provided under the Agreement.

6. **Reimbursement of Expenses**. The Company agrees to pay or to reimburse the Executive for all reasonable, ordinary, necessary, and properly documented business-related travel, cell phone expenses, for Company business, entertainment, and other expenses, incurred by the Executive in the performance of the Executive's services hereunder, subject to and in accordance with Company policies in effect at the time the expense was incurred. The Executive shall promptly submit vouchers and itemized receipts for all expenses for which reimbursement is sought.

7. **Conflicts of Interest**. During the Executive's employment with the Company, Executive is expected to devote all of Executive's business time and efforts to Executive's services to the Company. Consistent with that, Executive shall not: (a) engage, directly or indirectly, in any business transaction with the Company or any of its affiliates without the prior written approval of the Board, or (b) knowingly engage in any conduct intended to or reasonably expected to harm the interests of the Company or its affiliates. Notwithstanding the foregoing, Executive may engage in personal investment and estate planning activities, charitable work and community affairs, including service on non-profit boards of directors, and service on for profit boards of directors with the pre-approval of the General Counsel, that do not materially interfere with Executive's duties for the Company, so long as such activities do not conflict with, or interfere with the performance of, Executive's duties or obligations to the Company, as determined in the sole judgment of the CEO or Board, and in each case subject to the terms and conditions of Confidentiality Agreement (as defined below).

8. **Protection of Confidential Information**. As a condition to employment with the Company, Executive shall execute a Confidential Information, Inventions, Non-Competition and Non-Solicitation Agreement in the form attached as Exhibit B, if Executive has not already signed such agreement (such agreement, as executed by Executive, the "***Confidentiality Agreement***"). Executive acknowledges and agrees that the Confidentiality Agreement is supported by good and valuable consideration, including but not limited to, Executive's continued employment with the Company.

9. **Reasonableness of Restrictions**. Executive has carefully read and considered the provisions of this Agreement and the Confidentiality Agreement and, having done so, agrees that the restrictions set forth herein are fair, reasonable, and necessary to protect the Company's legitimate business interests, including goodwill with its customers and employees and its confidential and trade secret information. In addition, Executive acknowledges and agrees that the restrictions of this Agreement and the Confidentiality Agreement do not unreasonably restrict Executive from earning a living should Executive's employment with the Company end. Thus, Executive agrees not to contest the general validity or enforceability of this Agreement or the Confidentiality Agreement in any forum. The Confidentiality Agreement shall survive the end of the Executive's employment and shall be in addition to any restrictions imposed upon Executive

by statute, at common law, or other agreements. The Confidentiality Agreement shall continue to be enforceable regardless of whether there is any dispute between the Parties concerning any alleged breach of this Agreement. As a result of Executive's educational background, prior work experience, and Executive's employment and position with the Company, Executive possesses general skills and knowledge enabling Executive, if need be, to pursue profitable work in businesses not competitive with the Company's business.

10. **Suspensions**. If Executive is temporarily prohibited from participating in any of the affairs of the Company by a regulatory, governmental, court or administrative notice, order, or similar action under federal or state law, then the CEO or Board may unilaterally suspend all of the Company's obligations under this Agreement during the pendency of such prohibition. Also, if the Company or the Board is investigating any potential Termination For Cause or other potential serious misconduct by Executive, the Company or the Board may place Executive on temporary leave with pay and benefits, temporarily exclude Executive from any premises of the Company or its affiliates, and/or temporarily reassign Executive's duties during the pendency of such investigation, and such actions shall not be deemed a constructive or actual termination of Executive's employment and shall not give rise to Executive to assert a Termination for Good Reason.

11. **Final Compensation Regardless of Reason for End of Employment.** Following the termination of Executive's employment for any reason, Executive or, in the event of Executive's death, Executive's estate, shall be entitled to: (a) any earned but unpaid Base Salary earned and payable during the Executive's employment with the Company through the last date of employment; (b) any vested 401(k) and any other vested benefits with the Company, if any, subject to the terms and conditions of the applicable 401(k) plan; (c) reimbursement of reasonable business expenses incurred by Executive during Executive's employment with the Company that are due to Executive in accordance with this Agreement and Company's written expense reimbursement policy; (d) earned but unpaid bonuses set forth in this Agreement subject to the written terms and conditions applicable to such bonuses; and (e) any other amounts required to be paid to Executive or Executive's estate under applicable law (collectively, the "***Accrued Amounts***"). Otherwise, except as set forth in this Agreement, Executive and/or Executive's estate, as applicable, shall not be entitled to receive under this Agreement any additional compensation, payments, bonuses, severance pay, equity interests, stock, consideration or benefits of any kind from the Company or any affiliate of the Company upon or following Executive's last day of employment with the Company.

12. **Severance**.

(a) **Eligibility**. Subject to the terms in this Section and provided: (i) Executive's employment with the Company ends due to "Termination Without Cause" (as defined below), "Termination for Good Reason" (as defined below) or due to Executive's death or Disability (as defined below) (a ***"Qualifying Termination"***); (ii) Executive continues to abide by the Confidentiality Agreement and the post-employment provisions of this Agreement; and (iii) Executive (or Executive's estate, in the case of Executive's death) timely executes and delivers (and does not revoke) a full and general release (the "***Release***") of any and all claims that Executive has or may have against the Company or its affiliates and such entities' past and

then current officers, directors, owners, managers, members, agents and employees relating to all matters, in form and substance satisfactory to the Company in its sole discretion such that the Release becomes fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination (such 60-day period, the "***Release Period***"), then the Company will provide Executive with certain additional benefits as set forth in Section 12(b)(i) ("***Severance***"). The Company agrees to provide a form of the Release to the Executive (or Executive's estate, in the case of Executive's death) promptly following the date of the Qualifying Termination, and an in any event within seven (7) days thereafter. For the avoidance of doubt, if the Release is not timely executed and returned to the Company, or if the Release is subsequently revoked by Executive, such that the Release does not become fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination, Executive will not be entitled to any Severance.

(b) **Severance**.

(i) If Executive meets eligibility requirements set forth in this Agreement, Executive shall be paid or provided Severance as follows:

(1) continued payment of Executive's Base Salary (at the rate in effect at the end of the Executive's employment with the Company) for six (6) months, or if such Qualifying Termination occurs during the Change in Control Protection Period (defined below) (such a Qualifying Termination during the Change in Control Protection Period, a "***Transaction Qualifying Termination***"), then for twelve (12) months (the "***Severance Pay***"); provided, however, that (i) amounts shall accrue with accrued amounts paid on the first regularly scheduled payroll date after the Release becomes irrevocably effective; and (ii) notwithstanding clause (i) to the contrary, if the Release Period spans two calendar years amounts will accrue until the later of (and then be paid on) (x) the first regularly scheduled payroll date in the second calendar year, and (y) the first regularly scheduled payroll date after the Release becomes irrevocably effective;

(2) if the Qualifying Termination is a Transaction Qualifying Termination, then Executive's pro-rated Targeted Annual Management Bonus assuming achievement of 100% of Target, paid when Targeted Annual Management Bonuses are paid to other officers for the fiscal year in which the Transaction Qualifying Termination occurs, but in no event prior to January 1 of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs or prior to December of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs;

(3) subject to Executive electing to continue medical benefits for Executive and his or her eligible dependents under applicable law (i.e., COBRA benefits), reimbursement for the premiums Executive pays to continue such benefits for the duration of the Severance Pay or, if earlier, for the duration of Executive's COBRA coverage; provided, however, if such reimbursement would result in fines or penalties to the Company (as reasonably determined by the Board), then no amounts will be paid or reimbursed under this clause (3); and

(4) notwithstanding the terms and conditions of the applicable equity plan and the applicable equity plan award agreement, and subject to applicable law, (A) with respect to any issued and outstanding option awards that were issued to Executive prior to the date hereof, in the event of Qualifying Termination, then any such option awards that vest subject solely to continued service will vest as to all of the covered shares of Company common stock, (B) with respect to any other equity awards (other than the options in the foregoing clause (A) that vest to all of the covered shares), (I) in the event of Qualifying Termination (other than Transaction Qualifying Termination), then the Executive's issued and outstanding option awards and restricted stock unit awards or any other equity awards that, in each case, vest subject solely to continued service, will vest with respect to the covered shares (or units) otherwise scheduled to vest in the subsequent twelve (12) months following the date of the Qualifying Termination, and (II) if the Qualifying Termination is a Transaction Qualifying Termination, then the Executive's issued and outstanding option awards and restricted stock unit awards and any other equity awards that, in each case, vest subject solely to continued service, will vest as to all of the covered shares of Company common stock. The Executive's stock option and restricted stock unit and any other equity awards shall otherwise remain subject to the terms and condition as reflected in the applicable award agreement.

(ii) The Severance specified in the foregoing clause (i) shall be in lieu of and replace Executive's right to severance under any other Company agreement, plan, or program.

(c) **Definitions**. For purposes of this Agreement, the following terms shall have the meaning set forth below.

(i) **Change in Control**. "***Change in Control***" shall mean a Transfer of Control as defined in the Company's Equity Incentive Plan; provided, however, for the avoidance of doubt, the closing of the Company's initial public offering shall not be a Change in Control.

(ii) **Change in Control Protection Period**. "***Change in Control Protection Period***" shall mean that period beginning three (3) months prior to a Change in Control and ending eighteen (18) months after the Change in Control.

(iii) **Disability**. "***Disability***" means a disability that entitles Executive to benefits under the Company long-term disability plan applicable to Executive or, in the absence of such a plan, a disability that would reasonably be expected to result in Executive's inability to perform the essential elements of his or her duties for a period of at least six (6) months even with reasonable accommodations, as reasonably determined by the Board.

(iv) **Termination For Cause**. "***Termination For Cause***" or "***Cause"*** means the Company's termination of Executive's employment with the Company as the result of any one or more of the following:

(1) Executive's theft, fraud, embezzlement, dishonesty, or misappropriation of Company property, funds, information or other assets;

(2) Executive's breach of fiduciary duty or breach of duty of loyalty to the Company;

(3) Executive's conviction in respect of, or plea of nolo contendere to, any crime involving fraud, dishonesty, or moral turpitude or any felony (or the equivalent thereof in any jurisdiction in which Executive is providing services);

(4) Executive's violation of the Company's lawful policies, rules or regulations;

(5) Executive's refusal to perform Executive's duties hereunder or to carry out or follow lawful instructions or assignments commensurate with Executive's position(s) with the Company given by the Company or the Board;

(6) Executive's material breach of any agreement between Executive and the Company or any Company affiliate; or

(7) Executive's willful misconduct or gross negligence in connection with providing services to the Company.

Employee expressly acknowledges and agrees that the determination of whether Employee's termination is "Termination for Cause" will be made by the Company in its sole discretion. "Termination For Cause" shall not include or be predicated upon any act or omission by the Executive which is taken or made either (a) at the direction of the CEO or the Board; (b) pursuant to the advice of the Company's counsel; or (c) to comply with a lawful court order, directive from a federal state or local government agency or industry regulatory authority.

(v) **Termination Without Cause.** "***Termination Without Cause***" or ***"Without Cause"*** means the Company's termination of Executive's employment with the Company for any reason other than Executive's death, Executive's Disability, Termination For Cause or Executive's resignation (for any reason).

(vi) **Termination for Good Reason**. "***Termination for Good Reason***" means any of the following actions by the Company, if occurring on or after a Change in Control without Executive's express written consent: (i) a material reduction in Executive's annual base salary as in effect on the date of this Agreement (or as the same may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary reduction for substantially all other officers; or (ii) requiring Executive to be based anywhere located more than 50 miles from Executive's current primary office location, except for required travel on the Company's business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to the Company's headquarters for specified periods or time) or a relocation (whether now or in the immediate future); provided,

however, that a requirement that Executive return to the office following a period pursuant to which Executive was permitted to "work from home" shall not be treated as a change in Executive's current primary office location so long as Executive's primary office location in connection with a requirement to "return to the office" is either (x) within 50 miles of the location prior to Executive being permitted to work from home, or (y) is within 50 miles of Executive's primary residence; or (iii) the failure by a successor to the Company to assume this Agreement. Notwithstanding the foregoing, the events described in clauses (i) through (iii) above shall not constitute a Termination for Good Reason unless (A) Executive has delivered a written notice of Termination for Good Reason to the Company within 60 days of the occurrence of the event, which notice sets forth in reasonable detail the basis for Executive's claim that Good Reason exists and (B) the Company fails to cure such event or circumstance within the 30 day period following receipt of such notice of Termination for Good Reason whereupon Executive's employment shall be terminated.

13. **Tax Provisions**.

(a) Section 409A Compliance.

(i) It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") (including the Treasury regulations and other published guidance relating thereto) ("***Code* Section *409A***") so as not to subject the Executive to payment of any interest or additional tax imposed under Code Section 409A. To the extent that any amount payable under this Agreement would trigger the additional tax, penalty or interest imposed by Code Section 409A, this Agreement shall be modified to avoid such additional tax, penalty or interest yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Executive. In no event shall the Company, any member of the Board, or any employee, agent or other service provider have any liability to the Executive for any tax, fine or penalty associated with any failure to comply with the requirements of Code Section 409A. Nothing in this Agreement shall be construed as a guarantee of any particular tax treatment to the Executive. Executive shall be solely responsible for the tax consequences with respect to all amounts payable under this Agreement, and in no event shall the Company have any responsibility or liability if this Agreement does not meet any applicable requirements of Code Section 409A. The provisions of this Section 13 shall apply to all payments under this Agreement, notwithstanding any contrary provision herein.

(ii) To the extent a payment or benefit is nonqualified deferred compensation subject to Code Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall

be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company. If Executive is deemed on the date of a "separation from service" (within the meaning of Code Section 409A) to be a "specified employee" (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or, if none, the default methodology and procedure specified under Code Section 409A), then with regard to any payment or the provision of any benefit that is "nonqualified deferred compensation" within the meaning of Code Section 409A and which is paid as a result of Executive's "separation from service," such payment or benefit shall not be made or provided prior to the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death (the "***Delay Period***"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this clause (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. If any payment or benefit subject to Section 409A is contingent on the delivery of a release by the Executive and could occur in either of two calendar years, the payment will occur in the later year.

(iii) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code solely because such expenses are subject to a limit related to the period the arrangement is in effect; and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

(b) Section 280G. If any payment or benefit Executive would receive pursuant to this Agreement or otherwise, including accelerated vesting of any equity compensation ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be reduced to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse

chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; and (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) employee benefits shall be reduced last and in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced. In no event will Executive have any discretion with respect to the ordering of Payment reductions. The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

14. **Certain Consequences of Breach by Executive**.

(a) Executive acknowledges and agrees that Executive's breach of the Confidentiality Agreement would result in irreparable damage and continuing injury to the Company. Therefore, in the event of any breach or threatened breach of the Confidentiality Agreement, the Company shall be entitled to seek an injunction from a court of competent jurisdiction enjoining Executive from committing any violation or threatened violation of the Confidentiality Agreement without posting of bond. All remedies available to the Company by reason of a breach by Executive of the provisions of this Agreement are cumulative, none is exclusive, and all remedies may be exercised concurrently or consecutively at the Company's option.

(b) If Executive is found in a final judgment by a court of competent jurisdiction to have breached the Confidentiality Agreement in an intentional and material respect, Executive shall immediately refund to the Company, upon the Company's demand, any Severance Pay already paid to Executive pursuant to this Agreement beyond the first $5,000 (gross) in Severance Pay (the "***Release Consideration***"), and Executive shall forfeit at the time of such breach the right to any Severance Pay pursuant to this Agreement beyond the Release Consideration. Executive agrees that if Executive executed a Release pursuant to this Agreement, such Release shall remain in full force and effect notwithstanding any repayment/forfeiture of Severance Pay under this subsection and that the Release Consideration is good and sufficient consideration for the Release.

15. Executive's Representations. Executive hereby represents and warrants to the Company that: (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, noncompetition or nonsolicitation agreement or confidentiality agreement with any other person or entity besides the Company and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. EXECUTIVE HEREBY ACKNOWLEDGES AND REPRESENTS THAT

EXECUTIVE HAS CONSULTED WITH INDEPENDENT LEGAL COUNSEL REGARDING EXECUTIVE'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT, TO THE EXTENT DETERMINED NECESSARY OR APPROPRIATE BY EXECUTIVE, AND THAT EXECUTIVE FULLY UNDERSTANDS THE TERMS AND CONDITIONS CONTAINED HEREIN.

16. **Assignment**. This Agreement may not be assigned or delegated by Executive. The Company shall have the right to assign or transfer this Agreement to any affiliated entity or any successor to all or part of the business and/or assets of the Company, and Executive irrevocably consents to any such assignment or transfer. As used in this Agreement, the "***Company***" shall mean the Company as defined above, but if this Agreement is assigned or transferred to any affiliated entity or to successor as allowed by this Section then the "***Company***" shall mean the entity to which this Agreement is so assigned or transferred.

17. **Applicable Law, Exclusive Venue, Consent to Jurisdiction, Mandatory Mediation**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to any conflict-of-law principles. Moreover, any litigation under this Agreement shall be brought by either party exclusively in federal or state courts in Mecklenburg County, North Carolina. As such, the Parties irrevocably consent to the jurisdiction of the courts in Mecklenburg County, North Carolina (whether federal or state) for all disputes related to this Agreement and irrevocably consent to service via nationally recognized overnight carrier, without limiting other service methods allowed by applicable law. Except with regard to an action to enforce the restrictive covenants or confidentiality provisions set out in the Confidentiality Agreement, prior to submitting any controversy, claim or dispute to any court or administrative agency, the Parties agree to seek to resolve their dispute through non-binding mediation; which mediation shall be conducted on or before a date 90 days from the date one party provides the other with written notice of the existence of a dispute. The mediation shall be conducted in accordance with the rules governing mediations in the Superior Court of the General Court of Justice of the State of North Carolina with the parties to bear their respective costs and to split the cost of the mediator unless otherwise agreed in the mediation. The mediation shall be held in Charlotte, North Carolina.

18. **Severability**. The terms of this Agreement, including paragraph subparts, are severable, and if any part or subpart is found to be unenforceable, the other terms shall remain in full force and effect and are valid and enforceable.

19. **Cooperation**. During and after Executive's employment, Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while Executive was employed by the Company. Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel for the Company to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company in connection with any investigation or review conducted by any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall reimburse Executive for any reasonable out-of-pocket expenses lost in connection with his performance of obligations under this Agreement following the termination of his employment with the Company.

20. **Modification; Waiver; Construction; Counterparts.** No modification, termination, or attempted waiver of any of the provisions of this Agreement shall be binding upon either party unless reduced to writing and signed for by both Parties (for the Company, by a duly authorized Company officer). This Agreement shall be construed according to a plain reading of its terms and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision in this Agreement. Any reference in this Agreement to any Section refers to the corresponding Section of this Agreement. The word "including" in this Agreement means "including without limitation". Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.

21. **Right of Setoff; Recoupment**. Executive agrees and acknowledges that the Company shall have the right to offset any amounts due from the Executive against any amounts owed under this Agreement, subject to any applicable notice requirements. Compensation payable to Executive shall be subject to applicable securities rules and Company policies regarding recapture or claw back, and Executive shall reimburse the Company any amount previously paid that is subject to such recapture or claw back provision.

22. **Entire Agreement**. This Agreement (including the recitals, Exhibit A, Exhibit B and any other exhibits and any applicable bonus plans and equity plans and grant agreements which are hereby incorporated by reference) constitute the entire agreement among the Parties pertaining to the subject matter contained herein and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties related to the subject matter contained herein, including any previous offer letters or employment agreements. Any such prior and contemporaneous agreements, representations, and understandings, including offer letters or other agreements, are void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned hereto set their hands and seals as of the dates set forth below.

AVIDXCHANGE, INC

Date: 08/26/2021

/s/ Ryan Stahl
Name: Ryan Stahl

EXECUTIVE

Date: 08/26/2021

/s/ Dan Drees
Name: Dan Drees

EXHIBIT A

Annual Bonus:

The Targeted Annual Management Bonus (the "Annual Bonus") is targeted towards achieving the Company's revenue targets, strategic initiative objectives, gross margin targets, and certain management objectives (MBO) for the applicable calendar year, all as set and determined by the Company and the Board/Compensation Committee (each a "Target" and collectively the "Targets").

If 100% of all Targets are reached, the Annual Bonus shall be in an amount equal to forty percent (40%) of Executive's Base Salary for the applicable calendar year, less deductions and withholdings required by law. A portion of the Annual Bonus, such portion determined in the Company and the Board/Compensation Committee's discretion, can be earned if 80% of each of the Targets is reached. The Company's Annual Bonus plan typically contains a maximum opportunity of 200% of the Annual Bonus can be earned based on the attainment of stretch objectives set by the Company in its sole discretion. The Targeted Annual Management Bonus will be paid following the end of each fiscal year subject to Executive's continued employment through payment and is not earned and is forfeited if Executive is not employed with the Company on the applicable payment date.

Variable Sales Based Bonus

The annual variable sales based bonus (the "Sales Bonus") is targeted towards achieving the Company's sales targets for the applicable calendar year, all as set and determined by the Company and the Board/Compensation Committee (each a "Sales Target" and collectively the "Sales Targets").

If 100% of all Sales Targets are reached, the Sales Bonus shall be in an amount equal to sixty percent (60%) of Executive's Base Salary for the applicable calendar year, less deductions and withholdings required by law. The Sales Bonus will be paid following the end of each fiscal year subject to Executive's continued employment through payment and is not earned and is forfeited if Executive is not employed with the Company on the applicable payment date.

General

These payout percentages are subject to annual Board or Compensation Committee review and approval. The terms of the bonus programs are subject to modification from time to time in the Company's reasonable discretion. The Executive's plan objectives and Executive's achievement of those objectives shall be determined in the sole discretion of the Company and the Board of Directors or Compensation Committee. Any future "additional" bonuses shall be in the sole discretion and approval of the Company and the Board/Compensation Committee as may be determined from time to time.

EXHIBIT B

Confidentiality Information, Inventions, Non-Competition and Non-Solicitation Agreement

See attached.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is made and entered into by and between Ryan M. Stahl ("***Executive***") and AvidXchange, Inc. (the "***Company***") as of August 26, 2021. Executive and the Company are collectively referred to as the "***Parties***" or individually as a "***Party***".

1. **Employment and Position**. Subject to the terms and conditions set forth in this Agreement, the Company agrees to employ Executive and Executive hereby accepts such employment. Executive's initial position under this Agreement shall be as the Company's General Counsel and Senior Vice President reporting to Joel Wilhite, the Company's Chief Financial Officer. Executive understands and acknowledges that his or her position and/or reporting relationship may be changed during Executive's employment, subject to the terms and conditions contained herein. Executive's position shall be based in the Company's offices located in Charlotte, North Carolina. In addition, Executive understands and acknowledges that his position will require business travel as needed from time to time.

2. **Duties**. During the Executive's employment with the Company, Executive shall: (a) diligently, faithfully and competently perform, on a full time basis, the services and duties customary and commensurate with Executive's position(s) with the Company or as may be assigned to Executive from time to time by the Executive's supervisor at the Company, if any, or the CEO or Board of Directors (the "***Board***"); (b) subject to Section 7 of this Agreement, devote Executive's full professional time, attention and best efforts to the business of the Company and the performance of Executive's duties and responsibilities; (c) comply with all Company policies and all requests, instructions and directions from the Board or Executive's supervisor at the Company, if any, or the CEO; and (d) adhere faithfully to all applicable laws and regulations and professional ethics related to the Company's business, including any applicable Company policies.

3. **Employment At-Will**. Notwithstanding any provision of this Agreement, offer letters, or other pre-employment documents, the Company and Executive agree that Executive's employment with the Company is "at will" and may be terminated at any time with or without cause without any liability or obligation of the Company except as expressly set forth herein. Executive shall give Company at least four (4) weeks prior written notice of resignation for any reason. The Company is entitled upon receiving such notice to accept the resignation as effective on the resignation date proposed by Executive or an earlier date during the notice period as designated by the Company, in its sole discretion, and in such case the Executive's employment and all related Company obligations shall cease as of such date. Upon giving notice of a resignation and until the resignation becomes effective, Executive shall diligently perform Executive's duties during the notice period and shall help transition Executive's job responsibilities to others at the Company, all to the extent requested by the Company. The Company may terminate Executive's employment at any time without advanced notice, written or otherwise.

4. **Compensation and Benefits**.

(a) **Base Salary**. As compensation for Executive's services, the Company will pay Executive a base salary (as potentially adjusted by the Company from time to time in its sole discretion, the "***Base Salary***"). Executive's Base Salary under this Agreement initially shall be at an annualized periodic gross rate equivalent to $295,000.00; provided, however, the Base Salary shall be subject to review and adjustment by the Board's Compensation Committee in accordance with the Compensation Committee's standard practices for executive compensation. The Base Salary shall, in all cases, be subject to applicable deductions and withholdings required by law. The Company will pay the Base Salary to Executive in accordance with the Company's standard payroll practices for its employees which Executive acknowledges may be changed by the Company from time to time in its sole discretion.

(b) **Annual Bonus**. For each fiscal year during Executive's employment with the Company, Executive shall be eligible to earn a "Targeted Annual Management Bonus" as set forth on **Exhibit A** to this Agreement and as amended from time to time, as determined in the sole discretion of the Compensation Committee.

(c) **Benefits/ PTO**. During the Executive's employment with the Company, the Executive will be eligible to participate in the employee benefit programs and PTO generally in effect for the Company's employees at Executive's level in the same geographic location, subject to and in accordance with the terms and conditions for such programs as they may be instituted, modified, or terminated from time to time by the Company in its sole discretion.

(d) **Equity Awards.** Executive will be eligible to participate in the Company's annual equity grant program based on performance metrics, which may include both Company and personal performance metrics, commencing with the 2021 performance year (with such grants to be issued in 2022). All equity grants are subject to the approval of the Board's Compensation Committee.

(e) **Tax/Financial Planning Reimbursement.** The Company will reimburse Executive up to $5,000.00 annually for financial and tax planning services expenses incurred by Executive, subject to documentation provided in accordance with Company expense reimbursement policies in effect from time to time.

5. **Withholdings; Taxes; Indemnification**. All payments to Executive under this Agreement shall be reduced by (a) any tax or other amounts required to be withheld under applicable law, and (b) other amounts authorized by Executive. Executive is advised to consult with Executive's own tax professional regarding all tax matters related to compensation and benefits from the Company including the tax treatment of any option grants and the exercise of such options. The Executive shall be responsible for all federal, state and local taxes, penalties, interest, or fines that are imposed on Executive under applicable law as a result of this Agreement, including Executive's personal taxes on payments received by Executive under this Agreement, and the Company and its employees, accountants, attorneys, and affiliates shall have no obligation or liability to Executive related to any such taxes, penalties, interest, or fines. Executive represents and acknowledges that in signing this Agreement, Executive does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, managers, directors or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise including regarding the tax consequences to Executive resulting from the payments, benefits, or other consideration provided under the Agreement.

6. **Reimbursement of Expenses**. The Company agrees to pay or to reimburse the Executive for all reasonable, ordinary, necessary, and properly documented business-related travel, cell phone expenses, for Company business, entertainment, and other expenses, incurred by the Executive in the performance of the Executive's services hereunder, subject to and in accordance with Company policies in effect at the time the expense was incurred. The Executive shall promptly submit vouchers and itemized receipts for all expenses for which reimbursement is sought.

7. **Conflicts of Interest**. During the Executive's employment with the Company, Executive is expected to devote all of Executive's business time and efforts to Executive's services to the Company. Consistent with that, Executive shall not: (a) engage, directly or indirectly, in any business transaction with the Company or any of its affiliates without the prior written approval of the Board, or (b) knowingly engage in any conduct intended to or reasonably expected to harm the interests of the Company or its affiliates. Notwithstanding the foregoing, Executive may engage in personal investment and estate planning activities, charitable work and community affairs, including service on non-profit boards of directors, and service on for profit boards of directors with the pre-approval of the General Counsel, that do not materially interfere with Executive's duties for the Company, so long as such activities do not conflict with, or interfere with the performance of, Executive's duties or obligations to the Company, as determined in the sole judgment of the CEO or Board, and in each case subject to the terms and conditions of Confidentiality Agreement (as defined below).

8. **Protection of Confidential Information**. As a condition to employment with the Company, Executive shall execute a Confidential Information, Inventions, Non-Competition and Non-Solicitation Agreement in the form attached as Exhibit B, if Executive has not already signed such agreement (such agreement, as executed by Executive, the "***Confidentiality Agreement***"). Executive acknowledges and agrees that the Confidentiality Agreement is supported by good and valuable consideration, including but not limited to, Executive's continued employment with the Company.

9. **Reasonableness of Restrictions**. Executive has carefully read and considered the provisions of this Agreement and the Confidentiality Agreement and, having done so, agrees that the restrictions set forth herein are fair, reasonable, and necessary to protect the Company's legitimate business interests, including goodwill with its customers and employees and its confidential and trade secret information. In addition, Executive acknowledges and agrees that the restrictions of this Agreement and the Confidentiality Agreement do not unreasonably restrict Executive from earning a living should Executive's employment with the Company end. Thus, Executive agrees not to contest the general validity or enforceability of this Agreement or the Confidentiality Agreement in any forum. The Confidentiality Agreement shall survive the end of the Executive's employment and shall be in addition to any restrictions imposed upon Executive by statute, at common law, or other agreements. The Confidentiality Agreement shall continue to

be enforceable regardless of whether there is any dispute between the Parties concerning any alleged breach of this Agreement. As a result of Executive's educational background, prior work experience, and Executive's employment and position with the Company, Executive possesses general skills and knowledge enabling Executive, if need be, to pursue profitable work in businesses not competitive with the Company's business.

10. **Suspensions**. If Executive is temporarily prohibited from participating in any of the affairs of the Company by a regulatory, governmental, court or administrative notice, order, or similar action under federal or state law, then the CEO or Board may unilaterally suspend all of the Company's obligations under this Agreement during the pendency of such prohibition. Also, if the Company or the Board is investigating any potential Termination For Cause or other potential serious misconduct by Executive, the Company or the Board may place Executive on temporary leave with pay and benefits, temporarily exclude Executive from any premises of the Company or its affiliates, and/or temporarily reassign Executive's duties during the pendency of such investigation, and such actions shall not be deemed a constructive or actual termination of Executive's employment and shall not give rise to Executive to assert a Termination for Good Reason.

11. **Final Compensation Regardless of Reason for End of Employment.** Following the termination of Executive's employment for any reason, Executive or, in the event of Executive's death, Executive's estate, shall be entitled to: (a) any earned but unpaid Base Salary earned and payable during the Executive's employment with the Company through the last date of employment; (b) any vested 401(k) and any other vested benefits with the Company, if any, subject to the terms and conditions of the applicable 401(k) plan; (c) reimbursement of reasonable business expenses incurred by Executive during Executive's employment with the Company that are due to Executive in accordance with this Agreement and Company's written expense reimbursement policy; (d) earned but unpaid bonuses set forth in this Agreement subject to the written terms and conditions applicable to such bonuses; and (e) any other amounts required to be paid to Executive or Executive's estate under applicable law (collectively, the "***Accrued Amounts***"). Otherwise, except as set forth in this Agreement, Executive and/or Executive's estate, as applicable, shall not be entitled to receive under this Agreement any additional compensation, payments, bonuses, severance pay, equity interests, stock, consideration or benefits of any kind from the Company or any affiliate of the Company upon or following Executive's last day of employment with the Company.

12. **Severance**.

(a) **Eligibility**. Subject to the terms in this Section and provided: (i) Executive's employment with the Company ends due to "Termination Without Cause" (as defined below), "Termination for Good Reason" (as defined below) or due to Executive's death or Disability (as defined below) (a ***"Qualifying Termination"***); (ii) Executive continues to abide by the Confidentiality Agreement and the post-employment provisions of this Agreement; and (iii) Executive (or Executive's estate, in the case of Executive's death) timely executes and delivers (and does not revoke) a full and general release (the "***Release***") of any and all claims that Executive has or may have against the Company or its affiliates and such entities' past and then current officers, directors, owners, managers, members, agents and employees relating to all

matters, in form and substance satisfactory to the Company in its sole discretion such that the Release becomes fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination (such 60-day period, the "***Release Period***"), then the Company will provide Executive with certain additional benefits as set forth in Section 12(b)(i) ("***Severance***"). The Company agrees to provide a form of the Release to the Executive (or Executive's estate, in the case of Executive's death) promptly following the date of the Qualifying Termination, and an in any event within seven (7) days thereafter. For the avoidance of doubt, if the Release is not timely executed and returned to the Company, or if the Release is subsequently revoked by Executive, such that the Release does not become fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination, Executive will not be entitled to any Severance.

(b) **Severance**.

(i) If Executive meets eligibility requirements set forth in this Agreement, Executive shall be paid or provided Severance as follows:

(1) continued payment of Executive's Base Salary (at the rate in effect at the end of the Executive's employment with the Company) for six (6) months, or if such Qualifying Termination occurs during the Change in Control Protection Period (defined below) (such a Qualifying Termination during the Change in Control Protection Period, a "***Transaction Qualifying Termination***"), then for twelve (12) months (the "***Severance Pay***"); provided, however, that (i) amounts shall accrue with accrued amounts paid on the first regularly scheduled payroll date after the Release becomes irrevocably effective; and (ii) notwithstanding clause (i) to the contrary, if the Release Period spans two calendar years amounts will accrue until the later of (and then be paid on) (x) the first regularly scheduled payroll date in the second calendar year, and (y) the first regularly scheduled payroll date after the Release becomes irrevocably effective;

(2) if the Qualifying Termination is a Transaction Qualifying Termination, then Executive's pro-rated Targeted Annual Management Bonus assuming achievement of 100% of Target, paid when Targeted Annual Management Bonuses are paid to other officers for the fiscal year in which the Transaction Qualifying Termination occurs, but in no event prior to January 1 of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs or prior to December of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs;

(3) subject to Executive electing to continue medical benefits for Executive and his or her eligible dependents under applicable law (i.e., COBRA benefits), reimbursement for the premiums Executive pays to continue such benefits for the duration of the Severance Pay or, if earlier, for the duration of Executive's COBRA coverage; provided, however, if such reimbursement would result in fines or penalties to the Company (as reasonably determined by the Board), then no amounts will be paid or reimbursed under this clause (3); and

(4) notwithstanding the terms and conditions of the applicable equity plan and the applicable equity plan award agreement, and subject to applicable law, (I) in the event of Qualifying Termination (other than Transaction Qualifying Termination), then the Executive's issued and outstanding option awards and restricted stock unit awards or any other equity awards that, in each case, vest subject solely to continued service, will vest with respect to the covered shares (or units) otherwise scheduled to vest in the subsequent twelve (12) months following the date of the Qualifying Termination, and (II) if the Qualifying Termination is a Transaction Qualifying Termination, then the Executive's issued and outstanding option awards and restricted stock unit awards and any other equity awards that, in each case, vest subject solely to continued service, will vest as to all of the covered shares of Company common stock. The Executive's stock option and restricted stock unit and any other equity awards shall otherwise remain subject to the terms and condition as reflected in the applicable award agreement.

(ii) The Severance specified in the foregoing clause (i) shall be in lieu of and replace Executive's right to severance under any other Company agreement, plan, or program.

(c) **Definitions**. For purposes of this Agreement, the following terms shall have the meaning set forth below.

(i) **Change in Control**. "***Change in Control***" shall mean a Transfer of Control as defined in the Company's Equity Incentive Plan; provided, however, for the avoidance of doubt, the closing of the Company's initial public offering shall not be a Change in Control.

(ii) **Change in Control Protection Period**. "***Change in Control Protection Period***" shall mean that period beginning three (3) months prior to a Change in Control and ending eighteen (18) months after the Change in Control.

(iii) **Disability**. "***Disability***" means a disability that entitles Executive to benefits under the Company long-term disability plan applicable to Executive or, in the absence of such a plan, a disability that would reasonably be expected to result in Executive's inability to perform the essential elements of his or her duties for a period of at least six (6) months even with reasonable accommodations, as reasonably determined by the Board.

(iv) **Termination For Cause**. "***Termination For Cause***" or "***Cause"*** means the Company's termination of Executive's employment with the Company as the result of any one or more of the following:

(1) Executive's theft, fraud, embezzlement, dishonesty, or misappropriation of Company property, funds, information or other assets;

(2) Executive's breach of fiduciary duty or breach of duty of loyalty to the Company;

(3) Executive's conviction in respect of, or plea of nolo contendere to, any crime involving fraud, dishonesty, or moral turpitude or any felony (or the equivalent thereof in any jurisdiction in which Executive is providing services);

(4) Executive's violation of the Company's lawful policies, rules or regulations;

(5) Executive's refusal to perform Executive's duties hereunder or to carry out or follow lawful instructions or assignments commensurate with Executive's position(s) with the Company given by the Company or the Board;

(6) Executive's material breach of any agreement between Executive and the Company or any Company affiliate; or

(7) Executive's willful misconduct or gross negligence in connection with providing services to the Company.

Employee expressly acknowledges and agrees that the determination of whether Employee's termination is "Termination for Cause" will be made by the Company in its sole discretion. "Termination For Cause" shall not include or be predicated upon any act or omission by the Executive which is taken or made either (a) at the direction of the CEO or the Board; (b) pursuant to the advice of the Company's counsel; or (c) to comply with a lawful court order, directive from a federal state or local government agency or industry regulatory authority.

(v) **Termination Without Cause.** "***Termination Without Cause***" or ***"Without Cause"*** means the Company's termination of Executive's employment with the Company for any reason other than Executive's death, Executive's Disability, Termination For Cause or Executive's resignation (for any reason).

(vi) **Termination for Good Reason**. "***Termination for Good Reason***" means any of the following actions by the Company, if occurring on or after a Change in Control without Executive's express written consent: (i) a material reduction in Executive's annual base salary as in effect on the date of this Agreement (or as the same may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary reduction for substantially all other officers; or (ii) requiring Executive to be based anywhere located more than 50 miles from Executive's current primary office location, except for required travel on the Company's business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to the Company's headquarters for specified periods or time) or a relocation (whether now or in the immediate future); provided, however, that a requirement that Executive return to the office following a period pursuant to which Executive was permitted to "work from home" shall not be treated as a change in Executive's current primary office location so long as Executive's primary office location in connection with a requirement to "return to the office" is either (x) within 50 miles of the location prior to Executive being permitted to work from home, or (y) is within 50 miles of Executive's primary residence; or (iii) the failure by a successor to the Company to assume this

Agreement. Notwithstanding the foregoing, the events described in clauses (i) through (iii) above shall not constitute a Termination for Good Reason unless (A) Executive has delivered a written notice of Termination for Good Reason to the Company within 60 days of the occurrence of the event, which notice sets forth in reasonable detail the basis for Executive's claim that Good Reason exists and (B) the Company fails to cure such event or circumstance within the 30 day period following receipt of such notice of Termination for Good Reason whereupon Executive's employment shall be terminated.

13. **Tax Provisions**.

(a) Section 409A Compliance.

(i) It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") (including the Treasury regulations and other published guidance relating thereto) ("***Code Section* 409A**") so as not to subject the Executive to payment of any interest or additional tax imposed under Code Section 409A. To the extent that any amount payable under this Agreement would trigger the additional tax, penalty or interest imposed by Code Section 409A, this Agreement shall be modified to avoid such additional tax, penalty or interest yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Executive. In no event shall the Company, any member of the Board, or any employee, agent or other service provider have any liability to the Executive for any tax, fine or penalty associated with any failure to comply with the requirements of Code Section 409A. Nothing in this Agreement shall be construed as a guarantee of any particular tax treatment to the Executive. Executive shall be solely responsible for the tax consequences with respect to all amounts payable under this Agreement, and in no event shall the Company have any responsibility or liability if this Agreement does not meet any applicable requirements of Code Section 409A. The provisions of this Section 13 shall apply to all payments under this Agreement, notwithstanding any contrary provision herein.

(ii) To the extent a payment or benefit is nonqualified deferred compensation subject to Code Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company. If Executive is deemed on the date of a "separation from service" (within the meaning of Code Section 409A) to be a "specified employee" (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or, if none, the default methodology and procedure specified under

Code Section 409A), then with regard to any payment or the provision of any benefit that is "nonqualified deferred compensation" within the meaning of Code Section 409A and which is paid as a result of Executive's "separation from service," such payment or benefit shall not be made or provided prior to the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death (the "***Delay Period***"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this clause (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. If any payment or benefit subject to Section 409A is contingent on the delivery of a release by the Executive and could occur in either of two calendar years, the payment will occur in the later year.

(iii) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code solely because such expenses are subject to a limit related to the period the arrangement is in effect; and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

(b) Section 280G. If any payment or benefit Executive would receive pursuant to this Agreement or otherwise, including accelerated vesting of any equity compensation ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be reduced to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; and (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) employee benefits shall be reduced last and in reverse

chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced. In no event will Executive have any discretion with respect to the ordering of Payment reductions. The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

14. **Certain Consequences of Breach by Executive**.

(a) Executive acknowledges and agrees that Executive's breach of the Confidentiality Agreement would result in irreparable damage and continuing injury to the Company. Therefore, in the event of any breach or threatened breach of the Confidentiality Agreement, the Company shall be entitled to seek an injunction from a court of competent jurisdiction enjoining Executive from committing any violation or threatened violation of the Confidentiality Agreement without posting of bond. All remedies available to the Company by reason of a breach by Executive of the provisions of this Agreement are cumulative, none is exclusive, and all remedies may be exercised concurrently or consecutively at the Company's option.

(b) If Executive is found in a final judgment by a court of competent jurisdiction to have breached the Confidentiality Agreement in an intentional and material respect, Executive shall immediately refund to the Company, upon the Company's demand, any Severance Pay already paid to Executive pursuant to this Agreement beyond the first $5,000 (gross) in Severance Pay (the "***Release Consideration***"), and Executive shall forfeit at the time of such breach the right to any Severance Pay pursuant to this Agreement beyond the Release Consideration. Executive agrees that if Executive executed a Release pursuant to this Agreement, such Release shall remain in full force and effect notwithstanding any repayment/forfeiture of Severance Pay under this subsection and that the Release Consideration is good and sufficient consideration for the Release.

15. Executive's Representations. Executive hereby represents and warrants to the Company that: (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, noncompetition or nonsolicitation agreement or confidentiality agreement with any other person or entity besides the Company and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. EXECUTIVE HEREBY ACKNOWLEDGES AND REPRESENTS THAT EXECUTIVE HAS CONSULTED WITH INDEPENDENT LEGAL COUNSEL REGARDING EXECUTIVE'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT, TO THE EXTENT DETERMINED NECESSARY OR APPROPRIATE BY EXECUTIVE, AND THAT EXECUTIVE FULLY UNDERSTANDS THE TERMS AND CONDITIONS CONTAINED HEREIN.

16. **Assignment**. This Agreement may not be assigned or delegated by Executive. The Company shall have the right to assign or transfer this Agreement to any affiliated entity or any successor to all or part of the business and/or assets of the Company, and Executive irrevocably consents to any such assignment or transfer. As used in this Agreement, the "***Company***" shall mean the Company as defined above, but if this Agreement is assigned or transferred to any affiliated entity or to successor as allowed by this Section then the "***Company***" shall mean the entity to which this Agreement is so assigned or transferred.

17. **Applicable Law, Exclusive Venue, Consent to Jurisdiction, Mandatory Mediation**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to any conflict-of-law principles. Moreover, any litigation under this Agreement shall be brought by either party exclusively in federal or state courts in Mecklenburg County, North Carolina. As such, the Parties irrevocably consent to the jurisdiction of the courts in Mecklenburg County, North Carolina (whether federal or state) for all disputes related to this Agreement and irrevocably consent to service via nationally recognized overnight carrier, without limiting other service methods allowed by applicable law. Except with regard to an action to enforce the restrictive covenants or confidentiality provisions set out in the Confidentiality Agreement, prior to submitting any controversy, claim or dispute to any court or administrative agency, the Parties agree to seek to resolve their dispute through non-binding mediation; which mediation shall be conducted on or before a date 90 days from the date one party provides the other with written notice of the existence of a dispute. The mediation shall be conducted in accordance with the rules governing mediations in the Superior Court of the General Court of Justice of the State of North Carolina with the parties to bear their respective costs and to split the cost of the mediator unless otherwise agreed in the mediation. The mediation shall be held in Charlotte, North Carolina.

18. **Severability**. The terms of this Agreement, including paragraph subparts, are severable, and if any part or subpart is found to be unenforceable, the other terms shall remain in full force and effect and are valid and enforceable.

19. **Cooperation**. During and after Executive's employment, Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while Executive was employed by the Company. Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel for the Company to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company in connection with any investigation or review conducted by any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall reimburse Executive for any reasonable out-of-pocket expenses lost in connection with his performance of obligations under this Agreement following the termination of his employment with the Company.

20. **Modification; Waiver; Construction; Counterparts.** No modification, termination, or attempted waiver of any of the provisions of this Agreement shall be binding upon either party unless reduced to writing and signed for by both Parties (for the Company, by a duly authorized Company officer). This Agreement shall be construed according to a plain reading of its terms and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision in this Agreement. Any reference in this Agreement to any Section refers to the corresponding Section of this Agreement. The word "including" in this Agreement means "including without limitation". Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.

21. **Right of Setoff; Recoupment**. Executive agrees and acknowledges that the Company shall have the right to offset any amounts due from the Executive against any amounts owed under this Agreement, subject to any applicable notice requirements. Compensation payable to Executive shall be subject to applicable securities rules and Company policies regarding recapture or claw back, and Executive shall reimburse the Company any amount previously paid that is subject to such recapture or claw back provision.

22. **Entire Agreement**. This Agreement (including the recitals, Exhibit A, Exhibit B and any other exhibits and any applicable bonus plans and equity plans and grant agreements which are hereby incorporated by reference) constitute the entire agreement among the Parties pertaining to the subject matter contained herein and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties related to the subject matter contained herein, including any previous offer letters or employment agreements. Any such prior and contemporaneous agreements, representations, and understandings, including offer letters or other agreements, are void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned hereto set their hands and seals as of the dates set forth below.

AVIDXCHANGE, INC

Date: 8/26/2021

/s/ Michael Praeger
Name: Michael Praeger

EXECUTIVE

Date: 8/26/2021

/s/ Ryan M. Stahl
Name: Ryan M. Stahl

EXHIBIT A

Annual Bonus:

The Targeted Annual Management Bonus (the "Annual Bonus") is targeted towards achieving the Company's revenue targets, strategic initiative objectives, gross margin targets, and certain management objectives (MBO) for the applicable calendar year, all as set and determined by the Company and the Board/Compensation Committee (each a "Target" and collectively the "Targets").

If 100% of all Targets are reached, the Annual Bonus shall be in an amount equal to forty percent (40%) of Executive's Base Salary for the applicable calendar year, less deductions and withholdings required by law. A portion of the Annual Bonus, such portion determined in the Company and the Board/Compensation Committee's discretion, can be earned if 80% of each of the Targets is reached. The Company's Annual Bonus plan typically contains a maximum opportunity of 200% of the Annual Bonus can be earned based on the attainment of stretch objectives set by the Company in its sole discretion. The Targeted Annual Management Bonus will be paid following the end of each fiscal year subject to Executive's continued employment through payment and is not earned and is forfeited if Executive is not employed with the Company on the applicable payment date.

These payout percentages are subject to annual Board or Compensation Committee review and approval. The terms of the Annual Bonus program are subject to modification from time to time in the Company's reasonable discretion. The Executive's plan objectives and Executive's achievement of those objectives shall be determined in the sole discretion of the Company and the Board of Directors or Compensation Committee. Any future "additional" bonuses shall be in the sole discretion and approval of the Company and the Board/Compensation Committee as may be determined from time to time.

EXHIBIT B

Confidentiality Information, Inventions, Non-Competition and Non-Solicitation Agreement

See attached.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is made and entered into by and between Todd Cunningham ("***Executive***") and AvidXchange, Inc. (the "***Company***") as of August 26, 2021. Executive and the Company are collectively referred to as the "***Parties***" or individually as a "***Party***".

1. **Employment and Position**. Subject to the terms and conditions set forth in this Agreement, the Company agrees to employ Executive and Executive hereby accepts such employment. Executive's initial position under this Agreement shall be as the Company's Chief People Officer and Senior Vice President reporting to Michael Praeger, the Company's Chief Executive Officer. Executive understands and acknowledges that his or her position and/or reporting relationship may be changed during Executive's employment, subject to the terms and conditions contained herein. Executive's position shall be based in the Company's offices located in Charlotte, North Carolina. In addition, Executive understands and acknowledges that his position will require business travel as needed from time to time.

2. **Duties**. During the Executive's employment with the Company, Executive shall: (a) diligently, faithfully and competently perform, on a full time basis, the services and duties customary and commensurate with Executive's position(s) with the Company or as may be assigned to Executive from time to time by the Executive's supervisor at the Company, if any, or the CEO or Board of Directors (the "***Board***"); (b) subject to Section 7 of this Agreement, devote Executive's full professional time, attention and best efforts to the business of the Company and the performance of Executive's duties and responsibilities; (c) comply with all Company policies and all requests, instructions and directions from the Board or Executive's supervisor at the Company, if any, or the CEO; and (d) adhere faithfully to all applicable laws and regulations and professional ethics related to the Company's business, including any applicable Company policies.

3. **Employment At-Will**. Notwithstanding any provision of this Agreement, offer letters, or other pre-employment documents, the Company and Executive agree that Executive's employment with the Company is "at will" and may be terminated at any time with or without cause without any liability or obligation of the Company except as expressly set forth herein. Executive shall give Company at least four (4) weeks prior written notice of resignation for any reason. The Company is entitled upon receiving such notice to accept the resignation as effective on the resignation date proposed by Executive or an earlier date during the notice period as designated by the Company, in its sole discretion, and in such case the Executive's employment and all related Company obligations shall cease as of such date. Upon giving notice of a resignation and until the resignation becomes effective, Executive shall diligently perform Executive's duties during the notice period and shall help transition Executive's job responsibilities to others at the Company, all to the extent requested by the Company. The Company may terminate Executive's employment at any time without advanced notice, written or otherwise.

4. **Compensation and Benefits**.

(a) **Base Salary**. As compensation for Executive's services, the Company will pay Executive a base salary (as potentially adjusted by the Company from time to time in its sole discretion, the "***Base Salary***"). Executive's Base Salary under this Agreement initially shall be at an annualized periodic gross rate equivalent to $285,000.00; provided, however, the Base Salary shall be subject to review and adjustment by the Board's Compensation Committee in accordance with the Compensation Committee's standard practices for executive compensation. The Base Salary shall, in all cases, be subject to applicable deductions and withholdings required by law. The Company will pay the Base Salary to Executive in accordance with the Company's standard payroll practices for its employees which Executive acknowledges may be changed by the Company from time to time in its sole discretion.

(b) **Annual Bonus**. For each fiscal year during Executive's employment with the Company, Executive shall be eligible to earn a "Targeted Annual Management Bonus" as set forth on **Exhibit A** to this Agreement and as amended from time to time, as determined in the sole discretion of the Compensation Committee.

(c) **Benefits/ PTO**. During the Executive's employment with the Company, the Executive will be eligible to participate in the employee benefit programs and PTO generally in effect for the Company's employees at Executive's level in the same geographic location, subject to and in accordance with the terms and conditions for such programs as they may be instituted, modified, or terminated from time to time by the Company in its sole discretion.

(d) **Equity Awards.**

(i) Annual Equity Awards. Executive will be eligible to participate in the Company's annual equity grant program based on performance metrics, which may include both Company and personal performance metrics, commencing with the 2021 performance year (with such grants to be issued in 2022). All equity grants are subject to the approval of the Board's Compensation Committee.

(e) **Tax/Financial Planning Reimbursement.** The Company will reimburse Executive up to $5,000.00 annually for financial and tax planning services expenses incurred by Executive, subject to documentation provided in accordance with Company expense reimbursement policies in effect from time to time.

5. **Withholdings; Taxes; Indemnification**. All payments to Executive under this Agreement shall be reduced by (a) any tax or other amounts required to be withheld under applicable law, and (b) other amounts authorized by Executive. Executive is advised to consult with Executive's own tax professional regarding all tax matters related to compensation and benefits from the Company including the tax treatment of any option grants and the exercise of such options. The Executive shall be responsible for all federal, state and local taxes, penalties, interest, or fines that are imposed on Executive under applicable law as a result of this Agreement, including Executive's personal taxes on payments received by Executive under this Agreement, and the Company and its employees, accountants, attorneys, and affiliates shall have no obligation or liability to Executive related to any such taxes, penalties, interest, or fines. Executive represents

and acknowledges that in signing this Agreement, Executive does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, managers, directors or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise including regarding the tax consequences to Executive resulting from the payments, benefits, or other consideration provided under the Agreement.

6. **Reimbursement of Expenses**. The Company agrees to pay or to reimburse the Executive for all reasonable, ordinary, necessary, and properly documented business-related travel, cell phone expenses, for Company business, entertainment, and other expenses, incurred by the Executive in the performance of the Executive's services hereunder, subject to and in accordance with Company policies in effect at the time the expense was incurred. The Executive shall promptly submit vouchers and itemized receipts for all expenses for which reimbursement is sought.

7. **Conflicts of Interest**. During the Executive's employment with the Company, Executive is expected to devote all of Executive's business time and efforts to Executive's services to the Company. Consistent with that, Executive shall not: (a) engage, directly or indirectly, in any business transaction with the Company or any of its affiliates without the prior written approval of the Board, or (b) knowingly engage in any conduct intended to or reasonably expected to harm the interests of the Company or its affiliates. Notwithstanding the foregoing, Executive may engage in personal investment and estate planning activities, charitable work and community affairs, including service on non-profit boards of directors, and service on for profit boards of directors with the pre-approval of the General Counsel, that do not materially interfere with Executive's duties for the Company, so long as such activities do not conflict with, or interfere with the performance of, Executive's duties or obligations to the Company, as determined in the sole judgment of the CEO or Board, and in each case subject to the terms and conditions of Confidentiality Agreement (as defined below).

8. **Protection of Confidential Information**. As a condition to employment with the Company, Executive shall execute a Confidential Information, Inventions, Non-Competition and Non-Solicitation Agreement in the form attached as Exhibit B, if Executive has not already signed such agreement (such agreement, as executed by Executive, the "***Confidentiality Agreement***"). Executive acknowledges and agrees that the Confidentiality Agreement is supported by good and valuable consideration, including but not limited to, Executive's continued employment with the Company.

9. **Reasonableness of Restrictions**. Executive has carefully read and considered the provisions of this Agreement and the Confidentiality Agreement and, having done so, agrees that the restrictions set forth herein are fair, reasonable, and necessary to protect the Company's legitimate business interests, including goodwill with its customers and employees and its confidential and trade secret information. In addition, Executive acknowledges and agrees that the restrictions of this Agreement and the Confidentiality Agreement do not unreasonably restrict Executive from earning a living should Executive's employment with the Company end. Thus, Executive agrees not to contest the general validity or enforceability of this Agreement or the Confidentiality Agreement in any forum. The Confidentiality Agreement shall survive the end of the Executive's employment and shall be in addition to any restrictions imposed upon Executive

by statute, at common law, or other agreements. The Confidentiality Agreement shall continue to be enforceable regardless of whether there is any dispute between the Parties concerning any alleged breach of this Agreement. As a result of Executive's educational background, prior work experience, and Executive's employment and position with the Company, Executive possesses general skills and knowledge enabling Executive, if need be, to pursue profitable work in businesses not competitive with the Company's business.

10. **Suspensions**. If Executive is temporarily prohibited from participating in any of the affairs of the Company by a regulatory, governmental, court or administrative notice, order, or similar action under federal or state law, then the CEO or Board may unilaterally suspend all of the Company's obligations under this Agreement during the pendency of such prohibition. Also, if the Company or the Board is investigating any potential Termination For Cause or other potential serious misconduct by Executive, the Company or the Board may place Executive on temporary leave with pay and benefits, temporarily exclude Executive from any premises of the Company or its affiliates, and/or temporarily reassign Executive's duties during the pendency of such investigation, and such actions shall not be deemed a constructive or actual termination of Executive's employment and shall not give rise to Executive to assert a Termination for Good Reason.

11. **Final Compensation Regardless of Reason for End of Employment.** Following the termination of Executive's employment for any reason, Executive or, in the event of Executive's death, Executive's estate, shall be entitled to: (a) any earned but unpaid Base Salary earned and payable during the Executive's employment with the Company through the last date of employment; (b) any vested 401(k) and any other vested benefits with the Company, if any, subject to the terms and conditions of the applicable 401(k) plan; (c) reimbursement of reasonable business expenses incurred by Executive during Executive's employment with the Company that are due to Executive in accordance with this Agreement and Company's written expense reimbursement policy; (d) earned but unpaid bonuses set forth in this Agreement subject to the written terms and conditions applicable to such bonuses; and (e) any other amounts required to be paid to Executive or Executive's estate under applicable law (collectively, the "***Accrued Amounts"***). Otherwise, except as set forth in this Agreement, Executive and/or Executive's estate, as applicable, shall not be entitled to receive under this Agreement any additional compensation, payments, bonuses, severance pay, equity interests, stock, consideration or benefits of any kind from the Company or any affiliate of the Company upon or following Executive's last day of employment with the Company.

12. **Severance**.

(a) **Eligibility**. Subject to the terms in this Section and provided: (i) Executive's employment with the Company ends due to "Termination Without Cause" (as defined below), "Termination for Good Reason" (as defined below) or due to Executive's death or Disability (as defined below) (a ***"Qualifying Termination"***); (ii) Executive continues to abide by the Confidentiality Agreement and the post-employment provisions of this Agreement; and (iii) Executive (or Executive's estate, in the case of Executive's death) timely executes and delivers (and does not revoke) a full and general release (the "***Release***") of any and all claims that Executive has or may have against the Company or its affiliates and such entities' past and

then current officers, directors, owners, managers, members, agents and employees relating to all matters, in form and substance satisfactory to the Company in its sole discretion such that the Release becomes fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination (such 60-day period, the "***Release Period***"), then the Company will provide Executive with certain additional benefits as set forth in Section 12(b)(i) ("***Severance***"). The Company agrees to provide a form of the Release to the Executive (or Executive's estate, in the case of Executive's death) promptly following the date of the Qualifying Termination, and an in any event within seven (7) days thereafter. For the avoidance of doubt, if the Release is not timely executed and returned to the Company, or if the Release is subsequently revoked by Executive, such that the Release does not become fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination, Executive will not be entitled to any Severance.

(b) **Severance**.

(i) If Executive meets eligibility requirements set forth in this Agreement, Executive shall be paid or provided Severance as follows:

(1) continued payment of Executive's Base Salary (at the rate in effect at the end of the Executive's employment with the Company) for six (6) months, or if such Qualifying Termination occurs during the Change in Control Protection Period (defined below) (such a Qualifying Termination during the Change in Control Protection Period, a "***Transaction Qualifying Termination***"), then for twelve (12) months (the "***Severance Pay***"); provided, however, that (i) amounts shall accrue with accrued amounts paid on the first regularly scheduled payroll date after the Release becomes irrevocably effective; and (ii) notwithstanding clause (i) to the contrary, if the Release Period spans two calendar years amounts will accrue until the later of (and then be paid on) (x) the first regularly scheduled payroll date in the second calendar year, and (y) the first regularly scheduled payroll date after the Release becomes irrevocably effective;

(2) if the Qualifying Termination is a Transaction Qualifying Termination, then Executive's pro-rated Targeted Annual Management Bonus assuming achievement of 100% of Target, paid when Targeted Annual Management Bonuses are paid to other officers for the fiscal year in which the Transaction Qualifying Termination occurs, but in no event prior to January 1 of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs or prior to December of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs;

(3) subject to Executive electing to continue medical benefits for Executive and his or her eligible dependents under applicable law (i.e., COBRA benefits), reimbursement for the premiums Executive pays to continue such benefits for the duration of the Severance Pay or, if earlier, for the duration of Executive's COBRA coverage; provided, however, if such reimbursement would result in fines or penalties to the Company (as reasonably determined by the Board), then no amounts will be paid or reimbursed under this clause (3); and

(4) notwithstanding the terms and conditions of the applicable equity plan and the applicable equity plan award agreement, and subject to applicable law, (A) with respect to any issued and outstanding option awards that were issued to Executive prior to the date hereof, in the event of Qualifying Termination, then any such option awards that vest subject solely to continued service will vest as to all of the covered shares of Company common stock, (B) with respect to any other equity awards (other than the options in the foregoing clause (A) that vest as to all of the covered shares), (I) in the event of Qualifying Termination (other than Transaction Qualifying Termination), then the Executive's issued and outstanding option awards and restricted stock unit awards or any other equity awards that, in each case, vest subject solely to continued service, will vest with respect to the covered shares (or units) otherwise scheduled to vest in the subsequent twelve (12) months following the date of the Qualifying Termination, and (II) if the Qualifying Termination is a Transaction Qualifying Termination, then the Executive's issued and outstanding option awards and restricted stock unit awards and any other equity awards that, in each case, vest subject solely to continued service, will vest as to all of the covered shares of Company common stock. The Executive's stock option and restricted stock unit and any other equity awards shall otherwise remain subject to the terms and condition as reflected in the applicable award agreement.

(ii) The Severance specified in the foregoing clause (i) shall be in lieu of and replace Executive's right to severance under any other Company agreement, plan, or program.

(c) **Definitions**. For purposes of this Agreement, the following terms shall have the meaning set forth below.

(i) **Change in Control**. "***Change in Control***" shall mean a Transfer of Control as defined in the Company's Equity Incentive Plan; provided, however, for the avoidance of doubt, the closing of the Company's initial public offering shall not be a Change in Control.

(ii) **Change in Control Protection Period**. "***Change in Control Protection Period***" shall mean that period beginning three (3) months prior to a Change in Control and ending eighteen (18) months after the Change in Control.

(iii) **Disability**. "***Disability***" means a disability that entitles Executive to benefits under the Company long-term disability plan applicable to Executive or, in the absence of such a plan, a disability that would reasonably be expected to result in Executive's inability to perform the essential elements of his or her duties for a period of at least six (6) months even with reasonable accommodations, as reasonably determined by the Board.

(iv) **Termination For Cause**. "***Termination For Cause***" or "***Cause"*** means the Company's termination of Executive's employment with the Company as the result of any one or more of the following:

(1) Executive's theft, fraud, embezzlement, dishonesty, or misappropriation of Company property, funds, information or other assets;

(2) Executive's breach of fiduciary duty or breach of duty of loyalty to the Company;

(3) Executive's conviction in respect of, or plea of nolo contendere to, any crime involving fraud, dishonesty, or moral turpitude or any felony (or the equivalent thereof in any jurisdiction in which Executive is providing services);

(4) Executive's violation of the Company's lawful policies, rules or regulations;

(5) Executive's refusal to perform Executive's duties hereunder or to carry out or follow lawful instructions or assignments commensurate with Executive's position(s) with the Company given by the Company or the Board;

(6) Executive's material breach of any agreement between Executive and the Company or any Company affiliate; or

(7) Executive's willful misconduct or gross negligence in connection with providing services to the Company.

Employee expressly acknowledges and agrees that the determination of whether Employee's termination is "Termination for Cause" will be made by the Company in its sole discretion. "Termination For Cause" shall not include or be predicated upon any act or omission by the Executive which is taken or made either (a) at the direction of the CEO or the Board; (b) pursuant to the advice of the Company's counsel; or (c) to comply with a lawful court order, directive from a federal state or local government agency or industry regulatory authority.

(v) **Termination Without Cause.** "***Termination Without Cause***" or ***"Without Cause"*** means the Company's termination of Executive's employment with the Company for any reason other than Executive's death, Executive's Disability, Termination For Cause or Executive's resignation (for any reason).

(vi) **Termination for Good Reason**. "***Termination for Good Reason***" means any of the following actions by the Company, if occurring on or after a Change in Control without Executive's express written consent: (i) a material reduction in Executive's annual base salary as in effect on the date of this Agreement (or as the same may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary reduction for substantially all other officers; or (ii) requiring Executive to be based anywhere located more than 50 miles from Executive's current primary office location, except for required travel on the Company's business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to the Company's headquarters for specified periods or time) or a relocation (whether now or in the immediate future); provided,

however, that a requirement that Executive return to the office following a period pursuant to which Executive was permitted to "work from home" shall not be treated as a change in Executive's current primary office location so long as Executive's primary office location in connection with a requirement to "return to the office" is either (x) within 50 miles of the location prior to Executive being permitted to work from home, or (y) is within 50 miles of Executive's primary residence; or (iii) the failure by a successor to the Company to assume this Agreement. Notwithstanding the foregoing, the events described in clauses (i) through (iii) above shall not constitute a Termination for Good Reason unless (A) Executive has delivered a written notice of Termination for Good Reason to the Company within 60 days of the occurrence of the event, which notice sets forth in reasonable detail the basis for Executive's claim that Good Reason exists and (B) the Company fails to cure such event or circumstance within the 30 day period following receipt of such notice of Termination for Good Reason whereupon Executive's employment shall be terminated.

13. **Tax Provisions**.

(a) Section 409A Compliance.

(i) It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") (including the Treasury regulations and other published guidance relating thereto) ("***Code Section 409A***") so as not to subject the Executive to payment of any interest or additional tax imposed under Code Section 409A. To the extent that any amount payable under this Agreement would trigger the additional tax, penalty or interest imposed by Code Section 409A, this Agreement shall be modified to avoid such additional tax, penalty or interest yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Executive. In no event shall the Company, any member of the Board, or any employee, agent or other service provider have any liability to the Executive for any tax, fine or penalty associated with any failure to comply with the requirements of Code Section 409A. Nothing in this Agreement shall be construed as a guarantee of any particular tax treatment to the Executive. Executive shall be solely responsible for the tax consequences with respect to all amounts payable under this Agreement, and in no event shall the Company have any responsibility or liability if this Agreement does not meet any applicable requirements of Code Section 409A. The provisions of this Section 13 shall apply to all payments under this Agreement, notwithstanding any contrary provision herein.

(ii) To the extent a payment or benefit is nonqualified deferred compensation subject to Code Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall

be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company. If Executive is deemed on the date of a "separation from service" (within the meaning of Code Section 409A) to be a "specified employee" (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or, if none, the default methodology and procedure specified under Code Section 409A), then with regard to any payment or the provision of any benefit that is "nonqualified deferred compensation" within the meaning of Code Section 409A and which is paid as a result of Executive's "separation from service," such payment or benefit shall not be made or provided prior to the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death (the "***Delay Period***"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this clause (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. If any payment or benefit subject to Section 409A is contingent on the delivery of a release by the Executive and could occur in either of two calendar years, the payment will occur in the later year.

(iii) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code solely because such expenses are subject to a limit related to the period the arrangement is in effect; and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

(b) Section 280G. If any payment or benefit Executive would receive pursuant to this Agreement or otherwise, including accelerated vesting of any equity compensation ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be reduced to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse

chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; and (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) employee benefits shall be reduced last and in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced. In no event will Executive have any discretion with respect to the ordering of Payment reductions. The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

14. **Certain Consequences of Breach by Executive**.

(a) Executive acknowledges and agrees that Executive's breach of the Confidentiality Agreement would result in irreparable damage and continuing injury to the Company. Therefore, in the event of any breach or threatened breach of the Confidentiality Agreement, the Company shall be entitled to seek an injunction from a court of competent jurisdiction enjoining Executive from committing any violation or threatened violation of the Confidentiality Agreement without posting of bond. All remedies available to the Company by reason of a breach by Executive of the provisions of this Agreement are cumulative, none is exclusive, and all remedies may be exercised concurrently or consecutively at the Company's option.

(b) If Executive is found in a final judgment by a court of competent jurisdiction to have breached the Confidentiality Agreement in an intentional and material respect, Executive shall immediately refund to the Company, upon the Company's demand, any Severance Pay already paid to Executive pursuant to this Agreement beyond the first $5,000 (gross) in Severance Pay (the "***Release Consideration***"), and Executive shall forfeit at the time of such breach the right to any Severance Pay pursuant to this Agreement beyond the Release Consideration. Executive agrees that if Executive executed a Release pursuant to this Agreement, such Release shall remain in full force and effect notwithstanding any repayment/forfeiture of Severance Pay under this subsection and that the Release Consideration is good and sufficient consideration for the Release.

15. Executive's Representations. Executive hereby represents and warrants to the Company that: (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, noncompetition or nonsolicitation agreement or confidentiality agreement with any other person or entity besides the Company and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. EXECUTIVE HEREBY ACKNOWLEDGES AND REPRESENTS THAT EXECUTIVE HAS CONSULTED WITH INDEPENDENT LEGAL COUNSEL REGARDING EXECUTIVE'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT, TO THE EXTENT DETERMINED NECESSARY OR APPROPRIATE BY EXECUTIVE, AND THAT EXECUTIVE FULLY UNDERSTANDS THE TERMS AND CONDITIONS CONTAINED HEREIN.

16. **Assignment**. This Agreement may not be assigned or delegated by Executive. The Company shall have the right to assign or transfer this Agreement to any affiliated entity or any successor to all or part of the business and/or assets of the Company, and Executive irrevocably consents to any such assignment or transfer. As used in this Agreement, the "***Company***" shall mean the Company as defined above, but if this Agreement is assigned or transferred to any affiliated entity or to successor as allowed by this Section then the "***Company***" shall mean the entity to which this Agreement is so assigned or transferred.

17. **Applicable Law, Exclusive Venue, Consent to Jurisdiction, Mandatory Mediation**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to any conflict-of-law principles. Moreover, any litigation under this Agreement shall be brought by either party exclusively in federal or state courts in Mecklenburg County, North Carolina. As such, the Parties irrevocably consent to the jurisdiction of the courts in Mecklenburg County, North Carolina (whether federal or state) for all disputes related to this Agreement and irrevocably consent to service via nationally recognized overnight carrier, without limiting other service methods allowed by applicable law. Except with regard to an action to enforce the restrictive covenants or confidentiality provisions set out in the Confidentiality Agreement, prior to submitting any controversy, claim or dispute to any court or administrative agency, the Parties agree to seek to resolve their dispute through non-binding mediation; which mediation shall be conducted on or before a date 90 days from the date one party provides the other with written notice of the existence of a dispute. The mediation shall be conducted in accordance with the rules governing mediations in the Superior Court of the General Court of Justice of the State of North Carolina with the parties to bear their respective costs and to split the cost of the mediator unless otherwise agreed in the mediation. The mediation shall be held in Charlotte, North Carolina.

18. **Severability**. The terms of this Agreement, including paragraph subparts, are severable, and if any part or subpart is found to be unenforceable, the other terms shall remain in full force and effect and are valid and enforceable.

19. **Cooperation**. During and after Executive's employment, Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while Executive was employed by the Company. Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel for the Company to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company in connection with any investigation or review conducted by any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall reimburse Executive for any reasonable out-of-pocket expenses lost in connection with his performance of obligations under this Agreement following the termination of his employment with the Company.

20. **Modification; Waiver; Construction; Counterparts.** No modification, termination, or attempted waiver of any of the provisions of this Agreement shall be binding upon either party unless reduced to writing and signed for by both Parties (for the Company, by a duly authorized Company officer). This Agreement shall be construed according to a plain reading of its terms and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision in this Agreement. Any reference in this Agreement to any Section refers to the corresponding Section of this Agreement. The word "including" in this Agreement means "including without limitation". Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.

21. **Right of Setoff; Recoupment**. Executive agrees and acknowledges that the Company shall have the right to offset any amounts due from the Executive against any amounts owed under this Agreement, subject to any applicable notice requirements. Compensation payable to Executive shall be subject to applicable securities rules and Company policies regarding recapture or claw back, and Executive shall reimburse the Company any amount previously paid that is subject to such recapture or claw back provision.

22. **Entire Agreement**. This Agreement (including the recitals, Exhibit A, Exhibit B and any other exhibits and any applicable bonus plans and equity plans and grant agreements which are hereby incorporated by reference) constitute the entire agreement among the Parties pertaining to the subject matter contained herein and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties related to the subject matter contained herein, including any previous offer letters or employment agreements. Any such prior and contemporaneous agreements, representations, and understandings, including offer letters or other agreements, are void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned hereto set their hands and seals as of the dates set forth below.

AVIDXCHANGE, INC

Date: 8/26/2021

/s/ Ryan M. Stahl
Name: Ryan M. Stahl

EXECUTIVE

Date: 8/26/2021

/s/ Todd Cunningham
Name: Todd Cunningham

EXHIBIT A

Annual Bonus:

The Targeted Annual Management Bonus (the "Annual Bonus") is targeted towards achieving the Company's revenue targets, strategic initiative objectives, gross margin targets, and certain management objectives (MBO) for the applicable calendar year, all as set and determined by the Company and the Board/Compensation Committee (each a "Target" and collectively the "Targets").

If 100% of all Targets are reached, the Annual Bonus shall be in an amount equal to fifty percent (50%) of Executive's Base Salary for the applicable calendar year, less deductions and withholdings required by law. A portion of the Annual Bonus, such portion determined in the Company and the Board/Compensation Committee's discretion, can be earned if 80% of each of the Targets is reached. The Company's Annual Bonus plan typically contains a maximum opportunity of 200% of the Annual Bonus can be earned based on the attainment of stretch objectives set by the Company in its sole discretion. The Targeted Annual Management Bonus will be paid following the end of each fiscal year subject to Executive's continued employment through payment and is not earned and is forfeited if Executive is not employed with the Company on the applicable payment date.

These payout percentages are subject to annual Board or Compensation Committee review and approval. The terms of the Annual Bonus program are subject to modification from time to time in the Company's reasonable discretion. The Executive's plan objectives and Executive's achievement of those objectives shall be determined in the sole discretion of the Company and the Board of Directors or Compensation Committee. Any future "additional" bonuses shall be in the sole discretion and approval of the Company and the Board/Compensation Committee as may be determined from time to time.

EXHIBIT B

Confidentiality Information, Inventions, Non-Competition and Non-Solicitation Agreement

See attached.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is made and entered into by and between Angelic Gibson ("***Executive***") and AvidXchange, Inc. (the "***Company***") as of August 26, 2021. Executive and the Company are collectively referred to as the "***Parties***" or individually as a "***Party***".

1. **Employment and Position**. Subject to the terms and conditions set forth in this Agreement, the Company agrees to employ Executive and Executive hereby accepts such employment. Executive's initial position under this Agreement shall be as the Company's Chief Information Officer and Senior Vice President reporting to Michael Praeger, the Company's Chief Executive Officer. Executive understands and acknowledges that his or her position and/or reporting relationship may be changed during Executive's employment, subject to the terms and conditions contained herein. Executive's position shall be based in the Company's offices located in Charlotte, North Carolina. In addition, Executive understands and acknowledges that his position will require business travel as needed from time to time.

2. **Duties**. During the Executive's employment with the Company, Executive shall: (a) diligently, faithfully and competently perform, on a full time basis, the services and duties customary and commensurate with Executive's position(s) with the Company or as may be assigned to Executive from time to time by the Executive's supervisor at the Company, if any, or the CEO or Board of Directors (the "***Board***"); (b) subject to Section 7 of this Agreement, devote Executive's full professional time, attention and best efforts to the business of the Company and the performance of Executive's duties and responsibilities; (c) comply with all Company policies and all requests, instructions and directions from the Board or Executive's supervisor at the Company, if any, or the CEO; and (d) adhere faithfully to all applicable laws and regulations and professional ethics related to the Company's business, including any applicable Company policies.

3. **Employment At-Will**. Notwithstanding any provision of this Agreement, offer letters, or other pre-employment documents, the Company and Executive agree that Executive's employment with the Company is "at will" and may be terminated at any time with or without cause without any liability or obligation of the Company except as expressly set forth herein. Executive shall give Company at least four (4) weeks prior written notice of resignation for any reason. The Company is entitled upon receiving such notice to accept the resignation as effective on the resignation date proposed by Executive or an earlier date during the notice period as designated by the Company, in its sole discretion, and in such case the Executive's employment and all related Company obligations shall cease as of such date. Upon giving notice of a resignation and until the resignation becomes effective, Executive shall diligently perform Executive's duties during the notice period and shall help transition Executive's job responsibilities to others at the Company, all to the extent requested by the Company. The Company may terminate Executive's employment at any time without advanced notice, written or otherwise.

4. **Compensation and Benefits**.

(a) **Base Salary**. As compensation for Executive's services, the Company will pay Executive a base salary (as potentially adjusted by the Company from time to time in its sole discretion, the "***Base Salary***"). Executive's Base Salary under this Agreement initially shall be at an annualized periodic gross rate equivalent to $345,000.00; provided, however, the Base Salary shall be subject to review and adjustment by the Board's Compensation Committee in accordance with the Compensation Committee's standard practices for executive compensation. The Base Salary shall, in all cases, be subject to applicable deductions and withholdings required by law. The Company will pay the Base Salary to Executive in accordance with the Company's standard payroll practices for its employees which Executive acknowledges may be changed by the Company from time to time in its sole discretion.

(b) **Annual Bonus**. For each fiscal year during Executive's employment with the Company, Executive shall be eligible to earn a "Targeted Annual Management Bonus" as set forth on **Exhibit A** to this Agreement and as amended from time to time, as determined in the sole discretion of the Compensation Committee.

(c) **Benefits/ PTO**. During the Executive's employment with the Company, the Executive will be eligible to participate in the employee benefit programs and PTO generally in effect for the Company's employees at Executive's level in the same geographic location, subject to and in accordance with the terms and conditions for such programs as they may be instituted, modified, or terminated from time to time by the Company in its sole discretion.

(d) **Equity Awards.** Executive will be eligible to participate in the Company's annual equity grant program based on performance metrics, which may include both Company and personal performance metrics, commencing with the 2021 performance year (with such grants to be issued in 2022). All equity grants are subject to the approval of the Board's Compensation Committee.

(e) **Tax/Financial Planning Reimbursement.** The Company will reimburse Executive up to $5,000.00 annually for financial and tax planning services expenses incurred by Executive, subject to documentation provided in accordance with Company expense reimbursement policies in effect from time to time.

5. **Withholdings; Taxes; Indemnification**. All payments to Executive under this Agreement shall be reduced by (a) any tax or other amounts required to be withheld under applicable law, and (b) other amounts authorized by Executive. Executive is advised to consult with Executive's own tax professional regarding all tax matters related to compensation and benefits from the Company including the tax treatment of any option grants and the exercise of such options. The Executive shall be responsible for all federal, state and local taxes, penalties, interest, or fines that are imposed on Executive under applicable law as a result of this Agreement, including Executive's personal taxes on payments received by Executive under this Agreement, and the Company and its employees, accountants, attorneys, and affiliates shall have no obligation or liability to Executive related to any such taxes, penalties, interest, or fines. Executive represents and acknowledges that in signing this Agreement, Executive does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, managers, directors or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise including regarding the tax consequences to Executive resulting from the payments, benefits, or other consideration provided under the Agreement.

6. **Reimbursement of Expenses**. The Company agrees to pay or to reimburse the Executive for all reasonable, ordinary, necessary, and properly documented business-related travel, cell phone expenses, for Company business, entertainment, and other expenses, incurred by the Executive in the performance of the Executive's services hereunder, subject to and in accordance with Company policies in effect at the time the expense was incurred. The Executive shall promptly submit vouchers and itemized receipts for all expenses for which reimbursement is sought.

7. **Conflicts of Interest**. During the Executive's employment with the Company, Executive is expected to devote all of Executive's business time and efforts to Executive's services to the Company. Consistent with that, Executive shall not: (a) engage, directly or indirectly, in any business transaction with the Company or any of its affiliates without the prior written approval of the Board, or (b) knowingly engage in any conduct intended to or reasonably expected to harm the interests of the Company or its affiliates. Notwithstanding the foregoing, Executive may engage in personal investment and estate planning activities, charitable work and community affairs, including service on non-profit boards of directors, and service on for profit boards of directors with the pre-approval of the General Counsel, that do not materially interfere with Executive's duties for the Company, so long as such activities do not conflict with, or interfere with the performance of, Executive's duties or obligations to the Company, as determined in the sole judgment of the CEO or Board, and in each case subject to the terms and conditions of Confidentiality Agreement (as defined below).

8. **Protection of Confidential Information**. As a condition to employment with the Company, Executive shall execute a Confidential Information, Inventions, Non-Competition and Non-Solicitation Agreement in the form attached as Exhibit B, if Executive has not already signed such agreement (such agreement, as executed by Executive, the "***Confidentiality Agreement***"). Executive acknowledges and agrees that the Confidentiality Agreement is supported by good and valuable consideration, including but not limited to, Executive's continued employment with the Company.

9. **Reasonableness of Restrictions**. Executive has carefully read and considered the provisions of this Agreement and the Confidentiality Agreement and, having done so, agrees that the restrictions set forth herein are fair, reasonable, and necessary to protect the Company's legitimate business interests, including goodwill with its customers and employees and its confidential and trade secret information. In addition, Executive acknowledges and agrees that the restrictions of this Agreement and the Confidentiality Agreement do not unreasonably restrict Executive from earning a living should Executive's employment with the Company end. Thus, Executive agrees not to contest the general validity or enforceability of this Agreement or the Confidentiality Agreement in any forum. The Confidentiality Agreement shall survive the end of the Executive's employment and shall be in addition to any restrictions imposed upon Executive by statute, at common law, or other agreements. The Confidentiality Agreement shall continue to

be enforceable regardless of whether there is any dispute between the Parties concerning any alleged breach of this Agreement. As a result of Executive's educational background, prior work experience, and Executive's employment and position with the Company, Executive possesses general skills and knowledge enabling Executive, if need be, to pursue profitable work in businesses not competitive with the Company's business.

10. **Suspensions**. If Executive is temporarily prohibited from participating in any of the affairs of the Company by a regulatory, governmental, court or administrative notice, order, or similar action under federal or state law, then the CEO or Board may unilaterally suspend all of the Company's obligations under this Agreement during the pendency of such prohibition. Also, if the Company or the Board is investigating any potential Termination For Cause or other potential serious misconduct by Executive, the Company or the Board may place Executive on temporary leave with pay and benefits, temporarily exclude Executive from any premises of the Company or its affiliates, and/or temporarily reassign Executive's duties during the pendency of such investigation, and such actions shall not be deemed a constructive or actual termination of Executive's employment and shall not give rise to Executive to assert a Termination for Good Reason.

11. **Final Compensation Regardless of Reason for End of Employment.** Following the termination of Executive's employment for any reason, Executive or, in the event of Executive's death, Executive's estate, shall be entitled to: (a) any earned but unpaid Base Salary earned and payable during the Executive's employment with the Company through the last date of employment; (b) any vested 401(k) and any other vested benefits with the Company, if any, subject to the terms and conditions of the applicable 401(k) plan; (c) reimbursement of reasonable business expenses incurred by Executive during Executive's employment with the Company that are due to Executive in accordance with this Agreement and Company's written expense reimbursement policy; (d) earned but unpaid bonuses set forth in this Agreement subject to the written terms and conditions applicable to such bonuses; and (e) any other amounts required to be paid to Executive or Executive's estate under applicable law (collectively, the "***Accrued Amounts"***). Otherwise, except as set forth in this Agreement, Executive and/or Executive's estate, as applicable, shall not be entitled to receive under this Agreement any additional compensation, payments, bonuses, severance pay, equity interests, stock, consideration or benefits of any kind from the Company or any affiliate of the Company upon or following Executive's last day of employment with the Company.

12. **Severance**.

(a) **Eligibility**. Subject to the terms in this Section and provided: (i) Executive's employment with the Company ends due to "Termination Without Cause" (as defined below), "Termination for Good Reason" (as defined below) or due to Executive's death or Disability (as defined below) (a ***"Qualifying Termination"***); (ii) Executive continues to abide by the Confidentiality Agreement and the post-employment provisions of this Agreement; and (iii) Executive (or Executive's estate, in the case of Executive's death) timely executes and delivers (and does not revoke) a full and general release (the "***Release***") of any and all claims that Executive has or may have against the Company or its affiliates and such entities' past and then current officers, directors, owners, managers, members, agents and employees relating to all

matters, in form and substance satisfactory to the Company in its sole discretion such that the Release becomes fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination (such 60-day period, the "***Release Period***"), then the Company will provide Executive with certain additional benefits as set forth in Section 12(b)(i) ("***Severance***"). The Company agrees to provide a form of the Release to the Executive (or Executive's estate, in the case of Executive's death) promptly following the date of the Qualifying Termination, and an in any event within seven (7) days thereafter. For the avoidance of doubt, if the Release is not timely executed and returned to the Company, or if the Release is subsequently revoked by Executive, such that the Release does not become fully and irrevocably effective within sixty (60) days following the date of the Qualifying Termination, Executive will not be entitled to any Severance.

(b) **Severance**.

(i) If Executive meets eligibility requirements set forth in this Agreement, Executive shall be paid or provided Severance as follows:

(1) continued payment of Executive's Base Salary (at the rate in effect at the end of the Executive's employment with the Company) for six (6) months, or if such Qualifying Termination occurs during the Change in Control Protection Period (defined below) (such a Qualifying Termination during the Change in Control Protection Period, a "***Transaction Qualifying Termination***"), then for twelve (12) months (the "***Severance Pay***"); provided, however, that (i) amounts shall accrue with accrued amounts paid on the first regularly scheduled payroll date after the Release becomes irrevocably effective; and (ii) notwithstanding clause (i) to the contrary, if the Release Period spans two calendar years amounts will accrue until the later of (and then be paid on) (x) the first regularly scheduled payroll date in the second calendar year, and (y) the first regularly scheduled payroll date after the Release becomes irrevocably effective;

(2) if the Qualifying Termination is a Transaction Qualifying Termination, then Executive's pro-rated Targeted Annual Management Bonus assuming achievement of 100% of Target, paid when Targeted Annual Management Bonuses are paid to other officers for the fiscal year in which the Transaction Qualifying Termination occurs, but in no event prior to January 1 of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs or prior to December of the calendar year after the calendar year in which the Transaction Qualifying Termination occurs;

(3) subject to Executive electing to continue medical benefits for Executive and his or her eligible dependents under applicable law (i.e., COBRA benefits), reimbursement for the premiums Executive pays to continue such benefits for the duration of the Severance Pay or, if earlier, for the duration of Executive's COBRA coverage; provided, however, if such reimbursement would result in fines or penalties to the Company (as reasonably determined by the Board), then no amounts will be paid or reimbursed under this clause (3); and

(4) notwithstanding the terms and conditions of the applicable equity plan and the applicable equity plan award agreement, and subject to applicable law, (A) with respect to any issued and outstanding option awards that were issued to Executive prior to the date hereof, in the event of Qualifying Termination, then any such option awards that vest subject solely to continued service will vest as to all of the covered shares of Company common stock, (B) with respect to any other equity awards (other than the options in the foregoing clause (A) that vest as to all of the covered shares), (I) in the event of Qualifying Termination (other than Transaction Qualifying Termination), then the Executive's issued and outstanding option awards and restricted stock unit awards or any other equity awards that, in each case, vest subject solely to continued service, will vest with respect to the covered shares (or units) otherwise scheduled to vest in the subsequent twelve (12) months following the date of the Qualifying Termination, and (II) if the Qualifying Termination is a Transaction Qualifying Termination, then the Executive's issued and outstanding option awards and restricted stock unit awards and any other equity awards that, in each case, vest subject solely to continued service, will vest as to all of the covered shares of Company common stock. The Executive's stock option and restricted stock unit and any other equity awards shall otherwise remain subject to the terms and condition as reflected in the applicable award agreement.

(ii) The Severance specified in the foregoing clause (i) shall be in lieu of and replace Executive's right to severance under any other Company agreement, plan, or program.

(c) **Definitions**. For purposes of this Agreement, the following terms shall have the meaning set forth below.

(i) **Change in Control**. "***Change in Control***" shall mean a Transfer of Control as defined in the Company's Equity Incentive Plan; provided, however, for the avoidance of doubt, the closing of the Company's initial public offering shall not be a Change in Control.

(ii) **Change in Control Protection Period**. "***Change in Control Protection Period***" shall mean that period beginning three (3) months prior to a Change in Control and ending eighteen (18) months after the Change in Control.

(iii) **Disability**. "***Disability***" means a disability that entitles Executive to benefits under the Company long-term disability plan applicable to Executive or, in the absence of such a plan, a disability that would reasonably be expected to result in Executive's inability to perform the essential elements of his or her duties for a period of at least six (6) months even with reasonable accommodations, as reasonably determined by the Board.

(iv) **Termination For Cause**. "***Termination For Cause***" or "***Cause"*** means the Company's termination of Executive's employment with the Company as the result of any one or more of the following:

(1) Executive's theft, fraud, embezzlement, dishonesty, or misappropriation of Company property, funds, information or other assets;

(2) Executive's breach of fiduciary duty or breach of duty of loyalty to the Company;

(3) Executive's conviction in respect of, or plea of nolo contendere to, any crime involving fraud, dishonesty, or moral turpitude or any felony (or the equivalent thereof in any jurisdiction in which Executive is providing services);

(4) Executive's violation of the Company's lawful policies, rules or regulations;

(5) Executive's refusal to perform Executive's duties hereunder or to carry out or follow lawful instructions or assignments commensurate with Executive's position(s) with the Company given by the Company or the Board;

(6) Executive's material breach of any agreement between Executive and the Company or any Company affiliate; or

(7) Executive's willful misconduct or gross negligence in connection with providing services to the Company.

Employee expressly acknowledges and agrees that the determination of whether Employee's termination is "Termination for Cause" will be made by the Company in its sole discretion. "Termination For Cause" shall not include or be predicated upon any act or omission by the Executive which is taken or made either (a) at the direction of the CEO or the Board; (b) pursuant to the advice of the Company's counsel; or (c) to comply with a lawful court order, directive from a federal state or local government agency or industry regulatory authority.

(v) **Termination Without Cause.** "***Termination Without Cause***" or ***"Without Cause"*** means the Company's termination of Executive's employment with the Company for any reason other than Executive's death, Executive's Disability, Termination For Cause or Executive's resignation (for any reason).

(vi) **Termination for Good Reason**. "***Termination for Good Reason***" means any of the following actions by the Company, if occurring on or after a Change in Control without Executive's express written consent: (i) a material reduction in Executive's annual base salary as in effect on the date of this Agreement (or as the same may be increased from time to time) except to the extent that such reduction is proportionally consistent to a base salary reduction for substantially all other officers; or (ii) requiring Executive to be based anywhere located more than 50 miles from Executive's current primary office location, except for required travel on the Company's business and except to the extent the parties have specifically contemplated an alternative arrangement in writing (e.g., travel to the Company's headquarters for specified periods or time) or a relocation (whether now or in the immediate future); provided,

however, that a requirement that Executive return to the office following a period pursuant to which Executive was permitted to "work from home" shall not be treated as a change in Executive's current primary office location so long as Executive's primary office location in connection with a requirement to "return to the office" is either (x) within 50 miles of the location prior to Executive being permitted to work from home, or (y) is within 50 miles of Executive's primary residence; or (iii) the failure by a successor to the Company to assume this Agreement. Notwithstanding the foregoing, the events described in clauses (i) through (iii) above shall not constitute a Termination for Good Reason unless (A) Executive has delivered a written notice of Termination for Good Reason to the Company within 60 days of the occurrence of the event, which notice sets forth in reasonable detail the basis for Executive's claim that Good Reason exists and (B) the Company fails to cure such event or circumstance within the 30 day period following receipt of such notice of Termination for Good Reason whereupon Executive's employment shall be terminated.

13. **Tax Provisions**.

(a) Section 409A Compliance.

(i) It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") (including the Treasury regulations and other published guidance relating thereto) ("***Code Section 409A***") so as not to subject the Executive to payment of any interest or additional tax imposed under Code Section 409A. To the extent that any amount payable under this Agreement would trigger the additional tax, penalty or interest imposed by Code Section 409A, this Agreement shall be modified to avoid such additional tax, penalty or interest yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Executive. In no event shall the Company, any member of the Board, or any employee, agent or other service provider have any liability to the Executive for any tax, fine or penalty associated with any failure to comply with the requirements of Code Section 409A. Nothing in this Agreement shall be construed as a guarantee of any particular tax treatment to the Executive. Executive shall be solely responsible for the tax consequences with respect to all amounts payable under this Agreement, and in no event shall the Company have any responsibility or liability if this Agreement does not meet any applicable requirements of Code Section 409A. The provisions of this Section 13 shall apply to all payments under this Agreement, notwithstanding any contrary provision herein.

(ii) To the extent a payment or benefit is nonqualified deferred compensation subject to Code Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall

be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company. If Executive is deemed on the date of a "separation from service" (within the meaning of Code Section 409A) to be a "specified employee" (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or, if none, the default methodology and procedure specified under Code Section 409A), then with regard to any payment or the provision of any benefit that is "nonqualified deferred compensation" within the meaning of Code Section 409A and which is paid as a result of Executive's "separation from service," such payment or benefit shall not be made or provided prior to the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death (the "***Delay Period***"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this clause (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. If any payment or benefit subject to Section 409A is contingent on the delivery of a release by the Executive and could occur in either of two calendar years, the payment will occur in the later year.

(iii) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code solely because such expenses are subject to a limit related to the period the arrangement is in effect; and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

(b) Section 280G. If any payment or benefit Executive would receive pursuant to this Agreement or otherwise, including accelerated vesting of any equity compensation ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be reduced to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse

chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; and (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) employee benefits shall be reduced last and in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced. In no event will Executive have any discretion with respect to the ordering of Payment reductions. The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

14. **Certain Consequences of Breach by Executive**.

(a) Executive acknowledges and agrees that Executive's breach of the Confidentiality Agreement would result in irreparable damage and continuing injury to the Company. Therefore, in the event of any breach or threatened breach of the Confidentiality Agreement, the Company shall be entitled to seek an injunction from a court of competent jurisdiction enjoining Executive from committing any violation or threatened violation of the Confidentiality Agreement without posting of bond. All remedies available to the Company by reason of a breach by Executive of the provisions of this Agreement are cumulative, none is exclusive, and all remedies may be exercised concurrently or consecutively at the Company's option.

(b) If Executive is found in a final judgment by a court of competent jurisdiction to have breached the Confidentiality Agreement in an intentional and material respect, Executive shall immediately refund to the Company, upon the Company's demand, any Severance Pay already paid to Executive pursuant to this Agreement beyond the first $5,000 (gross) in Severance Pay (the "***Release Consideration***"), and Executive shall forfeit at the time of such breach the right to any Severance Pay pursuant to this Agreement beyond the Release Consideration. Executive agrees that if Executive executed a Release pursuant to this Agreement, such Release shall remain in full force and effect notwithstanding any repayment/forfeiture of Severance Pay under this subsection and that the Release Consideration is good and sufficient consideration for the Release.

15. Executive's Representations. Executive hereby represents and warrants to the Company that: (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, noncompetition or nonsolicitation agreement or confidentiality agreement with any other person or entity besides the Company and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. EXECUTIVE HEREBY ACKNOWLEDGES AND REPRESENTS THAT EXECUTIVE HAS CONSULTED WITH INDEPENDENT LEGAL COUNSEL REGARDING EXECUTIVE'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT, TO THE EXTENT DETERMINED NECESSARY OR APPROPRIATE BY EXECUTIVE, AND THAT EXECUTIVE FULLY UNDERSTANDS THE TERMS AND CONDITIONS CONTAINED HEREIN.

16. **Assignment**. This Agreement may not be assigned or delegated by Executive. The Company shall have the right to assign or transfer this Agreement to any affiliated entity or any successor to all or part of the business and/or assets of the Company, and Executive irrevocably consents to any such assignment or transfer. As used in this Agreement, the "***Company***" shall mean the Company as defined above, but if this Agreement is assigned or transferred to any affiliated entity or to successor as allowed by this Section then the "***Company***" shall mean the entity to which this Agreement is so assigned or transferred.

17. **Applicable Law, Exclusive Venue, Consent to Jurisdiction, Mandatory Mediation**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to any conflict-of-law principles. Moreover, any litigation under this Agreement shall be brought by either party exclusively in federal or state courts in Mecklenburg County, North Carolina. As such, the Parties irrevocably consent to the jurisdiction of the courts in Mecklenburg County, North Carolina (whether federal or state) for all disputes related to this Agreement and irrevocably consent to service via nationally recognized overnight carrier, without limiting other service methods allowed by applicable law. Except with regard to an action to enforce the restrictive covenants or confidentiality provisions set out in the Confidentiality Agreement, prior to submitting any controversy, claim or dispute to any court or administrative agency, the Parties agree to seek to resolve their dispute through non-binding mediation; which mediation shall be conducted on or before a date 90 days from the date one party provides the other with written notice of the existence of a dispute. The mediation shall be conducted in accordance with the rules governing mediations in the Superior Court of the General Court of Justice of the State of North Carolina with the parties to bear their respective costs and to split the cost of the mediator unless otherwise agreed in the mediation. The mediation shall be held in Charlotte, North Carolina.

18. **Severability**. The terms of this Agreement, including paragraph subparts, are severable, and if any part or subpart is found to be unenforceable, the other terms shall remain in full force and effect and are valid and enforceable.

19. **Cooperation**. During and after Executive's employment, Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while Executive was employed by the Company. Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel for the Company to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company in connection with any investigation or review conducted by any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall reimburse Executive for any reasonable out-of-pocket expenses lost in connection with his performance of obligations under this Agreement following the termination of his employment with the Company.

20. **Modification; Waiver; Construction; Counterparts.** No modification, termination, or attempted waiver of any of the provisions of this Agreement shall be binding upon either party unless reduced to writing and signed for by both Parties (for the Company, by a duly authorized Company officer). This Agreement shall be construed according to a plain reading of its terms and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision in this Agreement. Any reference in this Agreement to any Section refers to the corresponding Section of this Agreement. The word "including" in this Agreement means "including without limitation". Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.

21. **Right of Setoff; Recoupment**. Executive agrees and acknowledges that the Company shall have the right to offset any amounts due from the Executive against any amounts owed under this Agreement, subject to any applicable notice requirements. Compensation payable to Executive shall be subject to applicable securities rules and Company policies regarding recapture or claw back, and Executive shall reimburse the Company any amount previously paid that is subject to such recapture or claw back provision.

22. **Entire Agreement**. This Agreement (including the recitals, Exhibit A, Exhibit B and any other exhibits and any applicable bonus plans and equity plans and grant agreements which are hereby incorporated by reference) constitute the entire agreement among the Parties pertaining to the subject matter contained herein and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties related to the subject matter contained herein, including any previous offer letters or employment agreements. Any such prior and contemporaneous agreements, representations, and understandings, including offer letters or other agreements, are void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned hereto set their hands and seals as of the dates set forth below.

AVIDXCHANGE, INC

Date: 8/26/2021

/s/ Ryan Stahl

Name: Ryan Stahl

EXECUTIVE

Date: 8/26/2021

/s/ Angelic Gibson

Name: Angelic Gibson

EXHIBIT A

Annual Bonus:

The Targeted Annual Management Bonus (the "Annual Bonus") is targeted towards achieving the Company's revenue targets, strategic initiative objectives, gross margin targets, and certain management objectives (MBO) for the applicable calendar year, all as set and determined by the Company and the Board/Compensation Committee (each a "Target" and collectively the "Targets").

If 100% of all Targets are reached, the Annual Bonus shall be in an amount equal to fifty percent (50%) of Executive's Base Salary for the applicable calendar year, less deductions and withholdings required by law. A portion of the Annual Bonus, such portion determined in the Company and the Board/Compensation Committee's discretion, can be earned if 80% of each of the Targets is reached. The Company's Annual Bonus plan typically contains a maximum opportunity of 200% of the Annual Bonus can be earned based on the attainment of stretch objectives set by the Company in its sole discretion. The Targeted Annual Management Bonus will be paid following the end of each fiscal year subject to Executive's continued employment through payment and is not earned and is forfeited if Executive is not employed with the Company on the applicable payment date.

These payout percentages are subject to annual Board or Compensation Committee review and approval. The terms of the Annual Bonus program are subject to modification from time to time in the Company's reasonable discretion. The Executive's plan objectives and Executive's achievement of those objectives shall be determined in the sole discretion of the Company and the Board of Directors or Compensation Committee. Any future "additional" bonuses shall be in the sole discretion and approval of the Company and the Board/Compensation Committee as may be determined from time to time.

EXHIBIT B

Confidentiality Information, Inventions, Non-Competition and Non-Solicitation Agreement

See attached.

Exhibit 10.11

SECOND AMENDMENT OF AVIDXCHANGE, INC.
2010 STOCK OPTION PLAN

WHEREAS, the Board of Directors of AvidXchange, Inc. (the "Company") has previously adopted, and the stockholders of the Company have previously approved, the AvidXchange, Inc. 2010 Stock Option Plan, dated March 23, 2010, as previously amended by First Amendment dated as of April 26, 2012 (collectively, the "Plan"); and

WHEREAS, the Board of Directors deems it to be advisable to increase the number of shares of Common Stock authorized for grant and issuance as options thereunder from 1,047,404 shares to 1,547,404, and the stockholders of the Company have approved such increase.

NOW, THEREFORE, the Plan shall be amended as follows:

1. The first sentence of Section 4 of the Plan shall be deleted in its entirety and the following substituted in lieu thereof:

"Subject to adjustment as provided in Paragraph 9 below, the maximum number of shares of Stock which may be issued pursuant to Options granted under the Plan shall be One Million Five Hundred Forty-Seven Thousand Four Hundred Four (1,547,404) shares."

2. Except as herein amended, the terms and provisions of the Plan shall remain in full force and effect as originally adopted and approved.

IN WITNESS WHEREOF, the undersigned hereby certifies that this Second Amendment was duly adopted by the Board of Directors of the Company and approved by the stockholders of the Company effective as September 4, 2014.

AVIDXCHANGE, INC.

By: /s/ Michael Praeger
Michael Praeger, Chief Executive Officer

FIRST AMENDMENT OF AVIDXCHANGE, INC.
2010 STOCK OPTION PLAN

WHEREAS, the Board of Directors of AvidXchange, Inc. (the "Company") has previously adopted, and the stockholders of the Company have previously approved, the AvidXchange, Inc. 2010 Stock Option Plan, dated March 23, 2010 (the "Plan"); and

WHEREAS, the Board of Directors deems it to be advisable to increase the number of shares of Common Stock authorized for grant and issuance as options thereunder from 500,000 shares to 1,047,404, and the stockholders of the Company have approved such increase.

NOW, THEREFORE, the Plan shall be amended as follows:

1. The first sentence of Section 4 of the Plan shall be deleted in its entirety and the following substituted in lieu thereof:

"Subject to adjustment as provided in Paragraph 9 below, the maximum number of shares of Stock which may be issued pursuant to Options granted under the Plan shall be One Million Forty-Seven Thousand Four Hundred Four (1,047,404) shares."

2. Except as herein amended, the terms and provisions of the Plan shall remain in full force and effect as originally adopted and approved.

IN WITNESS WHEREOF, the undersigned hereby certifies that this First Amendment was duly adopted by the Board of Directors of the Company and approved by the stockholders of the Company effective as April 26, 2012.

AVIDXCHANGE, INC.

By: /s/ Michael Praeger
Michael Praeger, Chief Executive Officer

AVIDXCHANGE, INC. 2010
STOCK OPTION PLAN

1. Purpose. The AvidXchange, Inc. 2010 Stock Option Plan Stock Option Plan (the **"Plan"**) is established to create an additional incentive to promote the financial success and progress of AvidXchange, Inc. and any successor corporations or any present or future parent and/or subsidiary corporations of such corporation (collectively, the **"Company"**). For purposes of the Plan, a parent corporation and a subsidiary corporation shall be as defined in Sections 424(e) and 424(f) of the Internal Revenue Code of 1986, as amended (the **"Code"**).

2. Administration. The Plan shall be administered by the Board of Directors of the Company (the **"Board"**) and/or by a duly appointed committee of the Board having such powers as shall be specified by the Board. Any subsequent references herein or in any option agreement under the Plan to the Board shall also mean the committee if such committee has been appointed and, unless the powers of the committee have been specifically limited, the committee shall have all of the powers of the Board granted herein, other than power to terminate or amend the Plan as provided in Paragraph 11 hereof, subject to the terms of the Plan and any applicable limitations imposed by law. All questions of interpretation of the Plan or of any award granted under the Plan shall be determined by the Board, and such determinations shall be final and binding upon all persons having an interest in the Plan and/or any Option (as defined below). To the extent permitted by applicable law, the Board may delegate to one or more executive officers of the Company the power to grant Options to employees and to exercise such other powers under the Plan as the Board may determine; provided that the Board shall fix the terms of the Options to be granted by such executive officers (including the exercise price of such Options, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Options that the executive officers may grant; provided further, however, that no executive officer shall be authorized to grant awards to any "executive officer" of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the **"Exchange Act"**)).

3. Eligibility. The Board may grant options (each an **"Option"**) to purchase shares of the authorized but unissued common stock of the Company (the **"Stock"**), which Options may be either incentive stock options as defined in Section 422 of the Code (an **"Incentive Stock Option"**) or nonqualified stock options. The Board, in its sole discretion, shall determine to whom Options are granted (each an **"Optionee"**). An Option that the Board intends to be an Incentive Stock Option shall only be granted to an employee of the Company and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to an Optionee if an Option (or any part thereof) which is intended to be an Incentive Stock Option does not qualify as an Incentive Stock Option.

4. Shares Subject to Option. Subject to adjustment as provided in Paragraph 9 below, the maximum number of shares of Stock which may be issued pursuant to Options granted under the Plan shall be Five Hundred Thousand (500,000) shares. If any outstanding Option for any reason expires or is terminated or cancelled, the shares of Stock allocable to the unexercised portion of such Option may again be subject to an Option. It is intended that the Plan shall constitute a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act of 1933, as amended **("Rule 701"),** to the extent applicable, and that the Plan shall otherwise be administered in compliance with the requirements of Rule 701. To ensure such compliance, the Company shall maintain a record of shares subject to outstanding Options under the Plan and the exercise price of the Options, plus a record of all shares of Stock issued upon the exercise of the Options and the exercise price of the Options.

5. Time for Granting Options. All Options shall be granted, if at all, within ten (10) years from the earlier of (i) the date the Plan is adopted by the Board or (ii) the date the Plan is duly approved by the stockholders of the Company.

6. Terms, Conditions and Form of Options. Subject to the provisions of the Plan, the Board shall determine for each Option the number of shares of Stock into which the Option is exercisable, whether the Option is to be treated as an Incentive Stock Option or as a nonqualified stock option and all other terms and conditions of the Option. Each Option granted pursuant to the Plan shall comply with and be subject to the following terms and conditions:

   (a) Exercise Price. The exercise price for each Option shall be established in the sole discretion of the Board; provided, however, that (i) the exercise price per share for an Incentive Stock Option shall be not less than the fair market value of a share of Stock on the date of grant and (ii) the exercise price per share of an Incentive Stock Option granted to an Optionee who on the date of the grant owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company within the meaning of Section 422(b)(6) of the Code (a **"Ten Percent Owner Optionee")** shall be not less than one hundred ten percent (110%) of the fair market value of a share of Stock on the date of grant. For purposes of this Plan, "fair market value" means the value assigned to the Stock by the Board for any date of grant, as determined pursuant to a reasonable method established by the Board that is consistent with the requirements of Sections 422 and 424 of the Code and the regulations thereunder (which method may be changed from time to time). Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a nonqualified stock option) may be granted by the Board in its discretion with an exercise price lower than the minimum exercise price set forth above if, in the case of an Incentive Stock Option, such Option is granted pursuant to an assumption or substitution for another option in accordance with the provisions of Section 424(a) of the Code. The foregoing shall not require that any such assumption or modification will result in the Option having the same characteristics, attributes or tax treatment as the Option for which it is substituted.

(b) Exercise Period of Options. The Board shall have the power to set the times on or within which an Option shall be exercisable or the events upon which an Option shall be exercisable and the term of an Option; provided, however, that (i) no Incentive Stock Option shall be exercisable after the expiration of ten (10) years after the date of grant, (ii) no Incentive Stock Option granted to a Ten Percent Owner Optionee shall be exercisable after the expiration of five (5) years after the date of grant, (iii) no Option shall be exercisable after the date the Optionee's employment with the Company is terminated for cause (as determined in the sole discretion of the Board, unless cause is defined in an employment agreement between the Optionee and the Company in which case such definition shall be used), and (iv) each Incentive Stock Option shall terminate and cease to be exercisable no later than three (3) months after the date on which the Optionee terminates employment with the Company, unless the Optionee's employment with the Company was terminated as a result of the Optionee's death or disability (within the meaning of Section 22(e)(3) of the Code), in which event the Incentive Stock Option shall terminate and cease to be exercisable no later than twelve (12) months from the date on which the Optionee's employment terminated. For this purpose, an Optionee's employment shall be deemed to have terminated as a result of death if the Optionee dies within three (3) months following the Optionee's termination of employment. Notwithstanding anything to the contrary in this Plan, in the event that an Optionee has entered into a confidentiality, nondisclosure, invention and/or non-competition agreement with the Company and the Optionee is determined, in the reasonable judgment of the Board, to have materially breached such agreement, the Optionee shall forfeit any shares acquired pursuant to the Option and 100% of the Option granted pursuant to such Optionee's option agreement with the Company, whether or not exercisable.

(c) Payment of Exercise Price. Payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made in cash, by check, cash equivalent or in any other manner as may be permitted by the Board in its sole discretion.

(d) $100,000 Limitation. The aggregate fair market value, determined as of the date of grant of the shares of the Stock, with respect to which an Incentive Stock Option (determined without regard to this subparagraph) is first exercisable during any calendar year (under this Plan or under any other plan of the Company) by any Optionee shall not exceed $100,000. If such limitation would be exceeded with respect to an Optionee for a calendar year, the Incentive Stock Option shall be deemed a nonqualified stock option to the extent of such excess.

7. Forms of Stock Option Agreements. All Options shall be evidenced by a written agreement substantially in the form of the incentive stock option agreement attached hereto as **Exhibit A** or the nonqualified stock option agreement attached hereto as **Exhibit B,** as applicable, both of which are incorporated herein by reference (the **"Form Option Agreements")** or such other form or forms as may be approved by the Board consistent with the terms of this Plan. The Board shall have the authority from time to

time to vary the terms of the Form Option Agreements either in connection with the grant of an Option or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of such revised or amended standard form or forms of stock option agreement shall be in accordance with the terms of the Plan.

8. Transfer of Control Upon a merger, consolidation, corporate reorganization, or any transaction in which all or substantially all of the assets or stock of the Company are sold, leased, transferred or otherwise disposed of (other than a mere reincorporation transaction or one in which the holders of voting capital stock of the Company immediately prior to such merger or consolidation continue to hold at least a majority of the voting power of the surviving corporation based upon their voting capital stock in the Company prior to such merger or consideration) (a **"Transfer of Control"),** then, except as otherwise provided in a particular stock option agreement granted pursuant to the Plan, any unexercisable portion of an outstanding Option that would otherwise become exercisable within twelve (12) months following the effective time of the Transfer of Control shall become immediately exercisable as of a date prior to the Transfer of Control, which date shall be determined by the Board. Upon the occurrence of a Transfer of Control, each outstanding Option, to the extent not exercised prior to or concurrently with the Transfer of Control, shall terminate as of the effective time of the Transfer of Control, unless such Option is assumed by the successor corporation (or parent thereof) or replaced with a comparable option to purchase shares of the capital stock of the successor corporation (or parent thereof). Unless the Board expressly provides otherwise, the exercise of any Option that was permissible solely by reason of this paragraph shall be conditioned upon the consummation of the Transfer of Control.

9. Effect of Change in Stock Subject to Plan. The Board shall make appropriate adjustments in the number and class of shares of the Stock subject to the Plan and to any outstanding Options and in the option price of any outstanding Options in the event of a stock dividend, stock split, reverse stock split, combination, reclassification or similar change in the capital structure of the Company.

10. Options Non-Transferable. Except as otherwise provided in a stock option agreement, no Option shall be assignable or transferable by the Optionee, except by will or by the laws of descent and distribution. During the lifetime of an Optionee, an Option shall be exercisable only by such Optionee.

11. Termination or Amendment. The Board may amend, suspend or terminate the Plan or any portion thereof at any time. The Board may amend, modify or terminate any outstanding Option; provided, however, that no amendment authorized hereby may materially adversely affect the rights of any Optionee under any then outstanding Option, as determined in the discretion of the Board, without the consent of the Optionee, unless such amendment is required to enable an Option designated as an Incentive Stock Option to qualify as an Incentive Stock Option. The Board shall be entitled to create, amend or delete appendices to this Plan as specified herein.

12. Withholding. Each Optionee shall pay to the Company, or make provision satisfactory to the Board for payment of, any taxes required by law to be withheld in connection with Options granted to such Optionee no later than the date of the event creating the tax liability. Except as the Board may otherwise provide in an award, when the Stock is registered under the Exchange Act, Optionees may satisfy such tax obligations in whole or in part by delivery of shares of Stock, including shares acquired pursuant to the exercise of the Option creating the tax obligation, valued at their fair market value as determined by, or in a manner approved by, the Board in good faith; provided, however, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to an Optionee.

13. Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Option have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Optionee has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

14. Right of First Refusal.

(a) Right of First Refusal. If any Optionee proposes to sell, pledge or otherwise transfer any shares of Stock acquired upon exercise of an Option (the **"Exercise Shares"),** the Company shall have the right to repurchase the Exercise Shares under the terms and subject to the conditions set forth in this Paragraph 14 (the **"Right of First Refusal").**

(b) Notice of Proposed Transfer. Prior to any proposed transfer of the Exercise Shares, the Optionee shall give a written notice (the **"Transfer Notice")** to the Company describing fully the proposed transfer, including the number of Exercise Shares, the name and address of the proposed transferee (the **"Proposed Transferee"),** the proposed transfer price and all other material terms and conditions of the proposed transfer.

(c) Exercise of the Right of First Refusal. The Company shall have the right to purchase all, but not less than all, of the Exercise Shares at the purchase price and on the terms set forth in the Transfer Notice by delivery to the Optionee of a notice of exercise of the Right of First Refusal within thirty (30) days after the date the Transfer Notice is delivered to the Company. The Company's exercise or failure to exercise the Right of First Refusal with respect to any proposed transfer

described in a Transfer Notice shall not affect the Company's ability to exercise the Right of First Refusal with respect to any proposed transfer described in any other Transfer Notice, whether or not such other Transfer Notice is issued by the Optionee or issued by any other person with respect to a proposed transfer to the same Proposed Transferee. If the Company exercises the Right of First Refusal, the Company and the Optionee shall thereupon consummate the sale of the Exercise Shares to the Company on the terms set forth in the Transfer Notice; provided however, that if the Transfer Notice provides for the payment for the Exercise Shares other than in cash, the Company shall have the option of paying for the Exercise Shares by the discounted cash equivalent of the consideration described in the Transfer Notice as reasonably determined by the Board. For purposes of the foregoing, cancellation of any indebtedness of the Optionee to the Company shall be treated as payment to the Optionee in cash to the extent of the unpaid principal and any accrued interest cancelled.

(d) Failure to Exercise the Right of First Refusal. If the Company fails to exercise the Right of First Refusal within the period specified in Paragraph 14(c) above, the Optionee may conclude a transfer to the Proposed Transferee of the Exercise Shares on the terms and conditions described in the Transfer Notice, provided such transfer occurs not later than one hundred twenty (120) days following delivery to the Company of the Transfer Notice. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, also shall be subject to the Right of First Refusal and shall require compliance by the Optionee with the procedure described in this Paragraph 14.

(e) Transferees of the Transfer Shares. All transferees of the Exercise Shares or any interest therein, other than the Company, shall be required as a condition of such transfer to agree in writing (in a form satisfactory to the Company) that such transferee shall receive and hold such Exercise Shares or interests subject to the provisions of this Paragraph 14 providing for the Right of First Refusal with respect to any subsequent transfer.

(f) Transfers Not Subject to the Right of First Refusal. The Right of First Refusal shall not apply to any transfer or exchange of the Exercise Shares if: (i) such transfer is in connection with a Transfer of Control; (ii) such transfer is to one or more members of the Optionee's immediate family (or a trust for their benefit) provided all such transferees agree in writing to the restrictions of Paragraph 14(e); or (iii) such transfer has been approved by the Board, which approval may be granted or withheld in its sole discretion.

(g) Assignment of the Right of First Refusal. The Company shall have the right to assign the Right of First Refusal at any time.

(h) Stock Dividends Subject to First Refusal Right. If, from time to time, there is any stock dividend, stock split, recapitalization, reclassification or other change in the character or amount of any of the outstanding stock of the Company, the stock of which is subject to the provisions of an option agreement issued pursuant to the Plan, then, in such event, any and all new substituted or additional securities to which the Optionee is entitled by reason of the Optionee's ownership of the Exercise Shares shall be immediately subject to the Right of First Refusal with the same force and effect as the shares subject to the Right of First Refusal immediately before such event.

(i) Early Termination of the Right of First Refusal. The other provisions of this Paragraph 14 notwithstanding, the Right of First Refusal shall terminate, and be of no further force and effect, upon the earlier of (i) the occurrence of a Transfer of Control, unless the surviving, continuing, successor, or purchasing corporation, as the case may be, assumes the Company's rights and obligations under the Plan or (ii) the existence of a public market for the class of shares subject to the Right of First Refusal. A "public market" shall be deemed to exist if (x) such stock is listed on a national securities exchange (as that term is used in the Exchange Act) or (y) such stock is traded on the over-the-counter market and prices therefor are published daily on business days in a recognized financial journal.

(j) Escrow. To ensure shares of Stock subject to Right of First Refusal will be available for repurchase, the Company may require an Optionee to deposit certificates evidencing the Exercise Shares in escrow with the Company or an agent of the Company.

15. Legends. The Company may at any time place legends referencing any applicable federal or state securities law restriction on all certificates representing shares of stock subject to the provisions of the Plan. Optionees shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to Options granted under the Plan in the possession of such Optionees in order to effectuate the provisions of this Paragraph. Unless otherwise specified by the Company, legends placed on such certificates may include, as applicable, the following:

(a) **THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH STATE SECURITIES LAWS COVERING SUCH SHARES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE CORPORATION RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THESE SHARES REASONABLY SATISFACTORY TO THE CORPORATION, STATING THAT SUCH SALE, TRANSFER ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM SUCH REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS.**

(b) **THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN THE CORPORATION'S STOCK OPTION PLAN A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION.**

(c) **THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON EXERCISE OF AN INCENTIVE STOCK OPTION AS DEFINED IN SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE TRANSFER AGENT FOR THE SHARES EVIDENCED HEREBY SHALL NOTIFY THE CORPORATION IMMEDIATELY OF ANY TRANSFER OF THE SHARES BY THE REGISTERED HOLDER HEREOF MADE ON OR BEFORE THE REGISTERED HOLDER SHALL HAVE HELD ALL SHARES PURCHASED UNDER THE OPTION IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE) FOR A PERIOD OF ONE YEAR FROM THE DATE OF EXERCISE OF THE OPTION OR TWO YEARS FROM THE DATE OF GRANT OF THE OPTION.**

16. Initial Public Offering. In the event of an initial public offering of capital stock made by the Company under the Securities Act of 1933, as amended, Optionee shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of capital stock of the Company or any rights to acquire capital stock of the Company for such period of time as may be established by the underwriter for such initial public offering; provided, however, that such period of time shall not exceed one hundred eighty (180) days from the effective date of the registration statement to be filed in connection with such initial public offering (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711).

17. Miscellaneous

(a) Nothing in this Plan or any Option granted hereunder shall confer upon any Optionee any right to continue in the employ of the Company, or to serve as a director, consultant or advisor thereof, or interfere in any way with the right of the Company to terminate such Optionee's employment or engagement at any time. Unless specifically provided otherwise, no grant of an Option shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Company for the benefit of its employees unless the Company shall determine otherwise. No Optionee shall have any claim to an Option until it is actually granted under the Plan. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall, except as otherwise provided by the Board, be no greater than the right of an unsecured general creditor of the Company.

(b) The Plan and the grant of Options hereunder shall be subject to all applicable federal and state laws, rules, and regulations and to such approvals by any United States government or regulatory agency as may be required.

(c) The terms of the Plan shall be binding upon the Company, and its successors and assigns.

(d) This Plan and all Options granted hereunder shall be governed by the laws of the State of North Carolina, without regard to the conflicts of laws provisions of North Carolina.

(e) If any provision of this Plan or an option agreement granted pursuant to the Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any option agreement under any law deemed applicable by the Board, such provision shall, subject to the withholding provisions set forth herein, be construed or deemed amended to conform to such applicable laws or if it cannot be construed or deemed amended without, in the determination of the Board, materially altering the intent of the Plan or such option agreement, it shall be stricken and the remainder of the Plan or the option agreement shall remain in full force and effect.

(f) The Board may incorporate additional or alternative provisions for this Plan with respect to residents of one or more individual states to the extent necessary or desirable under applicable state securities laws. Such provisions shall be set out in one or more appendices hereto which may be amended or deleted by the Board from time to time. Effective immediately prior to the grant of an Option to a resident of the State of California or to the exercise of an outstanding Option by a resident of the State of California, Appendix A shall be deemed adopted and incorporated as a part of this Plan.

(g) The Company may require, as a condition to the exercise of any Option, that the Optionee become bound by the terms of a stockholders agreement, investor rights agreement or similar agreement among the Company and holders of capital stock of the Company. Furthermore, the Company reserves the right to make the provisions of any such agreement apply to any holder of Stock issued upon the exercise of an Option by providing written notice to the registered holder of such stock accompanied by a copy of the applicable agreement or agreements.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing Plan was duly adopted by the Board of Directors of the Company on the 17th day of December, 2009 and was approved by the stockholders of the Company on the 23rd day of March, 2010.

AVIDXCHANGE, INC.

By: /s/ Merrill M. Mason
Merrill M. Mason, Secretary

APPENDIX A

AVIDXCHANGE, INC. 2010
STOCK OPTION PLAN (the "Plan")

Provisions Applicable to California Residents

Notwithstanding anything to the contrary otherwise appearing the Plan, the following provisions shall apply to any stock option or other award granted under the Plan to a resident of the State of California and, in the event of any conflict or inconsistency between the following provisions and the provisions otherwise appearing in the Plan, the following provisions shall control, solely with respect to options or other awards granted under the Plan to residents of the State of California:

- At no time shall the total number of shares of Company stock issuable upon exercise of all outstanding stock options granted pursuant to this Plan and the total number of shares provided for under any bonus or similar plan or agreement of the Company exceed the limitations set forth in Rule 260.140.45 promulgated under the California Code, based on the number of shares of the Company which are outstanding at the time the calculation is made.
- The exercise price of an option granted to a California resident may not be less than 85% of the "fair value" (as defined by Rule 260.140.50 promulgated under the California Code) of the Company's common stock at the time the option is granted (or 110% of the "fair value" in the case of any person who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary corporations at the time of such grant).
- The exercise period of a stock option granted to a California resident shall be no longer than 120 months from the date the option is granted.
- An option granted to a California resident shall not be transferable, other than by will or the laws of descent and distribution, or as permitted by Rule 701 of the Securities Act of 1933, as amended.
- An option granted to a California resident shall become exercisable at the rate of at least 20% per year over 5 years from the date the option is granted, subject to reasonable conditions such as continued employment. However, in the case of an option granted to a California resident who is an officer, director, or consultant of the Company or any of its affiliates, the option may become fully exercisable, subject to reasonable conditions such as continued employment, at any time or during any period established by the Company.
- Unless employment is terminated for cause as defined by applicable law, the terms of the Plan or stock option agreement or a contract of employment, the right to exercise an option granted to a California resident in the event of termination of such optionee's employment (to the extent that such optionee is otherwise entitled to exercise on the date of termination of employment) shall terminate as follows:

- At least 6 months from the date of termination if termination was caused by death or disability; or
- At least 30 days from the date of termination if termination was caused by an event other than death or disability.

- The Plan shall terminate with respect to California residents on the earlier of ten years after the date the Plan is adopted or the date the Plan is approved by the shareholders of the Company.
- The Plan shall be available to California residents only if the stockholders of the Company approve the Plan within 12 months before or after the date the Plan is adopted. Any option exercised by a California resident before such stockholder approval is obtained shall be rescinded if such stockholder approval is not subsequently obtained and such shares shall not be counted in determining whether the required stockholder approval is obtained.
- Each California resident participating in the Plan will be provided with a copy of the Company's annual financial statements (which need not be audited). The Company shall not be required to provide such statements to key employees whose duties with the Company assure access to equivalent information.

EXHIBIT A

THE SECURITY REPRESENTED BY THIS AGREEMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAW AND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

AVIDXCHANGE, INC.
INCENTIVE STOCK OPTION AGREEMENT

AvidXchange, Inc., a Delaware corporation (the **"Company"),** hereby grants to the individual named below an option (this **"Option")** to purchase certain shares of common stock of the Company pursuant to the AvidXchange, Inc. 2010 Stock Option Plan, as such plan from time to time may be amended (the **"Plan"),** in the manner and subject to the provisions of this Incentive Stock Option Agreement (this **"Option Agreement").**

1. Definitions:

   (a) **"Code"** shall mean the Internal Revenue Code of 1986, as amended. (All citations to Sections of the Code are to such Sections as they from time to time may be amended or renumbered.)

   (b) **"Date of Option Grant"** shall mean _____.

   (c) **"Disability"** shall mean disability within the meaning of Section 22(e)(3) of the Code, as determined by the Board of Directors of the Company (the **"Board")** in its discretion under procedures established by the Board.

   (d) **"Exercise Price"** shall mean $_____per share as adjusted from time to time pursuant to the Plan.

   (e) **"Number of Option Shares"** shall mean _____ shares of common stock of the Company as adjusted from time to time pursuant to the Plan.

   (f) **"Option Term Date"** shall mean the date ten (10) years after the Date of Option Grant.

   (g) **"Optionee"** shall mean _____.

2. Status of this Option. This Option is intended to be an incentive stock option as described in Section 422 of the Code, but the Company does not represent or warrant that the Option qualifies as such. To the extent that the Option fails to qualify as an incentive stock option, it shall be deemed a nonqualified stock option. The Optionee should consult with the Optionee's own tax advisors regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code.

3. Administration. All questions of interpretation concerning this Option shall be determined by the Board and shall be final and binding upon all persons having an interest in this Option.

4. Exercise of this Option.

(a) Right to Exercise. This Option shall become exercisable as set forth below, subject to the termination provisions of this Option Agreement and the Optionee's acknowledgement and agreement that any shares purchased upon exercise of this Option are subject to the Company's repurchase rights set forth in the Plan:

(i) On and after _____, this Option may be exercised to purchase up to _____% of the Number of Option Shares.

(ii) On or after the ____ day of each successive month thereafter, this Option may be exercised to purchase up to an additional _____% of the Number of Option Shares.

(iii) The foregoing provisions shall be interpreted such that on or after _____, this Option may be exercised to purchase up to 100% of the Number of Option Shares.

The schedule set forth above is cumulative, so that shares as to which this Option has become exercisable on and after a date indicated by the schedule may be purchased pursuant to exercise of this Option at any subsequent date prior to termination of this Option. This Option may be exercised at any time and from time to time to purchase up to the number of the Number of Option Shares as to which it is then exercisable.

Notwithstanding the foregoing, if the aggregate fair market value of the stock with respect to which this Option and any other incentive stock option held by the Optionee may be exercised (determined without regard to this provision) for the first time during any calendar year, as determined as of the Date of Option Grant and (if applicable) the dates of grant of such other incentive stock options and otherwise in accordance with Section 422(d) of the Code, exceeds One Hundred Thousand Dollars ($100,000), this Option shall be deemed a nonqualified stock option to the extent of such excess.

(b) Method of Exercise. This Option shall be exercised by written notice to the Company in the form of the Notice of Exercise attached hereto. The written notice must be signed by the Optionee and must be delivered in person or by certified mail, return receipt requested, to the Chief Financial Officer or any other appropriate officer of the Company accompanied by full payment of the exercise price for the number of the Number of Option Shares being purchased.

(c) Restrictions on Grant of this Option and Issuance of Shares. The grant of this Option and the issuance of the shares upon exercise of this Option shall be subject to compliance with all applicable requirements of federal or state law with respect to such securities. This Option may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal or state securities laws or other law or regulations. In addition, no Option may be exercised unless (i) a registration statement under the Securities Act of 1933, as amended (the **"Securities Act"),** and any applicable state securities laws shall at the time of exercise of this Option be in effect with respect to the shares issuable upon exercise of this Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of this Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

THE OPTIONEE IS CAUTIONED THAT THIS OPTION MAY NOT BE EXERCISABLE UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE OPTIONEE MAY NOT BE ABLE TO EXERCISE THIS OPTION WHEN DESIRED EVEN THOUGH THIS OPTION IS EXERCISABLE PURSUANT TO THE TERMS HEREOF.

As a condition to the exercise of this Option, the Company may require the Optionee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise of this Option.

5. Non-Transferability of this Option. This Option may not be assigned or transferred in any manner except by will or by the laws of descent and distribution.

6. Termination of this Option. This Option shall terminate upon on the first to occur of: (a) the Option Term Date; (b) the last date for exercising this Option following termination of employment as described in this Option Agreement, or (c) upon a Transfer of Control as described in the Plan.

7. Termination of Employment.

(a) Termination of this Option. If the Optionee ceases to be an employee of the Company for any reason except death or Disability, this Option, to the extent exercisable by the Optionee on the date on which the Optionee ceased to be an employee, may be exercised by the Optionee until the earlier of (i) three (3) months after the date on which the Optionee's employment terminates or (ii) the Option Term Date. Notwithstanding the foregoing, if the Optionee's employment with the Company is terminated for cause (as determined in the sole discretion of the Board unless cause is defined in an employment agreement between the Optionee and the Company in which case such definition shall be used), this Option may not be exercised after the date on which the Optionee's employment terminates. If the Optionee's employment with the Company is terminated because of the death or Disability of the Optionee, this Option, to the extent exercisable by the Optionee on the date on which the Optionee ceased to be an employee, may be exercised by the Optionee (or the Optionee's legal representative) until the earlier of (i) the expiration of twelve (12) months from the date the Optionee's employment terminated or (ii) the Option Term Date. The Optionee's employment shall be deemed to have terminated on account of death if the Optionee dies within three (3) months after the Optionee's termination of employment. This paragraph shall be interpreted such that this Option shall not become exercisable as to any additional number of the Number of Option Shares after the date on which the Optionee ceases to be an employee of the Company (pursuant to this paragraph) for any reason, notwithstanding any period after such cessation of employment during which this Option may remain exercisable as provided in this paragraph.

(b) Exercise Prevented by Law. Except as provided in this paragraph, this Option shall terminate and may not be exercised after the Optionee's employment with the Company terminates unless the exercise of this Option in accordance with this paragraph is prevented by applicable securities laws. If the exercise of this Option is so prevented, this Option shall remain exercisable until the earlier of (i) three (3) months after the date the Optionee is notified by the Company that this Option is exercisable or (ii) the Option Term Date.

(c) Optionee Subject to Section 16(b). Notwithstanding the foregoing, if the exercise of this Option within the applicable time periods set forth above would subject the Optionee to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, this Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which the Optionee would no longer be subject to such suit, (ii) the one hundred ninetieth (190th) day after the Optionee's termination of employment, or (iii) the Option Term Date.

(d) Leave of Absence. For purposes hereof, the Optionee's employment with the Company shall not be deemed to terminate if the Optionee takes any military leave, sick leave, or other bona fide leave of absence approved by the Company of ninety (90) days or less. In the event of a leave in excess of ninety (90) days, the Optionee's employment shall be deemed to terminate on the ninety-first (91st) day of the leave unless the Optionee's right to reemployment with the Company remains guaranteed by statute or contract.

(e) Directors, Consultants and Advisors. In the event an Optionee is a director or consultant or advisor but not an employee of the Company at the time this Option is granted, termination of the Optionee's status as a director or consultant or advisor of the Company shall be deemed to be termination of the Optionee's employment.

8. Transfer of Control. The provisions of the Plan applicable to a Transfer of Control (as defined in the Plan) shall apply to this Option.

9. Rights as a Stockholder or Employee. The Optionee shall have no rights as a stockholder with respect to any shares covered by this Option until the date of the issuance of a certificate or certificates for the shares for which this Option has been exercised. Nothing in this Option shall confer upon the Optionee any right to continue in the employ of the Company or interfere in any way with any right of the Company to terminate the Optionee's employment at any time.

10. Notice of Sales Upon Disqualifying Disposition. The Optionee shall dispose of the shares acquired pursuant to this Option only in accordance with the provisions of this Option Agreement. In addition, the Optionee shall promptly notify the Chief Financial Officer or other appropriate officer of the Company if the Optionee disposes of any of the shares acquired pursuant to this Option within one (1) year from the date the Optionee exercises all or part of this Option or within two (2) years of the Date of Option Grant. Until such time as the Optionee disposes of such shares in a manner consistent with the provisions of this Option Agreement, the Optionee shall hold all shares acquired pursuant to this Option in the Optionee's name (and not in the name of any nominee) for the one-year period immediately after exercise of this Option and the two-year period immediately after the Date of Option Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend or legends on any certificate or certificates representing shares acquired pursuant to this Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. The obligation of the Optionee to notify the Company of any such transfer shall continue notwithstanding that a legend has been placed on the certificate or certificates pursuant to the preceding sentence.

11. Right of First Refusa**l**. This Option shall be subject to a right of first refusal in favor of the Company, on the terms and conditions set forth in the Plan.

12. Binding Effect. This Option Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

13. Termination or Amendment. The Board may terminate or amend this Option Agreement at any time; provided, however, that no such termination or amendment may materially adversely affect this Option or any unexercised portion hereof, as determined in the discretion of the Board, without the consent of the Optionee unless such amendment is required to enable this Option to qualify as an Incentive Stock Option.

14. Integrated Agreement. This Option Agreement, together with the Plan, constitute the entire understanding and agreement of the Optionee and the Company with respect to the subject matter contained herein, and there are no other agreements, understandings, restrictions, representations, or warranties among the Optionee and the Company with respect to the subject matter contained herein other than those as set forth or provided for herein and therein. To the extent contemplated herein, the provisions of this Option Agreement shall survive any exercise of this Option and shall remain in full force and effect. The terms and conditions included in the Plan are incorporated by reference herein, and to the extent that any conflict may exist between any term or provision of this Option Agreement and any term or provision of the Plan, the term or provision of the Plan shall control.

15. Applicable Law. This Option Agreement shall be governed by the laws of the State of North Carolina as such laws are applied to agreements between North Carolina residents entered into and to be performed entirely within the State of North Carolina.

16. Effect of Certain Transactions. Notwithstanding anything to the contrary in this Option Agreement, in the event that the Optionee has entered into a confidentiality, nondisclosure, invention and/or non-competition agreement with the Company and the Optionee is determined, in the reasonable judgment of the Board, to have materially breached such agreement, the Optionee shall forfeit any shares acquired pursuant to this Option and 100% of this Option granted pursuant to this Option Agreement, whether or not exercisable.

AVIDXCHANGE, INC.

By: _____

Name:
Title:

The Optionee represents that the Optionee is familiar with the terms and provisions of this Option Agreement, including the right of first refusal set forth in the Plan, and hereby accepts this Option subject to all of the terms and provisions thereof. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board made in good faith upon any questions arising under this Option Agreement.

The undersigned hereby acknowledges receipt of a copy of the Plan.

Dated: _____ _____

Optionee Signature: _____

Optionee Printed Name: _____

NOTICE OF EXERCISE

Date: _____

Company:: AvidXchange, Inc.

Attention: President

Address: 4421 Stuart Andrew Boulevard,
Suite 200
Charlotte, North Carolina 28217

Re: Exercise of Incentive Stock Option

Dear Sir or Madam:

Pursuant to the terms and conditions of the Incentive Stock Option Agreement dated as of _____ (the **"Agreement"),** by and between _____ **("Optionee")** and AvidXchange, Inc. (the **"Company"),** Optionee hereby agrees to purchase _____ shares (the **"Shares")** of the Common Stock of the Company and tenders payment in full for such shares in accordance with the terms of the Agreement.

The Shares are being issued to Optionee in a transaction not involving a public offering and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "1933 Act"). In connection with such purchase, Optionee represents, warrants and agrees as follows:

1. The Shares are being purchased for the Optionee's own account and not for the account of any other person, with the intent of holding the Shares for investment and not with the intent of participating, directly or indirectly, in a distribution or resale of the Shares or any portion thereof.

2. The Optionee is not acquiring the Shares based upon any representation, oral or written, by any person with respect to the future value of, or income from, the Shares, but rather upon independent examination and judgment as to the prospects of the Company.

3. The Optionee has had complete access to and the opportunity to review all material documents related to the business of the Company, has examined all such documents as the Optionee desired, is familiar with the business and affairs of the Company and realizes that any purchase of the Shares is a speculative investment and that any possible profit therefrom is uncertain.

4. The Optionee has had the opportunity to ask questions of and receive answers from the Company and its executive officers and to obtain all information necessary for the Optionee to make an informed decision with respect to the investment in the Company represented by the Shares.

5. The Optionee is able to bear the economic risk of any investment in the Shares, including the risk of a complete loss of the investment, and the Optionee acknowledges that he or she may need to continue to bear the economic risk of the investment in the Shares for an indefinite period.

6. The Optionee understands and agrees that the Shares are being issued and sold to the Optionee without registration under any state or federal laws relating to the registration of securities, in reliance upon exemptions from registration under appropriate state and federal laws based in part upon the representations of the Optionee made herein.

7. The Company is under no obligation to register the Shares or to comply with any exemption available for sale of the Shares by the Optionee without registration, and the Company is under no obligation to act in any manner so as to make Rule 144 promulgated under the 1933 Act available with respect to any sale of the Shares by the Optionee.

8. The Optionee has not relied upon the Company or an employee or agent of the Company with respect to any tax consequences related to exercise of this Option or the disposition of the Shares. The Optionee assumes full responsibility for all such tax consequences and the filing of all tax returns and elections the Optionee may be required to or find desirable to file in connection therewith.

Optionee Signature: _____

Optionee Printed Name: _____

Optionee Address: _____

_____

EXHIBIT B

THE SECURITY REPRESENTED BY THIS AGREEMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAW AND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

AVIDXCHANGE, INC.
NONQUALIFIED STOCK OPTION AGREEMENT

AvidXchange, Inc., a Delaware corporation (the **"Company"),** hereby grants to the individual named below an option (this **"Option")** to purchase certain shares of common stock of the Company pursuant to the AvidXchange, Inc. 2010 Stock Option Plan, as such plan from time to time may be amended (the **"Plan"),** in the manner and subject to the provisions of this Nonqualified Stock Option Agreement (this **"Option Agreement").**

1. Definitions:

   (a) **"Code"** shall mean the Internal Revenue Code of 1986, as amended. (All citations to Sections of the Code are to such Sections as they from time to time may be amended or renumbered.)

   (b) **"Date of Option Grant"** shall mean _____.

   (c) **"Disability"** shall mean disability within the meaning of Section 22(e)(3) of the Code, as determined by the Board of Directors of the Company (the **"Board")** in its discretion under procedures established by the Board.

   (d) **"Exercise Price"** shall mean _____ ($_____) per share as adjusted from time to time pursuant to the Plan.

   (e) **"Number of Option Shares"** shall mean _____ (_____) shares of common stock of the Company as adjusted from time to time pursuant to the Plan.

   (f) **"Option Term Date"** shall mean the date ten (10) years after the Date of Option Grant.

   (g) **"Optionee"** shall mean _____.

2. Nonqualified Option. This Option is intended to be a nonqualified stock option. The Optionee should consult with the Optionee's own tax advisors regarding the tax effects of this Option.

3. Administration. All questions of interpretation concerning this Option shall be determined by the Board and shall be final and binding upon all persons having an interest in this Option.

4. Exercise of this Option.

(a) Right to Exercise. This Option shall become exercisable as set forth below, subject to the termination provisions of this Option Agreement and the Optionee's acknowledgement and agreement that any shares purchased upon exercise of this Option are subject to the Company's repurchase rights set forth in the Plan:

(i) On and after _____, this Option may be exercised to purchase up to _____% of the Number of Option Shares.

(ii) On or after the _____ day of each successive month thereafter, this Option may be exercised to purchase up to an additional _____% of the Number of Option Shares.

(iii) The foregoing provisions shall be interpreted such that on or after _____, this Option may be exercised to purchase up to 100% of the Number of Option Shares.

The schedule set forth above is cumulative, so that shares as to which this Option has become exercisable on and after a date indicated by the schedule may be purchased pursuant to exercise of this Option at any subsequent date prior to termination of this Option. This Option may be exercised at any time and from time to time to purchase up to the number of the Number of Option Shares as to which it is then exercisable.

(b) Method of Exercise. This Option shall be exercised by written notice to the Company in the form of the Notice of Exercise attached hereto. The written notice must be signed by the Optionee and must be delivered in person or by certified mail, return receipt requested, to the Chief Financial Officer or any other appropriate officer of the Company accompanied by full payment of the exercise price for the number of the Number of Option Shares being purchased.

(c) Restrictions on Grant of this Option and Issuance of Shares. The grant of this Option and the issuance of the shares upon exercise of this Option shall be subject to compliance with all applicable requirements of federal or state law with respect to such securities. This Option may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal or state securities laws or other law or regulations. In addition, no Option may be exercised unless (i) a registration statement under the Securities Act of 1933, as amended (the **"Securities Act"),** and any applicable state securities laws shall at the time of exercise of this Option be in effect with respect to the shares issuable upon exercise of this Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of this Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

THE OPTIONEE IS CAUTIONED THAT THIS OPTION MAY NOT BE EXERCISABLE UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE OPTIONEE MAY NOT BE ABLE TO EXERCISE THIS OPTION WHEN DESIRED EVEN THOUGH THIS OPTION IS EXERCISABLE PURSUANT TO THE TERMS HEREOF.

As a condition to the exercise of this Option, the Company may require the Optionee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise of this Option.

5. Non-Transferability of this Option. This Option may not be assigned or transferred in any manner except by will or by the laws of descent and distribution.

6. Termination of this Option. This Option shall terminate upon on the first to occur of: (a) the Option Term Date; (b) the last date for exercising this Option following termination of employment as described in this Option Agreement, or (c) upon a Transfer of Control as described in the Plan.

7. Termination of Employment.

(a) Termination of this Option. If the Optionee ceases to be an employee of the Company for any reason except death or Disability, this Option, to the extent exercisable by the Optionee on the date on which the Optionee ceased to be an employee, may be exercised by the Optionee until the earlier of (i) three (3) months after the date on which the Optionee's employment terminates or (ii) the Option Term Date. Notwithstanding the foregoing, if the Optionee's employment with the Company is terminated for cause (as determined in the sole discretion of the Board, unless cause is defined in an employment agreement between the Optionee and the Company in which case such definition shall be used), this Option may not be exercised after the date on which the Optionee's employment terminates. If the Optionee's employment with the Company is terminated because of the death or Disability of the Optionee, this Option, to the extent exercisable by the Optionee on the date on which the Optionee ceased to be an employee, may be exercised by the Optionee (or the Optionee's legal representative) until the earlier of (i) the expiration of twelve (12) months from the date the Optionee's employment terminated or (ii) the Option Term Date. The Optionee's employment shall be deemed to have terminated on account of death if the Optionee dies within three (3) months after the Optionee's termination of employment. This paragraph shall be interpreted such that this Option shall not become exercisable as to any additional number of the Number of Option Shares after the date on which the Optionee ceases to be an employee of the Company (pursuant to this paragraph) for any reason, notwithstanding any period after such cessation of employment during which this Option may remain exercisable as provided in this paragraph.

(b) Exercise Prevented by Law. Except as provided in this paragraph, this Option shall terminate and may not be exercised after the Optionee's employment with the Company terminates unless the exercise of this Option in accordance with this paragraph is prevented by applicable securities laws. If the exercise of this Option is so prevented, this Option shall remain exercisable until the earlier of (i) three (3) months after the date the Optionee is notified by the Company that this Option is exercisable or (ii) the Option Term Date.

(c) Optionee Subject to Section 16(b). Notwithstanding the foregoing, if the exercise of this Option within the applicable time periods set forth above would subject the Optionee to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, this Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which the Optionee would no longer be subject to such suit, (ii) the one hundred ninetieth (190th) day after the Optionee's termination of employment, or (iii) the Option Term Date.

(d) Leave of Absence. For purposes hereof, the Optionee's employment with the Company shall not be deemed to terminate if the Optionee takes any military leave, sick leave, or other bona fide leave of absence approved by the Company of ninety (90) days or less. In the event of a leave in excess of ninety (90) days, the Optionee's employment shall be deemed to terminate on the ninety-first (91st) day of the leave unless the Optionee's right to reemployment with the Company remains guaranteed by statute or contract.

(e) Directors, Consultants and Advisors. In the event an Optionee is a director or consultant or advisor but not an employee of the Company at the time this Option is granted, termination of the Optionee's status as a director or consultant or advisor of the Company shall be deemed to be termination of the Optionee's employment.

8. Transfer of Control. The provisions of the Plan applicable to a Transfer of Control (as defined in the Plan) shall apply to this Option.

9. Rights as a Stockholder or Employee. The Optionee shall have no rights as a stockholder with respect to any shares covered by this Option until the date of the issuance of a certificate or certificates for the shares for which this Option has been exercised. Nothing in this Option shall confer upon the Optionee any right to continue in the employ of the Company or interfere in any way with any right of the Company to terminate the Optionee's employment at any time.

10. Right of First Refusal. This Option shall be subject to a right of first refusal in favor of the Company, on the terms and conditions set forth in the Plan.

11. Binding Effect. This Option Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

12. Termination or Amendment. The Board may terminate or amend this Option Agreement at any time; provided, however, that no such termination or amendment may materially adversely affect this Option or any unexercised portion hereof, as determined in the discretion of the Board, without the consent of the Optionee.

13. Integrated Agreement. This Option Agreement, together with the Plan, constitute the entire understanding and agreement of the Optionee and the Company with respect to the subject matter contained herein, and there are no other agreements, understandings, restrictions, representations, or warranties among the Optionee and the Company with respect to the subject matter contained herein other than those as set forth or provided for herein and therein. To the extent contemplated herein, the provisions of this Option Agreement shall survive any exercise of this Option and shall remain in full force and effect. The terms and conditions included in the Plan are incorporated by reference herein, and to the extent that any conflict may exist between any term or provision of this Option Agreement and any term or provision of the Plan, the term or provision of the Plan shall control.

14. Applicable Law. This Option Agreement shall be governed by the laws of the State of North Carolina as such laws are applied to agreements between North Carolina residents entered into and to be performed entirely within the State of North Carolina.

15. Effect of Certain Transactions. Notwithstanding anything to the contrary in this Option Agreement, in the event that the Optionee has entered into a confidentiality, nondisclosure, invention and/or non-competition agreement with the Company and the Optionee is determined, in the reasonable judgment of the Board, to have materially breached such agreement, the Optionee shall forfeit any shares acquired pursuant to this Option and 100% of this Option granted pursuant to this Option Agreement, whether or not exercisable.

AVIDXCHANGE, INC.

By: _____

Name:

Title:

The Optionee represents that the Optionee is familiar with the terms and provisions of this Option Agreement, including the right of first refusal set forth in the Plan, and hereby accepts this Option subject to all of the terms and provisions thereof. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board made in good faith upon any questions arising under this Option Agreement.

The undersigned hereby acknowledges receipt of a copy of the Plan.

Dated: _____

Optionee Signature: _____

Optionee Printed Name: _____

NOTICE OF EXERCISE

Date: _____

Company:: AvidXchange, Inc.

Attention: President

Address: 4421 Stuart Andrew Boulevard,
Suite 200
Charlotte, North Carolina 28217

Re: Exercise of Nonqualified Stock Option

Dear Sir or Madam:

Pursuant to the terms and conditions of the Nonqualified Stock Option Agreement dated as of _____ (the **"Agreement"),** by and between _____ **("Optionee")** and AvidXchange, Inc. (the **"Company"),** Optionee hereby agrees to purchase _____ shares (the **"Shares")** of the Common Stock of the Company and tenders payment in full for such shares in accordance with the terms of the Agreement.

The Shares are being issued to Optionee in a transaction not involving a public offering and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the **"1933 Act").** In connection with such purchase, Optionee represents, warrants and agrees as follows:

1. The Shares are being purchased for the Optionee's own account and not for the account of any other person, with the intent of holding the Shares for investment and not with the intent of participating, directly or indirectly, in a distribution or resale of the Shares or any portion thereof.

2. The Optionee is not acquiring the Shares based upon any representation, oral or written, by any person with respect to the future value of, or income from, the Shares, but rather upon independent examination and judgment as to the prospects of the Company.

3. The Optionee has had complete access to and the opportunity to review all material documents related to the business of the Company, has examined all such documents as the Optionee desired, is familiar with the business and affairs of the Company and realizes that any purchase of the Shares is a speculative investment and that any possible profit therefrom is uncertain.

4. The Optionee has had the opportunity to ask questions of and receive answers from the Company and its executive officers and to obtain all information necessary for the Optionee to make an informed decision with respect to the investment in the Company represented by the Shares.

5. The Optionee is able to bear the economic risk of any investment in the Shares, including the risk of a complete loss of the investment, and the Optionee acknowledges that he or she may need to continue to bear the economic risk of the investment in the Shares for an indefinite period.

6. The Optionee understands and agrees that the Shares are being issued and sold to the Optionee without registration under any state or federal laws relating to the registration of securities, in reliance upon exemptions from registration under appropriate state and federal laws based in part upon the representations of the Optionee made herein.

7. The Company is under no obligation to register the Shares or to comply with any exemption available for sale of the Shares by the Optionee without registration, and the Company is under no obligation to act in any manner so as to make Rule 144 promulgated under the 1933 Act available with respect to any sale of the Shares by the Optionee.

8. The Optionee has not relied upon the Company or an employee or agent of the Company with respect to any tax consequences related to exercise of this Option or the disposition of the Shares. The Optionee assumes full responsibility for all such tax consequences and the filing of all tax returns and elections the Optionee may be required to or find desirable to file in connection therewith.

Optionee Signature: _____

Optionee Printed Name: _____

Optionee Address: _____

_____

Exhibit 10.12

SECOND AMENDMENT
OF THE
2017 AMENDMENT AND RESTATEMENT
OF THE
AVIDXCHANGE, INC.
2010 STOCK OPTION PLAN

WHEREAS, the Board of Directors of AvidXchange, Inc. (the "Company") has previously adopted, and the stockholders of the Company have previously approved, the AvidXchange, Inc. 2017 Amendment and Restatement of the AvidXchange, Inc. 2010 Stock Option Plan, as amended (the "Plan"); and

WHEREAS, the Board (as defined in the Plan) deems it to be advisable to increase the number of shares of Common Stock authorized for grant and issuance as options thereunder by 700,000 shares, and the stockholders of the Company have approved such increase.

NOW, THEREFORE, the Plan shall be amended as follows:

1. The first sentence of Section 4 of the Plan shall be deleted in its entirety and the following substituted in lieu thereof:

"Subject to adjustment as provided in Paragraph 9 below, the maximum number of shares of Stock which may be issued pursuant to Options granted under the Plan shall be 1,589,754 shares, which shall be comprised of 1,500,000 new shares of Stock that were not subject to the terms of the 2010 Plan and 89,754 shares of Stock that were previously reserved under the 2010 Plan."

2. Except as herein amended, the terms and provisions of the Plan shall remain in full force and effect as originally adopted and approved.

IN WITNESS WHEREOF, the undersigned hereby certifies that this Second Amendment was adopted by the Board (as defined in the Plan) and approved by the stockholders of the Company effective as of September 30, 2019.

AVIDXCHANGE, INC.

By: /s/ Michael Praeger
Michael Praeger, Chief Executive Officer

AMENDMENT
OF THE
2017 AMENDMENT AND RESTATEMENT
OF THE
AVIDXCHANGE, INC. 2010
STOCK OPTION PLAN

WHEREAS, the Board of Directors of AvidXchange, Inc. (the "Company") has previously adopted, and the stockholders of the Company have previously approved, the AvidXchange, Inc. 2017 Amendment and Restatement of the AvidXchange, Inc. 2010 Stock Option Plan (the "Plan"); and

WHEREAS, the Board (as defined in the Plan) deems it to be advisable to increase the number of shares of Common Stock authorized for grant and issuance as options thereunder by 300,000 shares, and the stockholders of the Company have approved such increase.

NOW, THEREFORE, the Plan shall be amended as follows:

1. The first sentence of Section 4 of the Plan shall be deleted in its entirety and the following substituted in lieu thereof:

"Subject to adjustment as provided in Paragraph 9 below, the maximum number of shares of Stock which may be issued pursuant to Options granted under the Plan shall be 889,754 shares, which shall be comprised of 800,000 new shares of Stock that were not subject to the terms of the 2010 Plan and 89,754 shares of Stock that were previously reserved under the 2010 Plan."

2. Except as herein amended, the terms and provisions of the Plan shall remain in full force and effect as originally adopted and approved.

IN WITNESS WHEREOF, the undersigned hereby certifies that this First Amendment was adopted by the Board (as defined in the Plan) and approved by the stockholders of the Company effective as of September 26, 2019.

AVIDXCHANGE, INC.

By: /s/ Michael Praeger
Michael Praeger, Chief Executive Officer

2017 AMENDMENT AND RESTATEMENT
OF THE
AVIDXCHANGE, INC. 2010
STOCK OPTION PLAN

1. Purpose. The 2017 Amendment and Restatement of the AvidXchange, Inc. 2010 Stock Option Plan (the "**Plan**") is established to create an additional incentive to promote the financial success and progress of AvidXchange, Inc. and any successor corporations or any present or future parent and/or subsidiary corporations of such corporation (collectively, the "**Company**"). For purposes of the Plan, a parent corporation and a subsidiary corporation shall be as defined in Sections 424(e) and 424(f) of the Internal Revenue Code of 1986, as amended (the "**Code**"). The terms of this Plan shall apply to all Options granted on or after the Effective Date (as defined below). Options granted prior to the Effective Date pursuant to the AvidXchange, Inc. 2010 Stock Option Plan (the "**2010 Plan**") shall continue to be governed by the terms of the 2010 Plan and the applicable award agreement. As of the Effective Date, no new Option awards may be made under the 2010 Plan.

2. Administration. The Plan shall be administered by the Board of Directors of the Company (the "**Board**") and/or by a duly appointed committee of the Board having such powers as shall be specified by the Board. Any subsequent references herein or in any option agreement under the Plan to the Board shall also mean the committee if such committee has been appointed and, unless the powers of the committee have been specifically limited, the committee shall have all of the powers of the Board granted herein, other than power to terminate or amend the Plan as provided in Paragraph 11 hereof, subject to the terms of the Plan and any applicable limitations imposed by law. All questions of interpretation of the Plan or of any award granted under the Plan shall be determined by the Board, and such determinations shall be final and binding upon all persons having an interest in the Plan and/or any Option (as defined below). To the extent permitted by applicable law, the Board may delegate to one or more executive officers of the Company the power to grant Options to employees and to exercise such other powers under the Plan as the Board may determine; provided that the Board shall fix the terms of the Options to be granted by such executive officers (including the exercise price of such Options, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Options that the executive officers may grant; provided further, however, that no executive officer shall be authorized to grant awards to any "executive officer" of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")).

3. Eligibility. The Board may grant options (each an "**Option**") to purchase shares of the authorized but unissued common stock of the Company (the "**Stock**"), which Options may be either incentive stock options as defined in Section 422 of the Code (an "**Incentive Stock Option**") or nonqualified stock options. The Board, in its sole discretion, shall determine to whom Options are granted (each an "**Optionee**"). An Option that the Board intends to be an Incentive Stock Option shall only be granted to an employee of the Company and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to an Optionee if an Option (or any part thereof) which is intended to be an Incentive Stock Option does not qualify as an Incentive Stock Option.

4. Shares Subject to Option. Subject to adjustment as provided in Paragraph 9 below, the maximum number of shares of Stock which may be issued pursuant to Options granted under the Plan shall be 589,754 shares, which shall be comprised of 500,000 new shares of Stock that were not subject to the terms of the 2010 Plan and 89,754 shares of Stock that were previously reserved under the 2010 Plan. For purposes of clarity, all shares of Stock reserved for issuance under this Plan have been approved by stockholders of the Company at the Effective Time. All shares reserved for issuance under the Plan may be granted pursuant to Options intended to be Incentive Stock Options. If any outstanding Option for any reason expires or is terminated or cancelled, the shares of Stock allocable to the unexercised portion of such Option may again be subject to an Option. For purposes of determining the number of shares that are available for Option awards under the Plan, such number shall include the number of shares surrendered by an Optionee or retained by the Company in payment of the exercise price of an Option or of applicable withholding taxes. It is intended that the Plan shall constitute a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act of 1933, as amended ("**Rule 701**"), to the extent applicable, and that the Plan shall otherwise be administered in compliance with the requirements of Rule 701. To ensure such compliance, the Company shall maintain a record of shares subject to outstanding Options under the Plan and the exercise price of the Options, plus a record of all shares of Stock issued upon the exercise of the Options and the exercise price of the Options.

5. Time for Granting Options. All Options shall be granted, if at all, within ten (10) years from the earlier of (i) the date the Plan is adopted by the Board or (ii) the date the Plan is duly approved by the stockholders of the Company.

6. Terms, Conditions and Form of Options. Subject to the provisions of the Plan, the Board shall determine for each Option the number of shares of Stock into which the Option is exercisable, whether the Option is to be treated as an Incentive Stock Option or as a nonqualified stock option and all other terms and conditions of the Option. Each Option granted pursuant to the Plan shall comply with and be subject to the following terms and conditions:

   (a) Exercise Price. The exercise price for each Option shall be established in the sole discretion of the Board; provided, however, that (i) the exercise price per share for an Incentive Stock Option shall be not less than the fair market value of a share of Stock on the date of grant and (ii) the exercise price per share of an Incentive Stock Option granted to an Optionee who on the date of the grant owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company within the meaning of Section 422(b)(6) of the Code (a "**Ten Percent Owner Optionee**") shall be not less than one hundred ten percent (110%) of the fair market value of a share of Stock on the date of grant. For purposes of this Plan, "fair market value" means the value assigned to the Stock by the Board for any date of grant, as determined pursuant to a reasonable method established by the Board that is consistent with the requirements of Sections 422 and 424 of the

Code and the regulations thereunder (which method may be changed from time to time). Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a nonqualified stock option) may be granted by the Board in its discretion with an exercise price lower than the minimum exercise price set forth above if, in the case of an Incentive Stock Option, such Option is granted pursuant to an assumption or substitution for another option in accordance with the provisions of Section 424(a) of the Code. The foregoing shall not require that any such assumption or modification will result in the Option having the same characteristics, attributes or tax treatment as the Option for which it is substituted.

(b) Exercise Period of Options. The Board shall have the power to set the times on or within which an Option shall be exercisable or the events upon which an Option shall be exercisable and the term of an Option; provided, however, that (i) no Incentive Stock Option shall be exercisable after the expiration of ten (10) years after the date of grant, (ii) no Incentive Stock Option granted to a Ten Percent Owner Optionee shall be exercisable after the expiration of five (5) years after the date of grant, (iii) no Option shall be exercisable after the date the Optionee's employment with the Company is terminated for cause (as determined in the sole discretion of the Board, unless cause is defined in an employment agreement between the Optionee and the Company in which case such definition shall be used), and (iv) each Incentive Stock Option shall terminate and cease to be exercisable no later than three (3) months after the date on which the Optionee terminates employment with the Company, unless the Optionee's employment with the Company was terminated as a result of the Optionee's death or disability (within the meaning of Section 22(e)(3) of the Code), in which event the Incentive Stock Option shall terminate and cease to be exercisable no later than twelve (12) months from the date on which the Optionee's employment terminated. For this purpose, an Optionee's employment shall be deemed to have terminated as a result of death if the Optionee dies within three (3) months following the Optionee's termination of employment. Notwithstanding anything to the contrary in this Plan, in the event that an Optionee has entered into a confidentiality, nondisclosure, invention and/or non-competition agreement with the Company and the Optionee is determined, in the reasonable judgment of the Board, to have materially breached such agreement, the Optionee shall forfeit any shares acquired pursuant to the Option and 100% of the Option granted pursuant to such Optionee's option agreement with the Company, whether or not exercisable.

(c) Payment of Exercise Price. Payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made in cash, by check, cash equivalent or in any other manner as may be permitted by the Board in its sole discretion.

(d) $100,000 Limitation. The aggregate fair market value, determined as of the date of grant of the shares of the Stock, with respect to which an Incentive Stock Option (determined without regard to this subparagraph) is first exercisable during any calendar year (under this Plan or under any other plan of the Company) by any Optionee shall not exceed $100,000. If such limitation would be exceeded with respect to an Optionee for a calendar year, the Incentive Stock Option shall be deemed a nonqualified stock option to the extent of such excess.

7. Forms of Stock Option Agreements. All Options shall be evidenced by a written agreement substantially in the form of the incentive stock option agreement attached hereto as **Exhibit A** or the nonqualified stock option agreement attached hereto as **Exhibit B**, as applicable, both of which are incorporated herein by reference (the "**Form Option Agreements**") or such other form or forms as may be approved by the Board consistent with the terms of this Plan. The Board shall have the authority from time to time to vary the terms of the Form Option Agreements either in connection with the grant of an Option or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of such revised or amended standard form or forms of stock option agreement shall be in accordance with the terms of the Plan.

8. Transfer of Control. Except as otherwise provided in a particular stock option agreement granted pursuant to the Plan, upon (a) a merger, consolidation, corporate reorganization, or any transaction in which all or substantially all of the assets or stock of the Company are sold, leased, transferred or otherwise disposed of (other than a mere reincorporation transaction or one in which the holders of voting capital stock of the Company immediately prior to such merger or consolidation continue to hold at least a majority of the voting power of the surviving corporation based upon their voting capital stock in the Company prior to such merger or consideration) (a "**Transfer of Control**"), and (b) the Optionee's termination of employment without Cause (as defined below) or for Good Reason (if and as defined in an employment, consulting or other services agreement applicable to the Optionee), then any unexercisable portion of an Option outstanding on the date of the Transfer of Control shall become immediately exercisable as of a date prior to the Transfer of Control, which date shall be determined by the Board. Unless the Board expressly provides otherwise, the exercise of any Option that was permissible solely by reason of this paragraph shall be conditioned upon the consummation of the Transfer of Control. For purposes of this Plan and and Option awards, "**Cause**" means, with respect to any Optionee, (a) "cause" as defined in an employment, consulting or other services agreement applicable to the Optionee, or (b) in the case of an Optionee who does not have an employment, consulting or other services agreement that defines "cause": (i) the willful and continued failure or refusal of the Optionee substantially to perform the duties required of him as an employee, consultant or other service provider of the Company or any subsidiary or affiliate; (ii) any willful and material violation by the Optionee of any law or regulation applicable to the business of the Company or any subsidiary or affiliate, or the Optionee's conviction of, or a plea of nolo contendere to, a felony, or any willful perpetration by the employee of a common law fraud; or (iii) any other willful misconduct by the Optionee which is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any subsidiary or affiliate.

9. Effect of Change in Stock Subject to Plan. The Board shall make appropriate adjustments in the number and class of shares of the Stock subject to the Plan and to any outstanding Options and in the option price of any outstanding Options in the event of a dividend, stock split, reverse stock split, combination, reclassification or similar change in the capital structure of the Company.

10. Options Non-Transferable. Except as otherwise provided in a stock option agreement, no Option shall be assignable or transferable by the Optionee, except by will or by the laws of descent and distribution. During the lifetime of an Optionee, an Option shall be exercisable only by such Optionee.

11. Termination or Amendment. The Board may amend, suspend or terminate the Plan or any portion thereof at any time. The Board may amend, modify or terminate any outstanding Option; provided, however, that no amendment authorized hereby may materially adversely affect the rights of any Optionee under any then outstanding Option, as determined in the discretion of the Board, without the consent of the Optionee, unless such amendment is required to enable an Option designated as an Incentive Stock Option to qualify as an Incentive Stock Option. The Board shall be entitled to create, amend or delete appendices to this Plan as specified herein.

12. Withholding. Each Optionee shall pay to the Company, or make provision satisfactory to the Board for payment of, any taxes required by law to be withheld in connection with Options granted to such Optionee no later than the date of the event creating the tax liability. Except as the Board may otherwise provide in an award, when the Stock is registered under the Exchange Act, Optionees may satisfy such tax obligations in whole or in part by delivery of shares of Stock, including shares acquired pursuant to the exercise of the Option creating the tax obligation, valued at their fair market value as determined by, or in a manner approved by, the Board in good faith; provided, however, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income) or, if permitted by the Company, such other rate as will not cause adverse accounting consequences and is permitted under applicable tax withholding rules. The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to an Optionee.

13. Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Option have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Optionee has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

14. Right of First Refusal.

(a) Right of First Refusal. If any Optionee proposes to sell, pledge or otherwise transfer any shares of Stock acquired upon exercise of an Option (the "**Exercise Shares**"), the Company shall have the right to repurchase the Exercise Shares under the terms and subject to the conditions set forth in this Paragraph 14 (the "**Right of First Refusal**").

(b) Notice of Proposed Transfer. Prior to any proposed transfer of the Exercise Shares, the Optionee shall give a written notice (the "**Transfer Notice**") to the Company describing fully the proposed transfer, including the number of Exercise Shares, the name and address of the proposed transferee (the "**Proposed Transferee**"), the proposed transfer price and all other material terms and conditions of the proposed transfer.

(c) Exercise of the Right of First Refusal. The Company shall have the right to purchase all, but not less than all, of the Exercise Shares at the purchase price and on the terms set forth in the Transfer Notice by delivery to the Optionee of a notice of exercise of the Right of First Refusal within thirty (30) days after the date the Transfer Notice is delivered to the Company. The Company's exercise or failure to exercise the Right of First Refusal with respect to any proposed transfer described in a Transfer Notice shall not affect the Company's ability to exercise the Right of First Refusal with respect to any proposed transfer described in any other Transfer Notice, whether or not such other Transfer Notice is issued by the Optionee or issued by any other person with respect to a proposed transfer to the same Proposed Transferee. If the Company exercises the Right of First Refusal, the Company and the Optionee shall thereupon consummate the sale of the Exercise Shares to the Company on the terms set forth in the Transfer Notice; provided however, that if the Transfer Notice provides for the payment for the Exercise Shares other than in cash, the Company shall have the option of paying for the Exercise Shares by the discounted cash equivalent of the consideration described in the Transfer Notice as reasonably determined by the Board. For purposes of the foregoing, cancellation of any indebtedness of the Optionee to the Company shall be treated as payment to the Optionee in cash to the extent of the unpaid principal and any accrued interest cancelled.

(d) Failure to Exercise the Right of First Refusal. If the Company fails to exercise the Right of First Refusal within the period specified in Paragraph 14(c) above, the Optionee may conclude a transfer to the Proposed Transferee of the Exercise Shares on the terms and conditions described in the Transfer Notice, provided such transfer occurs not later than one hundred twenty (120) days following delivery to the Company of the Transfer Notice. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, also shall be subject to the Right of First Refusal and shall require compliance by the Optionee with the procedure described in this Paragraph 14.

(e) Transferees of the Transfer Shares. All transferees of the Exercise Shares or any interest therein, other than the Company, shall be required as a condition of such transfer to agree in writing (in a form satisfactory to the Company) that such transferee shall receive and hold such Exercise Shares or interests subject to the provisions of this Paragraph 14 providing for the Right of First Refusal with respect to any subsequent transfer.

(f) Transfers Not Subject to the Right of First Refusal. The Right of First Refusal shall not apply to any transfer or exchange of the Exercise Shares if: (i) such transfer is in connection with a Transfer of Control; (ii) such transfer is to one or more members of the Optionee's immediate family (or a trust for their benefit) provided all such transferees agree in writing to the restrictions of Paragraph 14(e); or (iii) such transfer has been approved by the Board, which approval may be granted or withheld in its sole discretion.

(g) Assignment of the Right of First Refusal. The Company shall have the right to assign the Right of First Refusal at any time.

(h) Stock Dividends Subject to First Refusal Right. If, from time to time, there is any dividend, stock split, recapitalization, reclassification or other change in the character or amount of any of the outstanding stock of the Company, the stock of which is subject to the provisions of an option agreement issued pursuant to the Plan, then, in such event, any and all new substituted or additional securities to which the Optionee is entitled by reason of the Optionee's ownership of the Exercise Shares shall be immediately subject to the Right of First Refusal with the same force and effect as the shares subject to the Right of First Refusal immediately before such event.

(i) Early Termination of the Right of First Refusal. The other provisions of this Paragraph 14 notwithstanding, the Right of First Refusal shall terminate, and be of no further force and effect, upon the earlier of (i) the occurrence of a Transfer of Control, unless the surviving, continuing, successor, or purchasing corporation, as the case may be, assumes the Company's rights and obligations under the Plan or (ii) the existence of a public market for the class of shares subject to the Right of First Refusal. A "public market" shall be deemed to exist if (x) such stock is listed on a national securities exchange (as that term is used in the Exchange Act) or (y) such stock is traded on the over-the-counter market and prices therefor are published daily on business days in a recognized financial journal.

(j) Escrow. To ensure shares of Stock subject to Right of First Refusal will be available for repurchase, the Company may require an Optionee to deposit certificates evidencing the Exercise Shares in escrow with the Company or an agent of the Company.

15. Legends. The Company may at any time place legends referencing any applicable federal or state securities law restriction on all certificates representing shares of stock subject to the provisions of the Plan. Optionees shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to Options granted under the Plan in the possession of such Optionees in order to effectuate the provisions of this Paragraph. Unless otherwise specified by the Company, legends placed on such certificates may include, as applicable, the following:

(a) **THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH STATE SECURITIES LAWS COVERING SUCH SHARES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE CORPORATION RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THESE SHARES REASONABLY SATISFACTORY TO THE CORPORATION, STATING THAT SUCH SALE, TRANSFER ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM SUCH REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS.**

(b) **THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN THE CORPORATION'S STOCK OPTION PLAN A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION.**

(c) **THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON EXERCISE OF AN INCENTIVE STOCK OPTION AS DEFINED IN SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE TRANSFER AGENT FOR THE SHARES EVIDENCED HEREBY SHALL NOTIFY THE CORPORATION IMMEDIATELY OF ANY TRANSFER OF THE SHARES BY THE REGISTERED HOLDER HEREOF MADE ON OR BEFORE THE REGISTERED HOLDER SHALL HAVE HELD ALL SHARES PURCHASED UNDER THE OPTION IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE) FOR A PERIOD OF ONE YEAR FROM THE DATE OF EXERCISE OF THE OPTION OR TWO YEARS FROM THE DATE OF GRANT OF THE OPTION.**

16. Initial Public Offering. In the event of an initial public offering of capital stock made by the Company under the Securities Act of 1933, as amended, Optionee shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of capital stock of the Company or any rights to acquire capital stock of the Company for such period of time as may be established by the underwriter for such initial public offering; provided, however, that such period of time shall not exceed one hundred eighty (180) days from the effective date of the registration statement to be filed in connection with such initial public offering (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711).

17. Miscellaneous

(a) Nothing in this Plan or any Option granted hereunder shall confer upon any Optionee any right to continue in the employ of the Company, or to serve as a director, consultant or advisor thereof, or interfere in any way with the right of the Company to terminate such Optionee's employment or engagement at any time. Unless specifically provided otherwise, no grant of an Option shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Company for the benefit of its employees unless the Company shall determine otherwise. No Optionee shall have any claim to an Option until it is actually granted under the Plan. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall, except as otherwise provided by the Board, be no greater than the right of an unsecured general creditor of the Company.

(b) The Plan and the grant of Options hereunder shall be subject to all applicable federal and state laws, rules, and regulations and to such approvals by any United States government or regulatory agency as may be required.

(c) The terms of the Plan shall be binding upon the Company, and its successors and assigns.

(d) This Plan and all Options granted hereunder shall be governed by the laws of the State of North Carolina, without regard to the conflicts of laws provisions of North Carolina.

(e) If any provision of this Plan or an option agreement granted pursuant to the Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any option agreement under any law deemed applicable by the Board, such provision shall, subject to the withholding provisions set forth herein, be construed or deemed amended to conform to such applicable laws or if it cannot be construed or deemed amended without, in the determination of the Board, materially altering the intent of the Plan or such option agreement, it shall be stricken and the remainder of the Plan or the option agreement shall remain in full force and effect.

(f) The Board may incorporate additional or alternative provisions for this Plan with respect to residents of one or more individual states to the extent necessary or desirable under applicable state securities laws. Such provisions shall be set out in one or more appendices hereto which may be amended or deleted by the Board from time to time. Effective immediately prior to the grant of an Option to a resident of the State of California or to the exercise of an outstanding Option by a resident of the State of California, Appendix A shall be deemed adopted and incorporated as a part of this Plan.

(g) The Company may require, as a condition to the exercise of any Option, that the Optionee become bound by the terms of a stockholders agreement, investor rights agreement or similar agreement among the Company and holders of capital stock of the Company. Furthermore, the Company reserves the right to make the provisions of any such agreement apply to any holder of Stock issued upon the exercise of an Option by providing written notice to the registered holder of such stock accompanied by a copy of the applicable agreement or agreements.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing Plan was duly adopted by the Board of Directors of the Company on the 30th day of May, 2017 and was approved by the stockholders of the Company on the 20th day of June, 2017 (such approval date, the **"Effective Date"**).

AVIDXCHANGE, INC.

By: /s/ Ross Agre
Ross Agre, Secretary

APPENDIX A

2017 AMENDMENT AND RESTATEMENT
OF THE
AVIDXCHANGE, INC. 2010
STOCK OPTION PLAN (the "Plan")

Provisions Applicable to California Residents

Notwithstanding anything to the contrary otherwise appearing the Plan, the following provisions shall apply to any stock option or other award granted under the Plan to a resident of the State of California and, in the event of any conflict or inconsistency between the following provisions and the provisions otherwise appearing in the Plan, the following provisions shall control, solely with respect to options or other awards granted under the Plan to residents of the State of California:

- At no time shall the total number of shares of Company stock issuable upon exercise of all outstanding stock options granted pursuant to this Plan and the total number of shares provided for under any bonus or similar plan or agreement of the Company exceed the limitations set forth in Rule 260.140.45 promulgated under the California Code, based on the number of shares of the Company which are outstanding at the time the calculation is made.
- The exercise price of an option granted to a California resident may not be less than 85% of the "fair value" (as defined by Rule 260.140.50 promulgated under the California Code) of the Company's common stock at the time the option is granted (or 110% of the "fair value" in the case of any person who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary corporations at the time of such grant).
- The exercise period of a stock option granted to a California resident shall be no longer than 120 months from the date the option is granted.
- An option granted to a California resident shall not be transferable, other than by will or the laws of descent and distribution, or as permitted by Rule 701 of the Securities Act of 1933, as amended.
- An option granted to a California resident shall become exercisable at the rate of at least 20% per year over 5 years from the date the option is granted, subject to reasonable conditions such as continued employment. However, in the case of an option granted to a California resident who is an officer, director, or consultant of the Company or any of its affiliates, the option may become fully exercisable, subject to reasonable conditions such as continued employment, at any time or during any period established by the Company.

- Unless employment is terminated for cause as defined by applicable law, the terms of the Plan or stock option agreement or a contract of employment, the right to exercise an option granted to a California resident in the event of termination of such optionee's employment (to the extent that such optionee is otherwise entitled to exercise on the date of termination of employment) shall terminate as follows:
  - At least 6 months from the date of termination if termination was caused by death or disability; or
  - At least 30 days from the date of termination if termination was caused by an event other than death or disability.
- The Plan shall terminate with respect to California residents on the earlier of ten years after the date the Plan is adopted or the date the Plan is approved by the shareholders of the Company.
- The Plan shall be available to California residents only if the stockholders of the Company approve the Plan within 12 months before or after the date the Plan is adopted. Any option exercised by a California resident before such stockholder approval is obtained shall be rescinded if such stockholder approval is not subsequently obtained and such shares shall not be counted in determining whether the required stockholder approval is obtained.
- Each California resident participating in the Plan will be provided with a copy of the Company's annual financial statements (which need not be audited). The Company shall not be required to provide such statements to key employees whose duties with the Company assure access to equivalent information.

THE SECURITY REPRESENTED BY THIS AGREEMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAW AND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

AVIDXCHANGE, INC.
INCENTIVE STOCK OPTION AGREEMENT

AvidXchange, Inc., a Delaware corporation (the "Company"), hereby grants to the individual named below an option (this "Option") to purchase certain shares of common stock of the Company pursuant to the 2017 Amendment and Restatement of the AvidXchange, Inc. 2010 Stock Option Plan, as such plan from time to time may be amended (the "Plan"), in the manner and subject to the provisions of this Incentive Stock Option Agreement (this "Option Agreement").

1. Definitions:

(a) "**Code**" shall mean the Internal Revenue Code of 1986, as amended. (All citations to Sections of the Code are to such Sections as they from time to time may be amended or renumbered.)

(b) "**Date of Option Grant**" shall mean

(c) "**Disability**" shall mean disability within the meaning of Section 22(e)(3) of the Code, as determined by the Board of Directors of the Company (the "**Board**") in its discretion under procedures established by the Board.

(d) "**Exercise Price**" shall mean $ per share as adjusted from time to time pursuant to the Plan.

(e) "**Number of Option Shares**" shall mean shares of common stock of the Company as adjusted from time to time pursuant to the Plan.

(f) "**Option Term Date**" shall mean the date ten (10) years after the Date of Option Grant.

(g) "**Optionee**" shall mean_____.

(h) "**Vesting Commencement Date**" shall mean

2. Status of this Option. This Option is intended to be an incentive stock option as described in Section 422 of the Code, but the Company does not represent or warrant that the Option qualifies as such. To the extent that the Option fails to qualify as an incentive stock option, it shall be deemed a nonqualified stock option. The Optionee should consult with the Optionee's own tax advisors regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code.

3. Administration. All questions of interpretation concerning this Option shall be determined by the Board and shall be final and binding upon all persons having an interest in this Option.

4. Exercise of this Option.

(a) Right to Exercise. This Option shall become exercisable as set forth below, subject to the termination provisions of this Option Agreement and the Optionee's acknowledgement and agreement that any shares purchased upon exercise of this Option are subject to the Company's repurchase rights set forth in the Plan:

(i) On and after the first anniversary of the Vesting Commencement Date, this Option may be exercised to purchase up to 25% of the Number of Option Shares.

(ii) On or after the 1st day of each successive month thereafter, this option may be exercised to purchase up to an additional 2.083% of the Number of Option Shares.

(iii) The foregoing provisions shall be interpreted such that on or after the fourth anniversary of the Vesting Commencement Date, this Option may be exercised to purchase up to 100% of the Number of Option Shares.

The schedule set forth above is cumulative, so that shares as to which this Option has become exercisable on and after a date indicated by the schedule may be purchased pursuant to exercise of this Option at any subsequent date prior to termination of this Option. This Option may be exercised at any time and from time to time to purchase up to the number of the Number of Option Shares as to which it is then exercisable.

Notwithstanding the foregoing, if the aggregate fair market value of the stock with respect to which this Option and any other incentive stock option held by the Optionee may be exercised (determined without regard to this provision) for the first time during any calendar year, as determined as of the Date of Option Grant and (if applicable) the dates of grant of such other incentive stock options and otherwise in accordance with Section 422(d) of the Code, exceeds One Hundred Thousand Dollars ($100,000), this Option shall be deemed a nonqualified stock option to the extent of such excess.

(b) Method of Exercise. This Option shall be exercised by written notice to the Company in the form of the Notice of Exercise attached hereto. The written notice must be signed by the Optionee and must be delivered in person or by certified mail, return receipt requested, to the Chief Financial Officer or any other appropriate officer of the Company accompanied by full payment of the exercise price for the number of the Number of Option Shares being purchased.

(c) Restrictions on Grant of this Option and Issuance of Shares. The grant of this Option and the issuance of the shares upon exercise of this Option shall be subject to compliance with all applicable requirements of federal or state law with respect to such securities. This Option may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal or state securities laws or other law or regulations. In addition, no Option may be exercised unless (i) a registration statement under the Securities Act of 1933, as amended (the "**Securities Act**"), and any applicable state securities laws shall at the time of exercise of this Option be in effect with respect to the shares issuable upon exercise of this Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of this Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

THE OPTIONEE IS CAUTIONED THAT THIS OPTION MAY NOT BE EXERCISABLE UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE OPTIONEE MAY NOT BE ABLE TO EXERCISE THIS OPTION WHEN DESIRED EVEN THOUGH THIS OPTION IS EXERCISABLE PURSUANT TO THE TERMS HEREOF.

As a condition to the exercise of this Option, the Company may require the Optionee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise of this Option.

5. Non-Transferability of this Option. This Option may not be assigned or transferred in any manner except by will or by the laws of descent and distribution.

6. Termination of this Option. This Option shall terminate upon on the first to occur of: (a) the Option Term Date; or (b) the last date for exercising this Option following termination of employment as described in this Option Agreement.

7. Termination of Employment.

(a) Termination of this Option. If the Optionee ceases to be an employee of the Company for any reason except death or Disability, this Option, to the extent exercisable by the Optionee on the date on which the Optionee ceased to be an employee, may be exercised by the Optionee until the earlier of (i) three (3) months after the date on which the Optionee's employment terminates or (ii) the Option

Term Date. Notwithstanding the foregoing, if the Optionee's employment with the Company is terminated for cause (as determined in the sole discretion of the Board unless cause is defined in an employment agreement between the Optionee and the Company in which case such definition shall be used), this Option may not be exercised after the date on which the Optionee's employment terminates. If the Optionee's employment with the Company is terminated because of the death or Disability of the Optionee, this Option, to the extent exercisable by the Optionee on the date on which the Optionee ceased to be an employee, may be exercised by the Optionee (or the Optionee's legal representative) until the earlier of (i) the expiration of twelve (12) months from the date the Optionee's employment terminated or (ii) the Option Term Date. The Optionee's employment shall be deemed to have terminated on account of death if the Optionee dies within three (3) months after the Optionee's termination of employment. Except as otherwise provided in an employment, consulting or other services agreement applicable to the Optionee, this paragraph shall be interpreted such that this Option shall not become exercisable as to any additional number of the Number of Option Shares after the date on which the Optionee ceases to be an employee of the Company (pursuant to this paragraph) for any reason, notwithstanding any period after such cessation of employment during which this Option may remain exercisable as provided in this paragraph.

(b) Exercise Prevented by Law. Except as provided in this paragraph, this Option shall terminate and may not be exercised after the Optionee's employment with the Company terminates unless the exercise of this Option in accordance with this paragraph is prevented by applicable securities laws. If the exercise of this Option is so prevented, this Option shall remain exercisable until the earlier of (i) three (3) months after the date the Optionee is notified by the Company that this Option is exercisable or (ii) the Option Term Date.

(c) Optionee Subject to Section 16(b). Notwithstanding the foregoing, if the exercise of this Option within the applicable time periods set forth above would subject the Optionee to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, this Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which the Optionee would no longer be subject to such suit, (ii) the one hundred ninetieth (190th) day after the Optionee's termination of employment, or (iii) the Option Term Date.

(d) Leave of Absence. For purposes hereof, the Optionee's employment with the Company shall not be deemed to terminate if the Optionee takes any military leave, sick leave, or other bona fide leave of absence approved by the Company of ninety (90) days or less. In the event of a leave in excess of ninety (90) days, the Optionee's employment shall be deemed to terminate on the ninety-first (91st) day of the leave unless the Optionee's right to reemployment with the Company remains guaranteed by statute or contract.

(e) Directors, Consultants and Advisors. In the event an Optionee is a director or consultant or advisor but not an employee of the Company at the time this Option is granted, termination of the Optionee's status as a director or consultant or advisor of the Company shall be deemed to be termination of the Optionee's employment.

8. Transfer of Control. The provisions of the Plan applicable to a Transfer of Control (as defined in the Plan) shall apply to this Option.

9. Rights as a Stockholder or Employee. The Optionee shall have no rights as a stockholder with respect to any shares covered by this Option until the date of the issuance of a certificate or certificates for the shares for which this Option has been exercised. Nothing in this Option shall confer upon the Optionee any right to continue in the employ of the Company or interfere in any way with any right of the Company to terminate the Optionee's employment at any time.

10. Notice of Sales Upon Disqualifying Disposition. The Optionee shall dispose of the shares acquired pursuant to this Option only in accordance with the provisions of this Option Agreement. In addition, the Optionee shall promptly notify the Chief Financial Officer or other appropriate officer of the Company if the Optionee disposes of any of the shares acquired pursuant to this Option within one (1) year from the date the Optionee exercises all or part of this Option or within two (2) years of the Date of Option Grant. Until such time as the Optionee disposes of such shares in a manner consistent with the provisions of this Option Agreement, the Optionee shall hold all shares acquired pursuant to this Option in the Optionee's name (and not in the name of any nominee) for the one-year period immediately after exercise of this Option and the two-year period immediately after the Date of Option Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend or legends on any certificate or certificates representing shares acquired pursuant to this Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. The obligation of the Optionee to notify the Company of any such transfer shall continue notwithstanding that a legend has been placed on the certificate or certificates pursuant to the preceding sentence.

11. Right of First Refusal. This Option shall be subject to a right of first refusal in favor of the Company, on the terms and conditions set forth in the Plan.

12. Binding Effect. This Option Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

13. Termination or Amendment. The Board may terminate or amend this Option Agreement at any time; provided, however, that no such termination or amendment may materially adversely affect this Option or any unexercised portion hereof, as determined in the discretion of the Board, without the consent of the Optionee unless such amendment is required to enable this Option to qualify as an Incentive Stock Option.

14. Integrated Agreement. This Option Agreement, together with the Plan, constitute the entire understanding and agreement of the Optionee and the Company with respect to the subject matter contained herein, and there are no other agreements, understandings, restrictions, representations, or warranties among the Optionee and the Company with respect to the subject matter contained herein other than those as set forth or provided for herein and therein. To the extent contemplated herein, the provisions of this Option Agreement shall survive any exercise of this Option and shall remain in full force and effect. The tents and conditions included in the Plan are incorporated by reference herein, and to the extent that any conflict may exist between any term or provision of this Option Agreement and any term or provision of the Plan, the term or provision of the Plan shall control.

15. Applicable Law. This Option Agreement shall be governed by the laws of the State of North Carolina as such laws are applied to agreements between North Carolina residents entered into and to be performed entirely within the State of North Carolina.

16. Effect of Certain Transactions. Notwithstanding anything to the contrary in this Option Agreement, in the event that the Optionee has entered into a confidentiality, nondisclosure, invention and/or non-competition agreement with the Company and the Optionee is determined, in the reasonable judgment of the Board, to have materially breached such agreement, the Optionee shall forfeit any shares acquired pursuant to this Option and 100% of this Option granted pursuant to this Option Agreement, whether or not exercisable.

AVIDXCHANGE, INC.

By: _____
Name:
Title:

The Optionee represents that the Optionee is familiar with the terms and provisions of this Option Agreement, including the right of first refusal set forth in the Plan, and hereby accepts this Option subject to all of the terms and provisions thereof The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board made in good faith upon any questions arising under this Option Agreement.

The undersigned hereby acknowledges receipt of a copy of the Plan.

Dated:_____

Optionee Signature: _____

Optionee Printed Name: _____

NOTICE OF EXERCISE

Date:_____

Company: AvidXchange, Inc.

Attention: Legal Department

Address: 1210 AvidXchange Lane
Charlotte, North Carolina 28206

Re: Exercise of Incentive Stock Option

Dear Sir or Madam:

Pursuant to the terms and conditions of the Incentive Stock Option Agreement dated as of _____ (the "**Agreement**"), by and between _____ ("**Optionee**") and AvidXchange, Inc. (the "**Company**"), Optionee hereby agrees to purchase_____ shares (the "**Shares**") of the Common Stock of the Company and tenders payment in full for such shares in accordance with the terms of the Agreement.

The Shares are being issued to Optionee in a transaction not involving a public offering and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "1933 Act"). In connection with such purchase, Optionee represents, warrants and agrees as follows:

1. The Shares are being purchased for the Optionee's own account and not for the account of any other person, with the intent of holding the Shares for investment and not with the intent of participating, directly or indirectly, in a distribution or resale of the Shares or any portion thereof

2. The Optionee is not acquiring the Shares based upon any representation, oral or written, by any person with respect to the future value of, or income from, the Shares, but rather upon independent examination and judgment as to the prospects of the Company.

3. The Optionee has had complete access to and the opportunity to review all material documents related to the business of the Company, has examined all such documents as the Optionee desired, is familiar with the business and affairs of the Company and realizes that any purchase of the Shares is a speculative investment and that any possible profit therefrom is uncertain.

4. The Optionee has had the opportunity to ask questions of and receive answers from the Company and its executive officers and to obtain all information necessary for the Optionee to make an informed decision with respect to the investment in the Company represented by the Shares.

5. The Optionee is able to bear the economic risk of any investment in the Shares, including the risk of a complete loss of the investment, and the Optionee acknowledges that he or she may need to continue to bear the economic risk of the investment in the Shares for an indefinite period.

6. The Optionee understands and agrees that the Shares are being issued and sold to the Optionee without registration under any state or federal laws relating to the registration of securities, in reliance upon exemptions from registration under appropriate state and federal laws based in part upon the representations of the Optionee made herein.

7. The Company is under no obligation to register the Shares or to comply with any exemption available for sale of the Shares by the Optionee without registration, and the Company is under no obligation to act in any manner so as to make Rule 144 promulgated under the 1933 Act available with respect to any sale of the Shares by the Optionee.

8. The Optionee has not relied upon the Company or an employee or agent of the Company with respect to any tax consequences related to exercise of this Option or the disposition of the Shares. The Optionee assumes full responsibility for all such tax consequences and the filing of all tax returns and elections the Optionee may be required to or find desirable to file in connection therewith.

Optionee Signature: _____

Optionee Printed Name: _____

Optionee Address: _____

_____

EXHIBIT B

THE SECURITY REPRESENTED BY THIS AGREEMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAW AND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

AVIDXCHANGE, INC.
NONQUALIFIED STOCK OPTION AGREEMENT

AvidXchange, Inc., a Delaware corporation (the "**Company**"), hereby grants to the individual named below an option (this "**Option**") to purchase certain shares of common stock of the Company pursuant to the 2017 Amendment and Restatement of the AvidXchange, Inc. 2010 Stock Option Plan, as such plan from time to time may be amended (the "**Plan**"), in the manner and subject to the provisions of this Nonqualified Stock Option Agreement (this "**Option Agreement**").

17. Definitions:

(a) "**Code**" shall mean the Internal Revenue Code of 1986, as amended. (All citations to Sections of the Code are to such Sections as they from time to time may be amended or renumbered.)

(b) "**Date of Option Grant**" shall mean

(c) "**Disability**" shall mean disability within the meaning of Section 22(e)(3) of the Code, as determined by the Board of Directors of the Company (the "Board") in its discretion under procedures established by the Board.

(d) "**Exercise Price**" shall mean _____ ($_____) per share as adjusted from time to time pursuant to the Plan.

(e) "**Number of Option Shares**" shall mean _____(_____) shares of common stock of the Company as adjusted from time to time pursuant to the Plan.

(f) "**Option Term Date**" shall mean the date ten (10) years after the Date of Option Grant.

(g) "**Optionee**" shall mean _____.

(h) "**Vesting Commencement Date**" shall mean _____.

18. Nonqualified Option. This Option is intended to be a nonqualified stock option. The Optionee should consult with the Optionee's own tax advisors regarding the tax effects of this Option.

19. Administration. All questions of interpretation concerning this Option shall be determined by the Board and shall be final and binding upon all persons having an interest in this Option.

20. Exercise of this Option.

(a) Right to Exercise. This Option shall become exercisable as set forth below, subject to the termination provisions of this Option Agreement and the Optionee's acknowledgement and agreement that any shares purchased upon exercise of this Option are subject to the Company's repurchase rights set forth in the Plan:

(i) On and after the first anniversary of the Vesting Commencement Date, this Option may be exercised to purchase up to 25% of the Number of Option Shares.

(ii) On or after the 1st day of each successive month thereafter, this Option may be exercised to purchase up to an additional 2.083% of the Number of Option Shares.

(iii) The foregoing provisions shall be interpreted such that on or after the fourth anniversary of the Date of Option Grant, this Option may be exercised to purchase up to 100% of the Number of Option Shares.

The schedule set forth above is cumulative, so that shares as to which this Option has become exercisable on and after a date indicated by the schedule may be purchased pursuant to exercise of this Option at any subsequent date prior to termination of this Option. This Option may be exercised at any time and from time to time to purchase up to the number of the Number of Option Shares as to which it is then exercisable.

(b) Method of Exercise. This Option shall be exercised by written notice to the Company in the form of the Notice of Exercise attached hereto. The written notice must be signed by the Optionee and must be delivered in person or by certified mail, return receipt requested, to the Chief Financial Officer or any other appropriate officer of the Company accompanied by full payment of the exercise price for the number of the Number of Option Shares being purchased.

(c) Restrictions on Grant of this Option and Issuance of Shares. The grant of this Option and the issuance of the shares upon exercise of this Option shall be subject to compliance with all applicable requirements of federal or state law with respect to such securities. This Option may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal or state securities laws or other law or regulations. In addition, no Option may be exercised unless (i) a registration statement under the Securities Act of 1933, as amended (the

"**Securities Act**"), and any applicable state securities laws shall at the time of exercise of this Option be in effect with respect to the shares issuable upon exercise of this Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of this Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

THE OPTIONEE IS CAUTIONED THAT THIS OPTION MAY NOT BE EXERCISABLE UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE OPTIONEE MAY NOT BE ABLE TO EXERCISE THIS OPTION WHEN DESIRED EVEN THOUGH THIS OPTION IS EXERCISABLE PURSUANT TO THE TERMS HEREOF.

As a condition to the exercise of this Option, the Company may require the Optionee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise of this Option.

21. Non-Transferability of this Option. This Option may not be assigned or transferred in any manner except by will or by the laws of descent and distribution.

22. Termination of this Option. This Option shall terminate upon on the first to occur of: (a) the Option Term Date; or (b) the last date for exercising this Option following termination of employment as described in this Option Agreement.

23. Termination of Employment.

(a) Termination of this Option. If the Optionee ceases to be an employee of the Company for any reason except death or Disability, this Option, to the extent exercisable by the Optionee on the date on which the Optionee ceased to be an employee, may be exercised by the Optionee until the earlier of (i) three (3) months after the date on which the Optionee's employment terminates or (ii) the Option Term Date. Notwithstanding the foregoing, if the Optionee's employment with the Company is terminated for cause (as determined in the sole discretion of the Board, unless cause is defined in an employment agreement between the Optionee and the Company in which case such definition shall be used), this Option may not be exercised after the date on which the Optionee's employment terminates. If the Optionee's employment with the Company is terminated because of the death or Disability of the Optionee, this Option, to the extent exercisable by the Optionee on the date on which the Optionee ceased to be an employee, may be exercised by the Optionee (or the Optionee's legal representative) until the earlier of (i) the expiration of twelve (12) months from the date the Optionee's employment terminated or (ii) the Option Term Date. The Optionee's employment shall be

deemed to have terminated on account of death if the Optionee dies within three (3) months after the Optionee's termination of employment. Except as otherwise provided in an employment, consulting or other services agreement applicable to the Optionee, this paragraph shall be interpreted such that this Option shall not become exercisable as to any additional number of the Number of Option Shares after the date on which the Optionee ceases to be an employee of the Company (pursuant to this paragraph) for any reason, notwithstanding any period after such cessation of employment during which this Option may remain exercisable as provided in this paragraph.

(b) Exercise Prevented by Law. Except as provided in this paragraph, this Option shall terminate and may not be exercised after the Optionee's employment with the Company terminates unless the exercise of this Option in accordance with this paragraph is prevented by applicable securities laws. If the exercise of this Option is so prevented, this Option shall remain exercisable until the earlier of (i) three (3) months after the date the Optionee is notified by the Company that this Option is exercisable or (ii) the Option Term Date.

(c) Optionee Subject to Section 16(b). Notwithstanding the foregoing, if the exercise of this Option within the applicable time periods set forth above would subject the Optionee to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, this Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which the Optionee would no longer be subject to such suit, (ii) the one hundred ninetieth (190th) day after the Optionee's termination of employment, or (iii) the Option Term Date.

(d) Leave of Absence. For purposes hereof, the Optionee's employment with the Company shall not be deemed to terminate if the Optionee takes any military leave, sick leave, or other bona fide leave of absence approved by the Company of ninety (90) days or less. In the event of a leave in excess of ninety (90) days, the Optionee's employment shall be deemed to terminate on the ninety-first (91st) day of the leave unless the Optionee's right to reemployment with the Company remains guaranteed by statute or contract.

(e) Directors, Consultants and Advisors. In the event an Optionee is a director or consultant or advisor but not an employee of the Company at the time this Option is granted, termination of the Optionee's status as a director or consultant or advisor of the Company shall be deemed to be termination of the Optionee's employment.

24. Transfer of Control. The provisions of the Plan applicable to a Transfer of Control (as defined in the Plan) shall apply to this Option.

25. Rights as a Stockholder or Employee. The Optionee shall have no rights as a stockholder with respect to any shares covered by this Option until the date of the issuance of a certificate or certificates for the shares for which this Option has been exercised. Nothing in this Option shall confer upon the Optionee any right to continue in the employ of the Company or interfere in any way with any right of the Company to terminate the Optionee's employment at any time.

26. Right of First Refusal. This Option shall be subject to a right of first refusal in favor of the Company, on the terms and conditions set forth in the Plan.

27. Binding Effect. This Option Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

28. Termination or Amendment. The Board may terminate or amend this Option Agreement at any time; provided, however, that no such termination or amendment may materially adversely affect this Option or any unexercised portion hereof, as determined in the discretion of the Board, without the consent of the Optionee.

29. Integrated Agreement. This Option Agreement, together with the Plan, constitute the entire understanding and agreement of the Optionee and the Company with respect to the subject matter contained herein, and there are no other agreements, understandings, restrictions, representations, or warranties among the Optionee and the Company with respect to the subject matter contained herein other than those as set forth or provided for herein and therein. To the extent contemplated herein, the provisions of this Option Agreement shall survive any exercise of this Option and shall remain in full force and effect. The terms and conditions included in the Plan are incorporated by reference herein, and to the extent that any conflict may exist between any term or provision of this Option Agreement and any term or provision of the Plan, the term or provision of the Plan shall control.

30. Applicable Law. This Option Agreement shall be governed by the laws of the State of North Carolina as such laws are applied to agreements between North Carolina residents entered into and to be performed entirely within the State of North Carolina.

31. Effect of Certain Transactions. Notwithstanding anything to the contrary in this Option Agreement, in the event that the Optionee has entered into a confidentiality, nondisclosure, invention and/or non-competition agreement with the Company and the Optionee is determined, in the reasonable judgment of the Board, to have materially breached such agreement, the Optionee shall forfeit any shares acquired pursuant to this Option and 100% of this Option granted pursuant to this Option Agreement, whether or not exercisable.

AVIDXCHANGE, INC.

By: _____
Name:
Title:

The Optionee represents that the Optionee is familiar with the terms and provisions of this Option Agreement, including the right of first refusal set forth in the Plan, and hereby accepts this Option subject to all of the terms and provisions thereof. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board made in good faith upon any questions arising under this Option Agreement.

The undersigned hereby acknowledges receipt of a copy of the Plan.

Dated:_____

Optionee Signature:_____

Optionee Printed Name:_____

NOTICE OF EXERCISE

Date:_____

Company: AvidXchange, Inc.

Attention: Legal Department

Address: 1210 AvidXchange Lane
Charlotte, North Carolina 28206

Re: Exercise of Nonqualified Stock Option

Dear Sir or Madam:

Pursuant to the terms and conditions of the Nonqualified Stock Option Agreement dated as of _____ (the "**Agreement**"), by and between _____ ("**Optionee**") and AvidXchange, Inc. (the "**Company**"), Optionee hereby agrees to purchase _____ shares (the "**Shares**") of the Common Stock of the Company and tenders payment in full for such shares in accordance with the terms of the Agreement.

The Shares are being issued to Optionee in a transaction not involving a public offering and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "**1933 Act**"). In connection with such purchase, Optionee represents, warrants and agrees as follows:

1. The Shares are being purchased for the Optionee's own account and not for the account of any other person, with the intent of holding the Shares for investment and not with the intent of participating, directly or indirectly, in a distribution or resale of the Shares or any portion thereof

2. The Optionee is not acquiring the Shares based upon any representation, oral or written, by any person with respect to the future value of, or income from, the Shares, but rather upon independent examination and judgment as to the prospects of the Company.

3. The Optionee has had complete access to and the opportunity to review all material documents related to the business of the Company, has examined all such documents as the Optionee desired, is familiar with the business and affairs of the Company and realizes that any purchase of the Shares is a speculative investment and that any possible profit therefrom is uncertain.

4. The Optionee has had the opportunity to ask questions of and receive answers from the Company and its executive officers and to obtain all information necessary for the Optionee to make an informed decision with respect to the investment in the Company represented by the Shares.

5. The Optionee is able to bear the economic risk of any investment in due Shares, including the risk of a complete loss of the investment, and the Optionee acknowledges that he or she may need to continue to bear the economic risk of the investment in the Shares for an indefinite period.

6. The Optionee understands and agrees that the Shares are being issued and sold to the Optionee without registration under any state or federal laws relating to the registration of securities, in reliance upon exemptions from registration under appropriate state and federal laws based in part upon the representations of the Optionee made herein.

7. The Company is under no obligation to register the Shares or to comply with any exemption available for sale of the Shares by the Optionee without registration, and the Company is under no obligation to act in any manner so as to make Rule 144 promulgated under the 1933 Act available with respect to any sale of the Shares by the Optionee.

8. The Optionee has not relied upon the Company or an employee or agent of the Company with respect to any tax consequences related to exercise of this Option or the disposition of the Shares. The Optionee assumes full responsibility for all such tax consequences and the filing of all tax returns and elections the Optionee may be required to or find desirable to file in connection therewith.

Optionee Signature:_____

Optionee Printed Name:_____

Optionee Address:_____

Exhibit 10.13

FIRST AMENDMENT
OF THE
AVIDXCHANGE, INC.
EQUITY INCENTIVE PLAN

WHEREAS, the Board of Directors of AvidXchange, Inc. (the "Company") has previously adopted, and the stockholders of the Company have previously approved, the AvidXchange, Inc. Equity Incentive Plan (the "Plan"); and

WHEREAS, the Board (as defined in the Plan) deems it to be advisable to increase the number of shares that may be issued under the Plan thereunder by 1,600,000 shares, and the stockholders of the Company have approved such increase.

NOW, THEREFORE, the Plan shall be amended effective as of the date on which this amendment is approved by the Company's stockholders as follows:

1. Section 4 of the Plan shall be deleted in its entirety and the following substituted in lieu thereof:

"**Stock Subject to the Plan.** Subject to the provisions of Section 15, the maximum aggregate number of Shares that may be issued under the Plan from and after the Effective Date shall be equal to 2,502,017 Shares (902,017 Shares as were available for issuance immediately prior to the Effective Date plus 1,600,000 Shares approved by the Company's stockholders pursuant to the First Amendment to the Plan), of which all Shares may be issued under the Plan pursuant to Incentive Stock Options. The Shares issued under the Plan may be authorized, but unissued, or reacquired Shares. Notwithstanding the Share limitation set forth above, (i) if an Award should expire or become unexercisable for any reason without having been exercised in full (including any award under the Prior Plan), the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan, (ii) any Shares which are retained by the Company upon exercise of an Award in order to satisfy the exercise or purchase price for such Award or any withholding taxes due with respect to such Award shall be treated as not issued and shall continue to be available under the Plan, and (iii) any share of Common Stock subject to an award under the Prior Plan or under this Plan that expires, is forfeited, otherwise terminates, or is settled in cash, after the Effective Date, shall be added to the shares of Common Stock reserved for issuance under this Plan. Any Shares issued under the Plan and later repurchased by the Company pursuant to any other repurchase right that the Company may have shall not be available for future grant under the Plan. It is intended that the Plan shall constitute a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act ("Rule 701"), to the extent applicable, and that the Plan shall otherwise be administered in compliance with the requirements of Rule 701. To ensure such compliance, the Company shall maintain a record of shares subject to outstanding Awards under the Plan and the exercise price of any outstanding Options, plus a record of all Shares issued under the Plan and the exercise price of any Options."

2. Except as herein amended, the terms and provisions of the Plan shall remain in full force and effect as originally adopted and approved.

IN WITNESS WHEREOF, the undersigned hereby certifies that this First Amendment was adopted by the Board (as defined in the Plan) and approved by the stockholders of the Company effective as of February 18, 2021.

AVIDXCHANGE, INC.

By: /s/ Michael Praeger
Michael Praeger, Chief Executive Officer

AVIDXCHANGE, INC.

EQUITY INCENTIVE PLAN

1. **Purposes of the Plan.** The purpose of this AvidXchange, Inc. Equity Incentive Plan (the "**Plan**") is to create an additional incentive to promote the financial success and progress of the Company (as defined below) and to provide the Company the ability to further align Participants' interests with those of the Company's shareholders. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an Option and subject to the applicable provisions of Section 422 of the Code and the regulations promulgated thereunder. Stock Appreciation Rights, Restricted Stock and Restricted Stock Units may also be granted under the Plan.

Upon its Effective Date, this Plan replaces and supersedes the 2017 Amendment and Restatement of the AvidXchange, Inc. 2010 Stock Option Plan (the "**Prior Plan**"). As of the Effective Date, no new awards shall be made under the Prior Plan, although outstanding awards previously made under the Prior Plan shall continue to be governed by the terms of the Prior Plan. Shares that are subject to outstanding awards under the Prior Plan that expire, are forfeited or otherwise terminate unexercised may be subjected to new Awards under the Plan, as provided in Section 4.

2. **Definitions.** As used herein, the following definitions shall apply:

(a) "**Administrator**" means the Board and/or the Committee, as the case may be.

(b) "**Affiliate**" means (i) an entity other than a subsidiary which, together with the Company, is under common control of a third person or entity, and (ii) an entity other than a subsidiary in which the Company and /or one of more subsidiaries own a controlling interest.

(c) "**Applicable Laws**" means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, any Stock Exchange rules or regulations, and the applicable laws, rules or regulations of any other country or jurisdiction where Awards are granted under the Plan or Participants reside or provide services, as such laws, rules, and regulations shall be in effect from time to time.

(d) "**Award**" means any award of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Other Stock Award, or Cash Bonus Award under the Plan.

(e) "**Award Agreement**" means the written agreement, the form(s) of which shall be approved from time to time by the Administrator, between the Company and a Participant containing the terms and conditions with respect to an Award, including any documents attached to or incorporated into such Award Agreement.

(f) "**Board**" means the Board of Directors of the Company.

(g) "**Cash Bonus Award**" shall mean an Award of a cash bonus pursuant to Section 12.

(h) "**Cashless Exercise**" means a program approved by the Administrator in which payment of the Option exercise price, tax obligations or other required deductions may be satisfied, in whole or in part, with Shares subject to the Option, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount.

(i) "**Cause**" means, with respect to any Participant, (a) "cause" as defined in an employment, consulting or other services agreement applicable to the Participant, or (b) in the case of a Participant who does not have an employment, consulting or other services agreement with the Company or any Affiliate that defines "cause": (i) Participant's theft, fraud, embezzlement, dishonesty, or misappropriation of property, funds, information or other assets; (ii) Participant's breach of fiduciary duty or breach of duty of loyalty to the Company; (iii) Participant's unprofessional conduct; (iv) Participant's unauthorized disclosure of confidential information that resulted in or could reasonably be expected to result in harm to the Company; (v) the willful and continued failure or refusal of the Participant to substantially perform the duties required of him as an employee, consultant or other service provider of the Company or any Affiliate, including Participant's violation of the Company's lawful policies, rules or regulations; (vi) any willful and material violation by the Participant of any law or regulation applicable to the business of the Company or any Affiliate, or the Participant's commission of any crime involving fraud, dishonesty, or moral turpitude or for any felony, as well as the indictment, conviction of, guilty plea, deferred adjudication or a plea of nolo contendere to, a felony or other crime of similar gravity, or any willful perpetration by the Participant of a common law fraud; or (vii) any other willful misconduct by the Participant which is injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any Affiliate. The determination as to whether a Participant has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended.

(k) "**Committee**" means a duly appointed committee of the Board having such powers as shall be specified by the Board; provided that if no such committee is appointed, the Committee shall mean the entire Board.

(l) "**Common Stock**" means the Company's common stock, as adjusted in accordance with Section 15.

(m) "**Company**" means AvidXchange, Inc. and any successor corporations or any present or future parent and/or subsidiary corporations of such corporation. For purposes of the Plan, a parent corporation and a subsidiary corporation shall be as defined in Sections 424(e) and 424(f) of the Code.

(n) "**Consultant**" means any person or entity, including an advisor or independent contractor but not an Employee, who renders services to the Company or any Affiliate and is compensated for such services, and any Director whether compensated for such services or not.

(o) "**Date of Grant**" means the date on which all necessary corporate action has been taken to approve the grant of the Award as provided in the Plan. Notice of the grant shall be provided to the grantee within a reasonable time after the Date of Grant.

(p) "**Director**" means a member of the Board.

(q) "**Disability**" means "disability" within the meaning of Section 22(e)(3) of the Code, as determined by the Administrator in its sole discretion.

(r) "**Employee**" means any person employed by the Company or any Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Company in its sole discretion, subject to any requirements of Applicable Laws, including the Code. The payment by the Company of a director's fee shall not be sufficient to constitute "employment" of such director by the Company or any Affiliate.

(s) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(t) "**Fair Market Value**" means, as of any date, the per share fair market value of the Common Stock, as determined by the Administrator in good faith on such basis as it deems appropriate. With respect to Incentive Stock Options, the Fair Market Value shall be determined pursuant to a reasonable method established by the Administrator that is consistent with the requirements of Sections 422 and 424 of the Code and the regulations thereunder (which method may be changed from time to time).

(u) "**Incentive Stock Option**" means an Option intended to, and which does, in fact, qualify as an incentive stock option within the meaning of Section 422 of the Code. The Company shall have no liability to a Participant if an Option (or any part thereof) which is intended to be an Incentive Stock Option does not qualify as an Incentive Stock Option.

(v) "**Listed Security**" means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market system security on an interdealer quotation system by Financial Industry Regulatory Authority, Inc.

(w) "**Nonstatutory Stock Option**" means an Option that is not intended to, or does not, in fact, qualify as an Incentive Stock Option.

(x) "**Option**" means a right to purchase Shares granted pursuant to Section 7.

(y) "**Optioned Stock**" means Shares that are subject to an Option or that were issued pursuant to the exercise of an Option.

(z) "**Other Stock Award**" shall mean any Award granted under Section 11 of the Plan.

(aa) "**Participant**" means any holder of one or more Awards or Shares issued pursuant to an Award.

(bb) "**Restricted Stock**" means Shares acquired pursuant to a right to purchase Common Stock granted pursuant to Section 9.

(cc) "**Restricted Stock Unit**" means a right to receive Shares or cash granted pursuant to Section 10.

(dd) "**Rule 16b-3**" means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(ee) "**Securities Act**" means the Securities Act of 1933, as amended.

(ff) "**Share**" means a share of Common Stock, as adjusted in accordance with Section 15.

(gg) "**Stock Appreciation Right**" means a right to receive Shares or cash granted pursuant to Section 8.

(hh) "**Stock Exchange**" means any stock exchange or consolidated stock price reporting system on which prices for the Common Stock are quoted at any given time.

(ii) "**Tandem Right**" means a kind of Stock Appreciation Right granted in connection with a Nonstatutory Stock Option pursuant to Section 8.

(jj) "**Ten Percent Holder**" means a person who at the time of an Award is a holder of capital stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any related corporation, as determined in accordance with Section 1.422-2(f)(2) of the Treasury Regulations.

(kk) "**Transfer of Control**" means a consolidation or merger of the Company with or into any other entity or entities, a sale or transfer of shares of capital stock of the Company or its stockholders in a single transaction or a series of related transactions representing at least 50% of the voting power of the voting securities of the Company, a stock issuance or series of related stock issuances by the Company resulting in a change of ownership of more than 50% of the voting power of the voting securities of the Company (other than the issuance of Preferred (as defined in the Company's Certificate of Incorporation) in connection with a bona fide capital raising transaction approved in accordance with the terms hereof), or a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company, on a consolidated basis; provided, however, that a "Transfer of Control" shall not include any consolidation, merger or stock issuance in which shares outstanding before such consolidation, merger or stock issuance (or shares received upon conversion or exchange thereof, if applicable) represent a majority of the capital stock of the resulting or surviving entity or the Company, as the case may be, based on voting power in the election of directors. Notwithstanding anything herein to the contrary, an initial public offering of capital stock made by the Company under the Securities Act shall not be considered a Transfer of Control.

Notwithstanding the foregoing, a Transfer of Control shall only be deemed to have occurred if the transaction(s) described constitutes a "change in the ownership of a corporation", a "change in the effective control of a corporation" or a "change in ownership of a substantial portion of a corporation's assets", as described in Treasury Regulation 1.409A-3(i)(5)(v) through (vii).

(ll) "**Unvested Shares**" means an Award, or Shares acquired pursuant to an Award that are unvested.

3. **Effective Date.** The Plan shall become effective upon its adoption by the Board and will continue in effect until terminated pursuant to Section 18.

4. **Stock Subject to the Plan.** Subject to the provisions of Section 15, the maximum aggregate number of Shares that may be issued under the Plan from and after the Effective Date shall be equal to one Share for every share of Common Stock available for award under the Prior Plan immediately prior to the Effective Date, of which all Shares may be issued under the Plan pursuant to Incentive Stock Options. The Shares issued under the Plan may be authorized, but unissued, or reacquired Shares. If an Award should expire or become unexercisable for any reason without having been exercised in full (including any award under the Prior Plan), the unpurchased Shares that were

subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares which are retained by the Company upon exercise of an Award in order to satisfy the exercise or purchase price for such Award or any withholding taxes due with respect to such Award shall be treated as not issued and shall continue to be available under the Plan. Any share of Common Stock subject to an award under the Prior Plan and that expires, is forfeited, otherwise terminates, or is settled in cash, after the Effective Date, shall be added to the shares of Common Stock reserved for issuance under this Plan. Any Shares issued under the Plan and later repurchased by the Company pursuant to any other repurchase right that the Company may have shall not be available for future grant under the Plan. It is intended that the Plan shall constitute a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act ("Rule 701"), to the extent applicable, and that the Plan shall otherwise be administered in compliance with the requirements of Rule 701. To ensure such compliance, the Company shall maintain a record of shares subject to outstanding Awards under the Plan and the exercise price of any outstanding Options, plus a record of all Shares issued under the Plan and the exercise price of any Options.

5. **Administration of the Plan.**

(a) General. The Plan shall be administered by the Board, the Committee, or any combination thereof, as determined by the Board. The Plan may be administered by different administrative bodies with respect to different classes of Participants and, if permitted by Applicable Laws, the Board may authorize one or more executive officers of the Company to make Awards under the Plan to Employees and Consultants (who are not executive officers) within parameters specified by the Board, including without limitation, if applicable, any restrictions in any charter of the Committee or any exclusive delegations of authority to the Committee by the Board as they may relate to this Plan.

(b) Committee Composition. If a Committee has been appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and dissolve the Committee and thereafter directly administer the Plan, all to the extent permitted by Applicable Laws, agreements to which the Company is a party and any Committee charter.

(c) Powers of the Administrator. Subject to the provisions of the Plan and, in the case of the Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its sole discretion:

(i) to determine the Fair Market Value in accordance with Section 2(t), provided that such determination shall be applied consistently with respect to Participants under the Plan;

(ii) to select the Employees and Consultants to whom Awards may from time to time be granted;

(iii) to determine the number of Shares to be covered by each Award;

(iv) to approve the form(s) of agreement(s) and other related documents used under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when Awards may vest or be exercised (which may be based on performance criteria), the circumstances (if any) when vesting will be accelerated or forfeiture restrictions will be waived, and any restriction or limitation regarding any Award or Shares issued pursuant to an Award;

(vi) to amend any outstanding Award Agreement or any agreement related to any Shares issued pursuant to an Award Agreement, including any amendment adjusting vesting (e.g., in connection with a change in the terms or conditions under which such person is providing services to the Company), provided that no amendment shall be made that would materially and adversely affect the rights of any Participant without his or her consent;

(vii) to determine whether and under what circumstances an Option may be settled in cash instead of Common Stock;

(viii) to approve addenda pursuant to Section 31 or to grant Awards to, or to modify the terms of, any outstanding Award Agreement or any agreement related to any Shares issued pursuant to an Award Agreement by Participants who are foreign nationals or employed outside of the United States with such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom which deviate from the terms and conditions set forth in this Plan to the extent necessary or appropriate to accommodate such differences;

(ix) to delegate, to the extent permitted by Applicable Law and the Company's Certificate of Incorporation or Bylaws, each as amended from time to time, any portion of its authority under the Plan;

(x) to construe and interpret the terms of the Plan, any Award Agreement, and any agreement related to any Shares issued pursuant to an Award Agreement, which constructions, interpretations and decisions shall be final and binding on all Participants; and

(xi) to make all other determinations deemed necessary or advisable for the administration of this Plan.

(d) Indemnification. To the maximum extent permitted by Applicable Laws, each member of the Committee (including officers of the Company, if applicable), or of the Board, as applicable, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense (including without limitation reasonable attorney fees) that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or pursuant to the terms and conditions of any Award except for actions determined by a court of competent jurisdiction to have been taken in bad faith or actions determined by a court of competent jurisdiction to be continuing failures to act in good faith after such member has been provided with all relevant facts and circumstances and having been thereafter requested in writing to consider in good faith the taking such action, and (ii) any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided that such member shall give the Company an opportunity, at its own expense, to handle and defend any such claim, action, suit or proceeding before he or she undertakes to handle and defend it on his or her own behalf, except in the event such member reasonably believes a conflict of interest exists between such member and the Company which would prevent effective assistance of counsel unless the member retains separate legal counsel (in which case the member will notify the Company of such conflict and its intent to retain separate legal counsel instead of giving the Company such opportunity). The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation, Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any other power that the Company may have to indemnify or hold harmless each such person.

(e) Vesting and Forfeiture. Awards granted to a Participant shall vest at the time or times specified in the Award Agreement. Unless otherwise provided herein, in an individual Award Agreement, or in a separate written agreement between the Company and a Participant, a Participant must be employed by or providing substantial services to the Company or one of its Affiliates, as determined by the Company in its sole discretion, on the applicable vesting date in order to vest in any Award, and any portion of any Award that is not vested as of the date on which the Participant's employment or service with the Company and its Affiliates terminates will be forfeited. Notwithstanding anything herein or in an Award Agreement to the contrary, if a Participant's employment with or services to the Company or any Affiliate is terminated for Cause or the Participant materially violates the terms of any restrictive covenants to which the Participant and the Company or its Affiliates are parties, as determined by the Administrator in good faith, the Participant's Award (both vested and unvested portions) shall be forfeited as of the date of such termination and the Administrator may require the Participant to promptly repay any value previously received pursuant to such Award.

6. **Eligibility.**

(a) Recipients of Grants. Awards may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees of the Company.

(b) ISO $100,000 Limitation. Notwithstanding any designation in the Award Agreement, to the extent that the aggregate Fair Market Value of Shares with respect to which options designated as Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000, such excess options shall be treated as Nonstatutory Stock Options. For purposes of this Section 6(b), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an Incentive Stock Option shall be determined as of the Date of Grant of such option.

7. **Options.** Whenever an Employee or Consultant receives an Option Award, an Award Agreement shall be given to the Employee or Consultant stating the number of Shares for which Options are granted, the Option exercise price per share, whether the Options are Incentive Stock Options or Nonstatutory Stock Options, the extent, if any, to which associated Stock Appreciation Rights are granted, and the conditions to which the grant and exercise of the Options are subject, and, at that time, the Employee or Consultant shall become a Participant.

(a) Term of Option. The term of each Option shall be the term stated in the Award Agreement; provided that the term shall be ten (10) years from the Date of Grant thereof or such shorter term as may be provided in the Award Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be five (5) years from the Date of Grant thereof or such shorter term as may be provided in the Award Agreement.

(b) Option Exercise Price and Consideration.

(i) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option shall be such price as is determined by the Administrator and set forth in the Award Agreement, but shall be subject to the following:

(1) In the case of an Incentive Stock Option (A) granted to an Employee who, at the time of grant, is a Ten Percent Holder, the per Share exercise price shall be no less than one hundred ten percent (110%) of the Fair Market Value on the Date of Grant, and (B) granted to any other Employee, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value on the Date of Grant;

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value on the Date of Grant.

(ii) Permissible Consideration. The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option and to the extent required by Applicable Laws, shall be determined at the time of grant) and may consist entirely of (1) cash; (2) check; (3) to the extent permitted under Applicable Laws, delivery of a promissory note with such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate; (4) cancellation of indebtedness; (5) other previously owned Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised; (6) a Cashless Exercise; (7) such other consideration and method of payment permitted under Applicable Laws; or (8) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

(c) Exercise of Option.

(i) General.

(1) Exercisability. Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the terms of the Plan and reflected in the Award Agreement, including vesting requirements or performance criteria, if any, with respect to the Company, any Affiliate, or the Participant.

(2) Leave of Absence. The Administrator shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any leave of absence; provided, however, that in the absence of such determination, vesting of Options shall be tolled during any unpaid leave (unless otherwise required by Applicable Laws).

(3) Minimum Exercise Requirements. An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent a Participant from exercising the full number of Shares as to which the Option is then exercisable.

(4) Procedures for and Results of Exercise. An Option shall be deemed exercised when (i) written notice of such exercise, stating the number of Options the Participant (or beneficiary) has elected to exercise, has been received by the Company in an acceptable form in accordance with the terms of the Award Agreement from the person entitled to exercise the Option, (ii) the Company has received full payment, or made arrangements satisfactory to the Company regarding full payment to the Company, for the Shares with respect to which the Option is exercised and (iii) the Participant has paid, or made arrangements satisfactory to the Company regarding the payment to the Company of, any applicable taxes, withholding, required deductions or other required payments in accordance with Section 13. The exercise of an Option shall result in a decrease in the number of Shares that thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(5) Rights as Holder of Capital Stock. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a holder of capital stock shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 15.

(ii) Termination of Employment or Services. The Administrator shall establish and set forth in the applicable Award Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of a Participant's employment with or services to the Company or any Affiliate, which provisions may be waived or modified by the Administrator at any time, subject to the requirements of Section 7(d) below. To the extent that an Award Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of a Participant's employment with or services to the Company or any Affiliate, the following provisions shall apply:

(1) General Provisions. If the Participant (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified below, the Option shall terminate and the Optioned Stock underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Award Agreement (and subject to this Section 7).

(2) Termination Other than for Cause. In the event of termination of a Participant's employment with or services to the Company or any Affiliate other than under the circumstances set forth in subsections (3) and (4) below or for Cause, such Participant may exercise any outstanding, vested Option at any time within three (3) months following such termination.

(3) Death or Disability of Participant. In the event of termination of a Participant's employment with or services to the Company or any Affiliate as a result of his or her death or Disability, such Participant (or the Participant's beneficiary, as applicable) may exercise any outstanding, vested Option at any time within twelve (12) months following such termination.

(4) Transfer of Control. Upon a Transfer of Control, the treatment of any unexercisable portion of an Option outstanding on the date of the Transfer of Control shall be determined by the Administrator subject to any relevant provisions in the applicable Award Agreement.

(d) Modification or Extension. Unless specifically provided in the discretion of the Administrator in a writing that references and supersedes this Section 7(d), (i) no Modification shall be made in respect to any Option if such Modification would result in the Option constituting a deferral of compensation, and (ii) no Extension shall be made in respect to any Option if such Extension would result in the Option having an additional deferral feature from the Date of Grant, in each case within the meaning of applicable Treasury Regulations under Section 409A of the Code. Subject to the remaining part of this paragraph (d), (A) a "Modification" means any change in the terms of the Option (or change in the terms of the Plan or applicable Award Agreement) that may provide the holder of the Option with a direct or indirect reduction in the exercise price of the Option, regardless of whether the holder in fact benefits from the change in terms; and (B) an "Extension" means any of (1) the provision to the holder of an additional period of time within which to exercise the Option beyond the time originally prescribed,

(2) the conversion or exchange of the Option for a legally binding right to compensation in a future taxable year, (3) the addition of any feature for the deferral of compensation to the terms of the Option, or (4) any renewal of the Option that has the effect of any of (1) through (3) above. Notwithstanding the preceding sentence, it shall not be a Modification or an Extension, respectively, to change the terms of an Option in accordance with Section 15 of the Plan, or in any of the other ways or for any of the other purposes provided in applicable Treasury Regulations or other generally applicable guidance under Section 409A of the Code as not resulting in a Modification or Extension for purposes of that section. In particular, it shall not be an Extension to extend the exercise period of an Option to a date no later than the earlier of (x) the latest date upon which the Option could have expired by its original terms under any circumstances or (y) the tenth (10^{th}) anniversary of the original Date of Grant.

8. **Stock Appreciation Rights.** Whenever an Employee or Consultant receives a Stock Appreciation Rights Award, an Award Agreement shall be given to the Employee or Consultant stating the number of Shares with respect to which Stock Appreciation Rights are granted, the extent, if any, to which the Stock Appreciation Rights are granted in connection with Nonstatutory Stock Options ("Tandem Rights"), and the conditions to which the grant and exercise of the Stock Appreciation Rights are subject, and, at that time, the Employee or Consultant shall become a Participant.

(a) General. Stock Appreciation Rights (other than Tandem Rights) shall entitle the Participant, upon exercise of all or any part of the Stock Appreciation Rights, to receive in exchange from the Company an amount equal to the excess of (i) the Fair Market Value of the Shares covered by the Stock Appreciation Right on the date of exercise over (ii) the Fair Market Value of the Shares on the Date of Grant of the Stock Appreciation Right.

(b) Tandem Rights.

(i) Tandem Rights shall entitle the Participant, upon exercise of all or any part of the Tandem Rights, to surrender to the Company unexercised that portion of the underlying Nonstatutory Stock Option relating to the same number of Shares as is covered by the Tandem Right (or the portion of the Tandem Right so exercised) and to receive in exchange from the Company an amount equal to the excess of (i) the Fair Market Value of the Shares covered by the surrendered portion of the underlying Nonstatutory Stock Option on the date of exercise over (ii) the exercise price of the Shares covered by the surrendered portion of the underlying Nonstatutory Stock Option.

(ii) Upon exercise of a Tandem Right and surrender of the related portion of the underlying Nonstatutory Stock Option, the Nonstatutory Stock Option, to the extent surrendered, shall not thereafter be exercisable.

(iii) Subject to any further conditions upon exercise imposed by the Administrator, a Tandem Right shall be granted on the same Date of Grant as the related Nonstatutory Stock Option, be transferable only to the extent that the related Nonstatutory Stock Option is transferable, be exercisable only to the extent that the related Nonstatutory Stock Option is exercisable and shall expire no later than the date on which the related Nonstatutory Stock Option expires.

(c) Limitation on Amount. The Administrator may limit the amount that the Participant will be entitled to receive upon exercise of Stock Appreciation Rights.

(d) Leave of Absence. The Administrator shall have the discretion to determine whether and to what extent the vesting of Stock Appreciation Rights shall be tolled during any leave of absence; provided, however, that in the absence of such determination, vesting of Stock Appreciation Rights shall be tolled during any unpaid leave (unless otherwise required by Applicable Laws).

(e) Exercise of Stock Appreciation Right.

(i) The Administrator shall establish and set forth in the applicable Award Agreement the terms and conditions upon which a Stock Appreciation Right shall remain exercisable, if at all, following termination of a Participant's employment with or services to the Company or any Affiliate, which provisions may be waived or modified by the Administrator at any time, subject to the requirements of Section 8(g) below. Stock Appreciation Rights may be exercised in whole or in part at the times as may be specified by the Administrator in the Award Agreement; provided that no Stock Appreciation Right may be exercised after the expiration of ten (10) years from the Date of Grant. If the Participant (or other person entitled to exercise the Stock Appreciation Right) does not exercise the Stock Appreciation Right within the time specified in the Award Agreement, the Stock Appreciation Right shall terminate. In no event may any Stock Appreciation Right be exercised after the expiration of the Stock Appreciation Right term as set forth in the Award Agreement.

(ii) A Stock Appreciation Right may only be exercised at a time when the Fair Market Value of the Shares covered by the Stock Appreciation Right exceeds the Fair Market Value of the Shares on the Date of Grant of the Stock Appreciation Right (or, in the case of a Tandem Right, only to the extent it exceeds the exercise price of the Shares covered by the underlying Nonstatutory Stock Option).

(iii) A Stock Appreciation Right shall be deemed exercised when written notice of such exercise, stating the number of Stock Appreciation Rights the Participant (or beneficiary) has elected to exercise, has been received by the Company in an acceptable form in accordance with the terms of the Award Agreement from the person entitled to exercise the Stock Appreciation Right and the Participant has paid, or made arrangements satisfactory to the Company regarding the payment to the Company of, any applicable taxes, withholding, required deductions or other required payments in accordance with Section 13.

(f) Payment. The manner in which the Company's obligations arising upon the exercise of a Stock Appreciation Right shall be paid shall be determined by the Administrator and shall be set forth in the Award Agreement. The Award Agreement may provide for payment in Shares or cash, or a fixed combination of Shares or cash, or the Administrator may reserve the right to determine the manner of payment at the time the Stock Appreciation Right is exercised. Shares issued upon the exercise of a Stock Appreciation Right shall be valued at their Fair Market Value on the date of exercise.

(g) Rights as Holder of Capital Stock. If Participant acquires Shares upon exercise of a Stock Appreciation Right, until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a holder of capital stock shall exist with respect to the Shares, notwithstanding the exercise of the Stock Appreciation Right. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 15.

(h) Modification or Extension. Unless specifically provided in the discretion of the Administrator in a writing that references and supersedes this Section 8(h), (i) no Modification shall be made in respect to any Stock Appreciation Right if such Modification would result in the Stock Appreciation Right constituting a deferral of compensation, and (ii) no Extension shall be made in respect to any Stock Appreciation Right if such Extension would result in the Stock Appreciation Right having an additional deferral feature from the Date of Grant, in each case within the meaning of applicable Treasury Regulations under Section 409A of the Code. Subject to the remaining part of this paragraph (g), (A) a "Modification" means any change in the terms of the Stock Appreciation Right (or change in the terms of

the Plan or applicable Award Agreement) that may provide the holder of the Stock Appreciation Right with a direct or indirect reduction in the exercise price of the Stock Appreciation Right, regardless of whether the holder in fact benefits from the change in terms; and (B) an "Extension" means any of (1) the provision to the holder of an additional period of time within which to exercise the Stock Appreciation Right beyond the time originally prescribed, (2) the conversion or exchange of the Stock Appreciation Right for a legally binding right to compensation in a future taxable year, (3) the addition of any feature for the deferral of compensation to the terms of the Stock Appreciation Right, or (4) any renewal of the Stock Appreciation Right that has the effect of any of (1) through (3) above. Notwithstanding the preceding sentence, it shall not be a Modification or an Extension, respectively, to change the terms of a Stock Appreciation Right in accordance with Section 15 of the Plan, or in any of the other ways or for any of the other purposes provided in applicable Treasury Regulations or other generally applicable guidance under Section 409A of the Code as not resulting in a Modification or Extension for purposes of that section. In particular, it shall not be an Extension to extend the exercise period of a Stock Appreciation Right to a date no later than the earlier of (x) the latest date upon which the Stock Appreciation Right could have expired by its original terms under any circumstances or (y) the tenth (10th) anniversary of the original Date of Grant.

9. **Restricted Stock.** Whenever an Employee or Consultant receives a Restricted Stock Award, an Award Agreement shall be given to the Employee or Consultant stating the number of Shares of Restricted Stock granted and the terms and conditions to which the Restricted Stock is subject, and, at that time, the Employee or Consultant shall become a Participant.

(a) Rights to Purchase. When a right to purchase Restricted Stock is granted under the Plan, the Company shall advise the recipient in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid (if any, which shall be as determined by the Administrator, subject to Applicable Laws, including any applicable securities laws), and the time within which such person must accept such offer. The permissible consideration for Restricted Stock shall be determined by the Administrator and shall be the same as is set forth in Section 7(b)(ii) with respect to exercise of Options. The offer to purchase Shares shall be accepted by execution of an Award Agreement in the form determined by the Administrator.

(b) Other Provisions. The Award Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Award Agreements need not be the same with respect to each Participant.

(c) Rights as a Holder of Capital Stock. Once the Restricted Stock is purchased, the Participant shall have the rights equivalent to those of a holder of capital stock, and shall be a record holder when his or her purchase and the issuance of the Shares is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Restricted Stock is purchased, except as provided in Section 15.

10. **Restricted Stock Units.** Whenever an Employee or Consultant receives a Restricted Stock Units Award, an Award Agreement shall be given to the Employee or Consultant stating the number of Restricted Stock Units granted and the conditions to which the Restricted Stock Units are subject, and, at that time, the Employee or Consultant will become a Participant.

(a) General. The Administrator shall establish as to each award of Restricted Stock Units the terms and conditions upon which the Restricted Stock Units shall vest and be paid. Vesting may be conditioned upon the continued performance of services or the achievement of certain performance conditions measured on an individual, corporate, or other basis, or any combination thereof

(b) Payment. Restricted Stock Units may be paid in cash, Shares, or a fixed combination of Shares or cash as provided in the Award Agreement, or the Administrator may reserve the right to determine the manner of payment at the time the Restricted Stock Units become payable. The delivery of Shares in payment of Restricted Stock Units may be subject to additional conditions established in the Award Agreement.

(c) Rights as Holder of Capital Stock. If Participant acquires Shares as payment for a Restricted Stock Unit, until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a holder of capital stock shall exist with respect to the Shares. Unless provided otherwise in the applicable Award Agreement, no adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 15. Notwithstanding the foregoing, the Administrator may, in its discretion, provide that a Participant shall be entitled to receive dividend equivalents on outstanding Restricted Stock Units. Dividend equivalents may be (i) paid in cash, (ii) credited to the Participant as additional Restricted Stock Units, or (iii) a fixed combination of cash and additional Restricted Stock Units as provided in the Award Agreement, or the Administrator may reserve the right to determine the manner of payment at the time dividends are paid to shareholders of record. Unless otherwise provided in the Award Agreement, if dividend equivalents are paid (A) dividend equivalents with respect to dividends or other distributions that are paid in Shares or cash shall be credited to the Participant as additional Restricted Stock Units subject to the same restrictions as the Restricted Stock Units with respect to which the dividend equivalents are paid.

11. **Other Stock Awards**. In addition, the Administrator may grant Other Stock Awards to Participants payable in Shares or cash, upon such terms and conditions as the Administrator may determine, subject to the provisions of the Plan. Other Stock Awards may include, but are not limited to, the following types of Awards:

(a) Performance-Based Other Stock Awards. The payment under any Other Stock Award that the Administrator determines shall be a performance-based Award (hereinafter "**Target Award**") shall be contingent upon the attainment of one or more pre-established performance goals established by the Administrator in writing while the attainment of any performance-based goal under the granted Target Award remains substantially uncertain. Such performance goals may be based upon one or more performance-based criteria, including but not limited to: (i) earnings per share, net earnings per share or growth in such measures, (ii) revenue, net revenue, income, net income or growth in revenue or income (all either before or after taxes), (iii) return measures (including, but not limited to, return on assets, capital, investment, equity, revenue or sales), (iv) cash flow return on investments which equals net cash flows divided by owners' equity, (v) controllable earnings (a division's operating profit, excluding the amortization of goodwill and intangible assets, less a charge for the interest cost for the average working capital investment by the division), (vi) operating earnings or net operating earnings, (vii) costs or cost control measures, (viii) share price (including, but not limited to, growth measures), (ix) total shareholder return (stock price appreciation plus dividends), (x) economic value added, (xi) EBITDA, (xii) operating margin or growth in operating margin, (xiii) market share or growth in market share, (xiv) cash flow, cash flow from operations, free cash flow, or growth in such measures, (xv) sales revenue or volume or growth in such measures, (xvi) gross margin or growth in gross margin, (xvii) productivity, (xviii) brand contribution, (xix) product quality, (xx) corporate value measures, (xxi) goals related to acquisitions, divestitures or customer satisfaction, (xxii) diversity, (xxiii) index comparisons, (xxiv) debt-to-equity or debt-to-stockholders' equity ratio, (xxv) working capital, (xxvi) risk mitigation,

(xxvii) sustainability and environmental impact, (xxviii) employee retention, (xxix) expense or expense control measures (including, but not limited to average unit cost, selling, general, and administrative expenses), and (xxx) any other objective or subjective criterion or criteria that the Administrator may select from time to time. Without limiting the Administrator's authority to select any performance criteria as it deems appropriate, performance may be measured on an individual, corporate group, business unit, subsidiary, division, department, region, function, market, or consolidated basis and may be measured absolutely, relatively to the Company's peers, or with a performance goal established by combining two or more of the preceding performance criteria (for example, free cash flow as a percentage of sales). In establishing the performance goals, the Administrator may provide that the performance goals will be adjusted to account for the effects of acquisitions, divestitures, extraordinary dividends, stock split-ups, stock dividends or distributions, issuances of any targeted stock, recapitalizations, warrants or rights issuances or combinations, exchanges or reclassifications with respect to any outstanding class or series of Common Stock, or a corporate transaction, such as any merger of the Company with another corporation, any consolidation of the Company and another corporation into another corporation, any separation of the Company or its business units (including a spinoff or other distribution of stock or property by the Company), any reorganization of the Company (whether or not such reorganization comes within the definition of such term in Code Section 368) or any partial or complete liquidation by the Company, or sale of all or substantially all of the assets of the Company, or exclusion of non-consolidated subsidiaries, or measures intended to account for variations in the exchange rate between foreign currencies and budgeted exchange rates, or other extraordinary items, or any other event or circumstance the Administrator deems appropriate. Unless otherwise specifically provided by the Administrator when authorizing an Award, all performance-based criteria, including any adjustments described in the preceding sentence, shall be determined by applying U.S. generally accepted accounting principles, as reflected in the Company's audited financial statements.

The Administrator, in its discretion, may adjust an earned Target Award. Before payments are made under a Target Award, the Administrator shall certify in writing that the performance goals justifying the payment under the Target Award have been met. In no event will dividends or dividend equivalents be paid with respect to any Award which does not vest and/or meet its performance goals. Therefore, dividends and dividend equivalents shall be paid only on the vested portion of Target Awards for which the applicable performance goals are achieved.

(b) Stock Bonus Awards. The Administrator may issue unrestricted Stock, or other Awards denominated in Stock, including and without limitation, fully-vested deferred stock units, under the Plan to Participants, alone or in tandem with other Awards, in such amounts and subject to such terms and conditions as the Administrator shall from time to time in its sole discretion determine. A Stock Bonus Award under the Plan shall be granted as, or in payment of, a bonus, or to provide incentives or recognize special achievements or contributions.

12. **Cash Bonus Awards.** The Administrator shall have the authority to make an Award of a cash bonus to any Participant. Any such Award may be subject to a performance period, performance goals or such other terms and conditions as the Administrator may designate in the applicable Award Agreement.

13. **Taxes.**

(a) As a condition of the grant, vesting and exercise of an Award, the Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) shall make such arrangements as the Administrator may require for the satisfaction of any applicable U.S. federal, state, local or foreign tax, withholding, and any other required deductions or payments that may arise in connection with such Award. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied.

(b) The Administrator may, to the extent permitted under Applicable Laws, permit a Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) to satisfy all or part of his or her tax, withholding, or any other required deductions or payments by Cashless Exercise or by surrendering Shares (either directly or by stock attestation) that he or she previously acquired; provided that, unless specifically permitted by the Company, any such Cashless Exercise must be an approved broker-assisted Cashless Exercise or the Shares withheld in the Cashless Exercise must be limited to avoid financial accounting charges under applicable accounting guidance and any such surrendered Shares must have been previously held for any minimum duration required to avoid financial accounting charges under applicable accounting guidance. Any payment of taxes by surrendering Shares to the Company may be subject to restrictions, including, but not limited to, any restrictions required by rules of the Securities and Exchange Commission.

14. **Non-Transferability of Awards.** Except as set forth in this Section 14, Awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by a Participant will not constitute a transfer. An Option may be exercised, during the lifetime of the holder of the Option, only by such holder or a transferee permitted by this Section 14.

15. **Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions.**

(a) Changes in Capitalization. Subject to any action required under Applicable Laws, Company's Certificate of Incorporation, Bylaws or any applicable shareholders agreement, investor rights agreement, or similar document by the holders of capital stock of the Company, (i) the numbers and class of Shares or other stock or securities: (x) available for future Awards under Section 4 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each outstanding Option, and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, shall be automatically proportionately adjusted in the event of a stock split, reverse stock split, stock dividend, combination, consolidation, reclassification of the Shares, subdivision of the Shares or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value, a recapitalization (including a recapitalization through a large nonrecurring cash dividend), a rights offering, a reorganization, merger, a spin-off, split-up, change in corporate structure or a similar occurrence, the Administrator may make appropriate adjustments in one or more of (i) the numbers and class of Shares or other stock or securities: (x) available for future Awards under Section 4 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each outstanding Option, and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, and any such adjustment by the Administrator shall be made in the Administrator's sole and absolute discretion and shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Award. If, by reason of a transaction described in this Section 15(a) or an adjustment pursuant to this Section 15(a), a Participant's Award Agreement or agreement related to any shares issued pursuant to an Award covers additional or different shares of stock or securities, then such additional or different shares, and the Award agreement or agreement related to the Shares issued pursuant to an Award in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award and such Shares prior to such adjustment.

(b) Dissolution or Liquidation. In the event of the dissolution or liquidation of the Company, each Award will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator.

(c) Transfer of Control. In the event of a Transfer of Control, except as otherwise provided in the applicable Award Agreement or in Section 7(c)(ii)(6) above, all Unvested Shares outstanding as of the consummation of such Transfer of Control will be subject to the applicable merger or purchase agreement. Such agreement may provide, without limitation, for the assumption or substitution of outstanding Awards or Unvested Shares by the surviving corporation or its parent, for the replacement of outstanding Awards or, subject to compliance with Applicable Laws, Unvested Shares with a cash incentive program of the surviving corporation which preserves the value of such Awards or Shares and provides for subsequent payout in accordance with the same vesting provisions applicable to those Awards or Shares, for accelerated vesting of outstanding Awards or Unvested Shares, for the cancellation of outstanding Awards or for the repurchase of Unvested Shares at the original purchase price paid for the Unvested Shares, with or without consideration and, in all cases, without the consent of the Participant. In the event that the successor or a parent or subsidiary of such successor does not agree to assume or otherwise substitute any outstanding Award, each such Award shall become immediately vested in full and, if applicable, become exercisable, each immediately prior to the Transfer of Control.

(d) Initial Public Offering. In the event of an initial public offering of capital stock made by the Company under the Securities Act, Participants shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of capital stock of the Company or any rights to acquire capital stock of the Company for such period of time as may be established by the underwriter for such initial public offering; provided, however, that such period of time shall not exceed one hundred eighty (180) days from the effective date of the registration statement to be filed in connection with such initial public offering (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711).

16. **No Representations or Covenants with Respect to Tax Qualification**. Although the Company may endeavor to (1) qualify an Award for favorable or specific tax treatment under the laws of the United States or jurisdictions outside of the United States (e.g., incentive stock options under Section 422 of the Code) or (2) avoid adverse tax treatment (e.g., under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, anything to the contrary in this Plan, notwithstanding. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan. Nothing in this Plan or in an Award Agreement shall provide a basis for any person to take any action against the Company or any Affiliate based on matters covered by Section 409A of the Code, including the tax treatment of any Awards, and neither the Company nor any Affiliate will have any liability under any circumstances to the Participant or any other party if the Award that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Administrator with respect thereto.

17. **Section 409A of the Code**. The Plan and all Awards granted under the Plan are intended to comply in all respects with or be exempt from all applicable requirements of Sections 409A of the Code and all regulations issued thereunder, and shall be interpreted for all purposes in accordance with this intent.

18. **Amendment and Termination of the Plan**. The Board may at any time amend or terminate the Plan, but except as provided for under the terms of the Plan, no amendment or termination shall be made that would materially and adversely affect the rights of any Participant under any outstanding Award, without his or her consent, as determined in the discretion of the Administrator,

unless such amendment is required to enable an Option designated as an Incentive Stock Option to qualify as an Incentive Stock Option. In addition, to the extent necessary and desirable to comply with Applicable Laws, the Company shall obtain the approval of holders of capital stock with respect to any Plan amendment in such a manner and to such a degree as required. If not sooner terminated by the Board, the Plan shall automatically terminate at the close of business on the tenth (10^{th}) anniversary of the Effective Date.

19. **Conditions Upon Issuance of Shares**. Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel (which may be in-house counsel). As a condition to the exercise of any Option or purchase of any Restricted Stock, the Company may require the person exercising the Option or purchasing the Restricted Stock to represent and warrant at the time of any such exercise or purchase that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is advisable or required by Applicable Laws. Shares issued upon exercise of Options or purchase of Restricted Stock prior to the date, if ever, on which the Common Stock becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Award Agreement.

20. **Joinder**. As a condition of issuing any Common Stock under or in respect of any Award, the Company may require the Participant to execute a joinder to any shareholders agreement, investor rights agreement, or similar document, as the same may be amended from time to time, on a form to be provided by the Company. Furthermore, the Company reserves the right to make the provisions of any such agreement apply to any holder of Stock issued upon the exercise of an Option by providing written notice to the registered holder of such stock accompanied by a copy of the applicable agreement or agreements. If any Participant proposes to sell, pledge or otherwise transfer any shares of Stock acquired pursuant to an Award under the Plan (the "Acquired Shares"), the Company shall have the right to repurchase the Acquired Shares under the terms and subject to the conditions set forth in Appendix A (the "**Right of First Refusal**").

21. **Notice**. All notices and other communications required or permitted to be given under the Plan shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first class, postage prepaid, as follows: (a) if to the Company – at the principal business address of the Company to the attention of the General Counsel; and (b) if to any Participant – at the last address of the Participant on file with (or in the business records of) the Company or as otherwise known to the sender at the time the notice or other communication is sent.

22. **Beneficiaries**. If permitted by the Company, a Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by timing filing the prescribed form with the Company at any time before the Participant's death. Except as otherwise provided in an Award Agreement, if no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant's death any vested Award(s) shall be transferred or distributed to the Participant's estate or to any person who has the right to acquire the Award by bequest or inheritance.

23. **Approval of Holders of Capital Stock**. If required by Applicable Laws, continuance of the Plan shall be subject to approval by the holders of capital stock of the Company within twelve (12) months before or after the date the Plan is adopted or, to the extent required by Applicable Laws, any date the Plan is amended. Such approval shall be obtained in the manner and to the degree required under Applicable Laws.

24. **Legends**. The Company may at any time place legends referencing any applicable federal or state securities law restriction on all certificates representing Shares subject to the provisions of the Plan as well as any legend required pursuant to any applicable shareholders agreement, investor rights agreement, or similar document. Participants shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to the Plan in the possession of such Participants in order to effectuate the provisions of this paragraph. Unless otherwise specified by the Company, legends placed on such certificates may include, as applicable, the following:

(a) **THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, THE REGISTRATION PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS.**

(b) **THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN THE CORPORATION'S STOCK OPTION PLAN A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION.**

(c) **THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON EXERCISE OF AN INCENTIVE STOCK OPTION AS DEFINED IN SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE TRANSFER AGENT FOR THE SHARES EVIDENCED HEREBY SHALL NOTIFY THE CORPORATION IMMEDIATELY OF ANY TRANSFER OF THE SHARES BY THE REGISTERED HOLDER HEREOF MADE ON OR BEFORE THE REGISTERED HOLDER SHALL HAVE HELD ALL SHARES PURCHASED UNDER THE OPTION IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE) FOR A PERIOD OF ONE YEAR FROM THE DATE OF EXERCISE OF THE OPTION OR TWO YEARS FROM THE DATE OF GRANT OF THE OPTION.**

25. **Unfunded Status of Awards**. This Plan is intended to be an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Parent, Subsidiary or Affiliate. This Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended. Participants shall have no right, title, or interest whatsoever in or to any investments that the Company and/or its Parent, Subsidiaries or Affiliates may make to aid it in meeting its obligations under this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative, or any other individual

26. **No Employment Rights**. Neither the Plan nor any Award shall confer upon any Employee or Consultant any right with respect to continuation of an employment or consulting relationship with the Company (any Parent, Subsidiary or Affiliate, or any other person or entity), nor shall it interfere in any way with such Employee's or Consultant's right or the Company's (Parent's, Subsidiary's or Affiliate's, or any other person's or entity's) right to terminate his or her employment or consulting relationship at any time, with or without Cause. Unless specifically provided otherwise, no grant of an Award shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Company for the benefit of its employees unless the Company shall determine otherwise

27. **Severability**. If any provision of the Plan or the application of any provision hereof to any person or circumstance is held to be invalid or unenforceable, the remainder of the Plan and the application of such provision to any other person or circumstance shall not be affected, and the provisions so held to be unenforceable shall be reformed to the extent (and only to the extent) necessary to make it enforceable and valid.

28. **Governing Law**. To the extent not governed by federal law, the Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of North Carolina, without regard to the conflicts of law provisions of North Carolina.

29. **Binding Effect**: The terms of the Plan shall be binding upon the Company, and its successors and assigns.

30. **Additional Provisions**. Each Award Agreement may contain such other terms and conditions as the Administrator may determine; provided that such other terms and conditions are not inconsistent with the provisions of the Plan.

31. **Addenda**. The Administrator may approve such addenda to the Plan as it may consider necessary or appropriate for the purpose of granting Awards to Employees or Consultants, which Awards may contain such terms and conditions as the Administrator deems necessary, appropriate or desirable to accommodate differences in state or local law, tax policy or custom, which may deviate from the terms and conditions set forth in this Plan. The terms of any such addenda shall supersede the terms of the Plan to the extent necessary to accommodate such differences but shall not otherwise affect the terms of the Plan as in effect for any other purpose. The Administrator shall be entitled to create, amend or delete any such addenda to this Plan as specified herein.

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IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing Plan was duly adopted by the Board of Directors of the Company on the 25th day of June, 2020 (such approval date, the "**Effective Date**").

AVIDXCHANGE, INC.

By: /s/ Ryan Stahl
Ryan Stahl, Secretary

Appendix A

Right of First Refusal

1. Notice of Proposed Transfer. Prior to any proposed transfer of the Acquired Shares, the Participant shall give a written notice (the "**Transfer Notice**") to the Company describing fully the proposed transfer, including the number of Acquired Shares, the name and address of the proposed transferee (the "**Proposed Transferee**"), the proposed transfer price and all other material terms and conditions of the proposed transfer.

2. Exercise of the Right of First Refusal. The Company shall have the right to purchase all, but not less than all, of the Acquired Shares at the purchase price and on the terms set forth in the Transfer Notice by delivery to the Participant of a notice of exercise of the Right of First Refusal within thirty (30) days after the date the Transfer Notice is delivered to the Company. The Company's exercise or failure to exercise the Right of First Refusal with respect to any proposed transfer described in a Transfer Notice shall not affect the Company's ability to exercise the Right of First Refusal with respect to any proposed transfer described in any other Transfer Notice, whether or not such other Transfer Notice is issued by the Participant or issued by any other person with respect to a proposed transfer to the same Proposed Transferee. If the Company exercises the Right of First Refusal, the Company and the Participant shall thereupon consummate the sale of the Acquired Shares to the Company on the terms set forth in the Transfer Notice; provided however, that if the Transfer Notice provides for the payment for the Acquired Shares other than in cash, the Company shall have the option of paying for the Acquired Shares by the discounted cash equivalent of the consideration described in the Transfer Notice as reasonably determined by the Administrator. For purposes of the foregoing, cancellation of any indebtedness of the Participant to the Company shall be treated as payment to the Participant in cash to the extent of the unpaid principal and any accrued interest cancelled.

3. Failure to Exercise the Right of First Refusal. If the Company fails to exercise the Right of First Refusal within the period specified in Paragraph 2 above, the Participant may conclude a transfer to the Proposed Transferee of the Acquired Shares on the terms and conditions described in the Transfer Notice, provided such transfer occurs not later than one hundred twenty (120) days following delivery to the Company of the Transfer Notice. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Participant, also shall be subject to the Right of First Refusal and shall require compliance by the Participant with the procedure described in this Appendix A.

4. Transferees of the Transfer Shares. All transferees of the Acquired Shares or any interest therein, other than the Company, shall be required as a condition of such transfer to agree in writing (in a form satisfactory to the Company) that such transferee shall receive and hold such Acquired Shares or interests subject to the provisions of this Appendix A providing for the Right of First Refusal with respect to any subsequent transfer.

5. Transfers Not Subject to the Right of First Refusal. The Right of First Refusal shall not apply to any transfer or exchange of the Acquired Shares if: (i) such transfer is in connection with a Transfer of Control; (ii) such transfer is to one or more members of the Participant's immediate family (or a trust for their benefit) provided all such transferees agree in writing to the restrictions of Paragraph 4; or (iii) such transfer has been approved by the Administrator, which approval may be granted or withheld in its sole discretion.

6. Assignment of the Right of First Refusal. The Company shall have the right to assign the Right of First Refusal at any time.

7. Stock Dividends Subject to First Refusal Right. If, from time to time, there is any dividend, stock split, recapitalization, reclassification or other change in the character or amount of any of the outstanding stock of the Company, the stock of which is subject to the provisions of an Award Agreement issued pursuant to the Plan, then, in such event, any and all new substituted or additional securities to which the Participant is entitled by reason of the Participant's ownership of the Acquired Shares shall be immediately subject to the Right of First Refusal with the same force and effect as the shares subject to the Right of First Refusal immediately before such event.

8. Early Termination of the Right of First Refusal. The other provisions of this Appendix A notwithstanding, the Right of First Refusal shall terminate, and be of no further force and effect, upon the earlier of (i) the occurrence of a Transfer of Control, unless the surviving, continuing, successor, or purchasing corporation, as the case may be, assumes the Company's rights and obligations under the Plan or (ii) the existence of a public market for the class of shares subject to the Right of First Refusal. A "public market" shall be deemed to exist if (x) such stock is listed on a national securities exchange (as that term is used in the Exchange Act) or (y) such stock is traded on the over-the-counter market and prices therefor are published daily on business days in a recognized financial journal.

9. Escrow. To ensure Shares subject to Right of First Refusal will be available for repurchase, the Company may require a Participant to deposit certificates evidencing the Acquired Shares in escrow with the Company or an agent of the Company.

Exhibit 10.21

Pursuant to 17 CFR 229.601, certain identified information marked "[**]" has been excluded from this exhibit because it is both (i) not material and (ii) is the type the registrant treats as private and confidential and would be competitively harmful if publicly disclosed.

Comdata MasterCard Corporate Virtual Card® Agreement

CUSTOMER INFORMATION **Agreement #:_____**

Address: 1210 AvidXchange Lane

City: Charlotte State: NC Zip: 28206

This Comdata MasterCard Corporate Card Agreement is made and entered into by and between Comdata Inc. ("Comdata") and the Customer named below relating to the establishment of MasterCard account(s) with Comdata pursuant to the terms and conditions set forth herein. This Agreement consists of (i) this Cover Page, (ii) the General Terms and Conditions attached hereto, and (iii) any Service Schedules attached hereto (collectively, the "Agreement").

MONTHLY INCENTIVE:

Net interchange on Virtual Cards minus the Comdata service fee (which includes Mastercard dues, fees and assessments) in basis points as set forth in the table below. Comdata shall pay the net interchange received by Comdata on Virtual Cards minus the basis points as determined in the Comdata Service Fee column for the applicable Agreement Year.

Agreement Year	Comdata Service Fee
Year 1: Beginning December 1, 2020	[**] basis points on spend volume on virtual Cards
Each Calendar Year after Year 1 (i.e., calendar years 2021, 2022 and 2023)	[**] basis points on Virtual Card spend volume for the applicable calendar year [**].

[**]

The parties, intending to be legally bound, have caused this Agreement to be signed by their authorized representatives below.

ACCEPTED AND AGREED:

CUSTOMER: AVIDXCHANGE, INC.

By: /s/ Michael Praeger

Name: Michael Praeger
Title: CEO
Date: Dec 23, 2020

COMDATA INC.

By: /s/ Richard N. Fletcher

Name: Richard N. Fletcher
Title: President, Comdata Corporate Payments
Date: Dec 23, 2020

General Terms and Conditions

1. Nature of Account and Card Use. Comdata will provide Customer with one or more accounts through the use of which Customer may access the financial information and other services provided for in this Agreement and any Schedules attached hereto (collectively, the "Account"). In connection with the Account, Comdata, in accordance with Customer's request, shall provide special Comdata®MasterCard Corporate Cards which are virtual cards (collectively, "Cards"), and which are issued by Regions Bank, headquartered in Birmingham, Alabama, or another financial institution ("Issuing Bank"). For the avoidance of doubt, absent written agreement by Customer to the contrary, all Cards provided under this Agreement will be exclusively Mastercard branded cards. Comdata is an agent or representative of Issuing Bank or its affiliates. All Cards issued under this Agreement shall remain the property of the Issuing Bank and must be returned or destroyed (with certification of destruction) upon request. The Issuing Bank or Comdata may cancel, revoke, repossess or restrict the use of Cards at any time. Comdata agrees to use commercially reasonable efforts to gain Issuing Bank's agreement to provide Customer with multiple dedicated BINS, including large commercial credit and commercial prepaid and such other BINS as Customer may reasonably request. Comdata agrees that it will exercise reasonable care in the performance of its obligations under this Agreement, and that all virtual card payment and other services provided by Comdata to Customer will be provided in a timely and professional workmanlike manner consistent with all applicable laws and the documentation, if any, provided with such services and in accordance with the Service Levels attached to this Agreement as Schedule I. Comdata agrees that is shall remain PCI-DSS compliant in accordance with the requirements of its Issuing Bank. Comdata will be responsible for its processing errors and shall promptly correct any such errors.

2. Customer Representations and Warranties. Customer represents and warrants the following:

- Customer is a commercial enterprise, and the Account and Cards will not be used for personal, household or consumer purposes;
- Customer shall not accept cash or currency from its customers located in the United States ("Participants") and all funds received from a Participant related to any use of the Account or Cards under this Agreement shall be from electronic funds transfers initiated from a United States financial institution;
- Customer is registered with FinCEN as a money service business and is a licensed money transmitter solely for its commercial business to business domestic bill payment business. Customer further represents and warrants that it is not either (i) a currency exchanger of cryptocurrency, currency dealer of cryptocurrency, or transmitter of cryptocurrency or (ii) a foreign money services business, and (iii) it does not deal in cash transactions.
- Customer represents that states in which they are so licensed or registered as money service business that the primary business will be below 50% or more of gross revenue until March 30, 2021.
- The Account and Cards will be used for legitimate business charges only and Customer will have neither consumer law rights nor remedies available to consumers associated with any purchases, charges or other activity associated with the Cards;
- The Account and Cards will be used only for legitimate business expenses of Participants and will not be used for any other purpose;
- The Account and Cards will only be used for valid and lawful purposes and will not be used for gambling, online gaming, illicit drug transactions, or any unlawful purposes including without limitation (i) other illegal purchases of goods or services, regardless of whether such transaction violates the laws applicable in the territory where the transaction was initiated or merchant is located, or (ii) purchases that are prohibited by local law; and
- The Account and Cards will not be used in any way that would cause Comdata or Issuing Bank to violate applicable Law.

If Customer uses, or allows someone else to use, the Account or Cards in violation of the above representation and warranties,

Customer shall be responsible for such use and may be required to reimburse Comdata, the Issuing Bank, and MasterCard International Incorporated ("MasterCard") for all amounts or expenses either Comdata, the Issuing Bank or MasterCard pays as a result of such use.

Schedule 2 sets forth the current and anticipated funds flow related to Card funding.

3. Credit Limit; Credit Information. If applicable, Comdata will establish a credit limit for the Account. The credit limit is subject to periodic review and adjustment by Comdata in accordance with current credit policies, at its sole discretion. Customer shall provide Comdata with such financial information as Comdata may reasonably require, including, without limitation, annual financial statements within a reasonable time after Customer's fiscal year-end and interim financial statements as requested by Comdata, provided, that Comdata agrees to employ reasonable restrictions regarding the review and use of such information. Customer authorizes Comdata to make any credit investigation Comdata deems necessary and appropriate and to request reports from credit bureaus in connection with this Agreement or any update, renewal or extension of credit. Comdata may furnish information with respect to Customer's Account to credit bureaus or others who may properly receive such information. Customer shall repay Comdata for all credit extended by Comdata and shall not allow its unpaid balance, including unbilled transactions, fees and other charges on the Account, to exceed its credit limit at any time. If Customer exceeds its credit limit, then Comdata may require immediate payment, suspend further Service, and assess additional fees.

4. Payment Terms. (a) *Non-Revolving.* Customer shall be responsible for credit extended on the Account. This is not a revolving credit account and the total amount shown on each Account statement (the "Total Amount Due") is due and payable by the date shown on the Account statement. This amount includes transactions posted since the last statement date, applicable account and service fees, amounts past due, late payment charges, charges for returned checks and other applicable charges. [**]

(b) [**]

(c) *Returned Payment.* Comdata reserves the right to charge a returned payment fee of [**] or the maximum amount permitted under applicable law, whichever is less.

5. Statements; Reporting. Billing statements and reports are available on-line and Comdata shall provide to Customer the reporting set forth on Schedule I on a daily basis via FTP. Customer understands and agrees that Comdata may filter data received from merchants from time to time as necessary to provide complete reporting information to Customer when the merchant is unable to deliver complete purchase detail.

6. Term; Change of Terms; Termination. This Agreement shall be effective upon execution by both the parties (the "Effective Date") and shall continue until December 31, 2023 ("Initial Term"). Thereafter this Agreement shall automatically renew for consecutive, successive terms of thirty (30) days each, unless and until one party provides notice of non-renewal to the other party not less than thirty (30) days prior to the end of the then-existing term, or unless terminated earlier pursuant to the terms hereof. During any such automatic renewal term, the Comdata Service Fee shall be the fee charged for

the calendar month immediately preceding the commencement of such renewal term and no minimum spend volume shall apply. Notwithstanding the foregoing, Comdata may change the terms of this Agreement at any time, including, without limitation, in the event of any future changes to applicable law or the interpretation thereof or changes in the network rules, and will notify Customer of any such changes; provided that Comdata may not revise the Cover Page or the financial terms of this Agreement without the prior written consent of Customer, including incentive amounts. Comdata will provide Customer with at least thirty (30) days prior notice (unless a shorter period of time is required by MasterCard, Issuing Bank or Applicable law) of any such changes, unless such changes affect only Customer, in which case Comdata will provide Customer with at least one hundred eighty (180) days prior written notice. Retention or use of the Account after the date of any such change will constitute acceptance of the new terms. If Customer does not agree to any such change, Customer may terminate this Agreement by notifying Comdata before the date of the change, returning all Cards to Comdata or destroying all Cards and paying what is owed under the terms of this Agreement. This Agreement may

be terminated in the event of a default under Section 8 below, and immediately in the event that MasterCard prohibits the Service, the Issuing Bank ceases to be a network member or the Issuing Bank ceases to be the Card issuer, provided that Comdata shall endeavor to provide Customer with advance notice of any such event. Additionally, this Agreement may be terminated by Comdata if there has been no activity on Customer's Account for a period of one year or longer. Customer's obligation to pay for all outstanding amounts incurred before the date of termination shall survive termination.

7. Disputed Items. Customer must notify Comdata in writing of any disputed item on Customer's billing statement within sixty (60) days from the date of the billing statement, or it will be deemed undisputed and accepted by Customer. Unless required by law, Comdata is not responsible for any problem Customer may have with any goods or services charged on the Account. If Customer has a dispute with a merchant, Customer must pay Comdata and attempt to resolve the dispute with the merchant prior to sending the dispute to Comdata. If Customer is unsuccessful in resolving the dispute directly with the merchant, Comdata will attempt to process the dispute through MasterCard subject to the MasterCard rules, as they may be changed from time to time in MasterCard's sole discretion. Comdata is not responsible if any merchant refuses to honor Cards. Comdata shall be responsible for all payment items disputed by Customer to the extent caused by Comdata's processing errors, breach of this Agreement, negligence or intentional misconduct.

8. Default and Remedies. In the event of Customer's default under this Agreement, including, without limitation, failure to comply with the credit limit and payment terms provisions hereof, Comdata shall have the right to immediately suspend the Account until such breach is cured. In the event any such breach or default is not cured within a reasonable period of time, then Comdata may thereafter terminate this Agreement. In the event of Comdata's default under this Agreement, Customer shall provide Comdata written notice of the nature of the default. Comdata shall have thirty (30) days from the date of the default notice to cure the default (if such default is capable of cure), and if the default is not cured within such time period, then the Customer may thereafter terminate this Agreement without further notice.

9. Account Access. (a) *Access*. Customer's representatives shall access the Account only as required to administer Customer's Card program and for no other purpose.

(b) *Unauthorized Access to Account.* Customer agrees to notify Comdata immediately of any unauthorized use of, or access to, the Account or any passwords or other security codes or procedures used to access the Account or Comdata's system. To the fullest extent permitted under applicable law, Customer acknowledges and agrees that it is liable for unauthorized or fraudulent use of the Account until it has notified Comdata of such unauthorized access or use.

(c) *Lost or Stolen Cards*. Customer will not be liable for unauthorized charges on a Card that occur after Customer notifies Comdata of the loss or theft of such Card

10. Limitation of Liability. Comdata shall not be liable for any failure to perform due to acts of God, acts of government or MasterCard or regulatory bodies which significantly inhibit or prohibit the Service, wars, acts of terrorism, fires, floods, explosions, natural catastrophes, civil disturbances, strikes, riots, unusually severe weather (such as tornadoes), or failures or fluctuations in electrical power, heat, light, air conditioning, computer or telecommunications services or equipment or any other cause not within the reasonable control of Comdata. COMDATA'S SOLE RESPONSIBILITY, AND CUSTOMER'S SOLE REMEDY, FOR DAMAGES FOR ERROR, DELAY, OR ANY ACTION OR FAILURE TO ACT SHALL BE LIMITED TO DIRECT MONEY DAMAGES IN AN AMOUNT NOT TO EXCEED THE TOTAL ISSUER REVENUE DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE LOSS; PROVIDED, HOWEVER, THE FOREGOING, LIMITATION OF LIABILITY SHALL NOT APPLY TO COMDATA'S FRAUD OR WILLFUL MISCONDUCT. EXCEPT AS OTHERWISE SET FORTH HEREIN, IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES, REGARDLESS OF WHETHER SUCH PARTY WAS MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT AS OTHERWISE SET FORTH HEREIN, COMDATA MAKES NO REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. FOR THE PURPOSES OF THIS PROVISION, "ISSUER REVENUE" SHALL MEAN THE PORTION OF MASTERCARD INTERCHANGE RECEIVED AND RETAINED BY COMDATA WITH RESPECT TO CUSTOMER'S SPEND UNDER THIS AGREEMENT EXCLUDING ANY INCENTIVE OR REBATE AMOUNTS PAID TO CUSTOMER, CHARGE BACKS, AND/OR CREDIT LOSSES.

11. Confidentiality; Proprietary Rights; Security. Comdata and Customer agree and covenant to each other that they shall not, during the performance of this Agreement or at any time after the termination or expiration hereof, use or disclose to any third party, other than during the proper performance of their duties hereunder and subject to commercially reasonable obligations of confidentiality, the confidential and proprietary information of the other party hereto ("Confidential Information"), including but not limited to the rates, terms and conditions of this Agreement; technical information; financial information; transaction information; or any of the procedures, practices or confidential dealings of the other party hereto. Confidential Information that is not marked as such is nonetheless subject to this provision if a reasonable person would consider the information to be confidential or proprietary given the nature or type of information or circumstances of disclosure. Confidential Information does not include information that: (i) is or becomes a part of the public domain without the fault of the receiving party; (ii) is provided to the receiving party by a third party on a non-confidential basis; or (iii) is independently developed by the receiving party without the benefit of the Confidential Information. Notwithstanding the foregoing, the parties agree that the receiving party may disclose the Confidential Information of the disclosing party to the extent required to comply with applicable law, rule, regulation, listing exchange requirement or legal process or by a governmental or other regulatory body having jurisdiction, provided each party takes reasonable steps, when permissible, to notify the other party prior to such disclosure. Customer acknowledges and agrees that the application software developed, utilized and maintained by Comdata, the internal hardware utilized by Comdata, the internal operating procedures employed by Comdata, technical information, such as file record layouts, and transaction information, including without limitation Comdata card numbers and any data or information gathered by Comdata, whether at the point-of-sale or otherwise, are solely Comdata's Confidential Information and as such are the exclusive and proprietary property of Comdata. Comdata acknowledges that all information disclosed by Customer concerning its technology; security; business, computing and operational processes; and financials are Customer's Confidential Information and as between Customer and Comdata, constitute the sole and exclusive property of Customer. Comdata further acknowledges that Customer's Confidential Information also includes information concerning its customers and such information is expressly subject to these obligations of confidentiality. For clarification, vendor/acceptor/supplier information is not Customer's Confidential Information provided that it is not identified with any Client obtaining Cards. The BINs (Bank Identification Numbers) assigned to the Cards are the property of the Issuing Bank. Promptly upon expiration or termination of this Agreement, the receiving party shall return or destroy all of the disclosing party's Confidential Information and any materials in which it is embodied except as may be required for the receiving party to comply with applicable law and/or its compliance obligations (including compliance obligations imposed by its partner banks or Networks), subject to these ongoing obligations of confidentiality; and further provided that, Confidential Information or materials containing Confidential Information in electronic form within the receiving party's computing environment may be retained, subject to the terms and conditions of this Agreement, until destroyed in the ordinary course of business in accordance with the receiving party's document retention and destruction policies. Except as otherwise required herein, these obligations of confidentiality shall survive expiration or termination of the

Agreement for a period of five (5) years or for such longer period as may be permitted or required by applicable law. Notwithstanding anything to the contrary herein, any cardholder records (including cardholder transactional data) are records of the Issuing Bank and Customer may not place restrictions/requirements herein on their use, retention, disclosure, destruction or deletion on the Issuing Bank or its service providers, including Comdata. Any cardholder records which are shared with Customer shall remain confidential after the termination/expiration of this Agreement. Each party will promptly notify the other party in the event there is an unauthorized disclosure of cardholder records in violation of this Agreement.

Comdata shall at all times maintain administrative, physical and technical safeguards consistent with industry standards for the confidentiality, integrity, security, availability, retention and disposal of all data of Customer. Comdata agrees to provide to Customer upon request, but not more than once annually, the most recent PCI-DSS attestation of compliance and SOC 2 Type II audit report and to complete a vendor questionnaire to enable Customer to conduct its standard vendor due diligence.

12. Intellectual Property. Comdata acknowledges and agrees that Customer owns certain proprietary technology and other intellectual property rights related to Customer's business (the "Customer Technology"). Nothing in this Agreement will be deemed to constitute or result in an assignment or a license to Comdata of any of the Customer Technology or in the creation of any equitable right or interest therein or to grant Comdata any right to use the Customer

Technology. All legal rights in the Customer Technology, all improvements and modifications to the Customer Technology, and all copyrights, trademark rights and patent rights related thereto, will belong exclusively to Customer. Comdata agrees never to challenge, or to assist in any challenge of, the validity of the Customer Technology. Furthermore, neither Comdata nor any affiliate or subsidiary shall (i) decompile, disassemble, duplicate or reverse engineer any Customer Technology,

(ii) attempt to discover the source code, design, architecture or other trade secret characteristics or other information relating to the Customer Technology, or (iii) lease, lend, or rent the Customer Technology or otherwise make the functionality of the Customer Technology available to third parties. Customer acknowledges and agrees that Comdata owns certain proprietary technology and other intellectual property rights related to Comdata's business (the "Comdata Technology"). Nothing in this Agreement will be deemed to constitute or result in an assignment or a license to Customer of any of the Comdata Technology or in the creation of any equitable right or interest therein or to grant Customer any right to use the Comdata Technology, except as contemplated by this Agreement. All legal rights in the Comdata Technology, all improvements and modifications to the Comdata Technology, and all copyrights, trademark rights and patent rights related thereto, will belong exclusively to Comdata. Customer agrees never to challenge, or to assist in any challenge of, the validity of the Comdata Technology. Furthermore, neither Customer nor any affiliate or subsidiary shall (i) decompile, disassemble, duplicate or reverse engineer any Comdata Technology, (ii) attempt to discover the source code, design, architecture or other trade secret characteristics or other information relating to the Comdata Technology, or (iii) lease, lend, or rent the Comdata Technology or otherwise make the functionality of the Comdata Technology available to third parties. Comdata grants Customer a limited, non-exclusive license to use the Comdata Technology during the term of this Agreement solely for Customer's internal business purposes and for the provision of services to Participants in connection with the services provided by Comdata pursuant to this Agreement.

13. Indemnification. Each party (the "Indemnifying Party") agrees to defend, indemnify and hold the other party (the "Indemnified Party") harmless from and against any and all liability arising from or related to third-party claims alleged or made against the Indemnified Party and resulting from (i) the Indemnified Party's proper use of or access to the Indemnifying Party's technology (as applicable and defined in Section 13 above, either "Customer Technology" or "Comdata Technology"), including claims of patent, trademark or copyright infringement, misappropriation of trade secrets or other proprietary rights, or (ii) the acts of its employees or agents, which acts shall include but are not limited to negligent acts and willful misconduct of such persons, or from the breach by a party of its obligations under this Agreement. For purposes hereof, any person who is given authorization by Customer to access Customer's Account using Customer's codes, passwords or other security codes or procedures shall be deemed an employee or agent of Customer. The Indemnified Party shall give the Indemnifying Party prompt written notice of any claim for which it seeks indemnification hereunder, reasonable assistance in the defense of the claim and exclusive authority to defend, compromise or settle the claim, so long as no such settlement or compromise places any obligations on, or waives any rights of, the Indemnified Party without its prior written consent. Each party's indemnification obligations set forth in this Section shall be limited to the total Issuer revenue received during the twelve (12) month period immediately preceding the date the third-party claim is alleged or made. Neither party shall have any obligation to indemnify the other party for the other party's negligent acts or omissions or breaches of this Agreement.

14. Right of Setoff and Recoupment. Comdata shall have the right to setoff and apply any amounts owing by Comdata to Customer against any amounts owing from Customer to Comdata pursuant to any Agreement between Comdata and Customer or any amounts in the possession of or under the control of Comdata.

15. Non-Solicitation. The parties acknowledge that they both provide payment processing services to businesses ("Competitive Services"). Each party agrees that it will not use the other party's Confidential Information to directly or indirectly solicit a customer of the other party for its Competitive Services. It shall not be a violation of the foregoing for a party to (i) engage in discussions with the other party's customer if such customer acquires a customer of such party; or (ii) respond to the other party's customer regarding its Competitive Services when the customer makes the initial contact with such party, including by way of example, a response to such customer's request for proposal, or when such customer responds to general advertising by a party that is not specifically targeted to such customer (e.g., trade shows, marketing campaigns).

15A. Acquired Relationship Business. If Customer acquires a business with a Comdata relationship ("Relationship Business") that has clients that use Comdata virtual cards as a result of such Relationship Business' contractual relationship with Comdata or its affiliates ("Relationship Clients"), Customer agrees that it will comply, or cause such Relationship Business to comply, with all terms of such contract between Comdata and the Relationship Business following such acquisition for the remainder of the then current term of such contract. [**]

16. Monitoring and/or Recording Communication. Customer understands and agrees that Comdata may, in the performance of any customer support obligations, monitor and/or record any telephone calls by Customer or its employees and/or agents without any further notice for quality control and/or training purposes. Customer hereby consents to Comdata's monitoring and/or recording of any customer service telephone calls with Customer or its employees and/or agents. Customer hereby consents to Comdata's monitoring and/or recording of any telephone calls and communications with Customer or its employees and/or agents. Customer acknowledges and understands Comdata may not record all telephone calls or communications, and Comdata does not guarantee that recordings of any particular telephone calls or communications will be retained or be capable of being retrieved.

17. Taxes. Each party shall be responsible for filing and paying any tax liability it may have with respect to this Agreement. Customer is solely responsible for any and all tax related obligations in connection with using the Account or Cards or related services, including, without limitation, proper withholding and reporting. Each party agrees to indemnify and hold the other party and its affiliates harmless from any and all liabilities, including interest and penalties, which are or may be imposed on such party or any of its affiliates pursuant to any such federal, state and local tax laws and regulations.

18. Press Releases, Publicity, Etc. Neither party shall issue any press release or disseminate similar publicity or other information regarding this Agreement or the Service for Customer or utilize the trademarks, service marks, trade names or logos of the other party, or in the case of Customer, the Issuing Bank or the Networks, including, without limitation, web site information instructional or marketing materials or brochures, without the express prior written approval of the other party, Issuing Bank or the Networks, as appropriate.

19. Independent Contractors. None of the provisions of this Agreement is intended to create nor shall be deemed or construed to create any relationship between the parties hereto other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. Neither of the parties hereto, nor any of their respective employees, shall be construed to be the employer of the other. Customer and Comdata agree that Comdata is only providing services under this Agreement as an independent contractor.

20. Notices. All written notices required to be given by this Agreement shall be deemed to be duly given if delivered personally or sent by U.S. certified mail, facsimile or overnight courier to Comdata, 5301 Maryland Way, Brentwood, TN 37027, attention: President, or to Customer at the address listed on the Cover Page of this Agreement to the attention of Customer's legal department.

21. Custom Services. To the extent Customer requires custom services, including, without limitation, custom reporting, data loads, dashboards, report distribution, training and other custom development work, Comdata may provide such custom services pursuant to a statement of work agreed to and executed by the parties. Such statement of work will include a description of the scope of services to be performed by Comdata and an estimated cost for such custom services based on Comdata's applicable standard hourly rates in effect at the time of service.

22. Government Regulation. IMPORTANT INFORMATION ABOUT PROCEDURES FOR BEING A COMDATA CUSTOMER- To help the government fight the funding of terrorism and money laundering activities, federal law requires Comdata to obtain, verify, and record information that identifies Customer (and any guarantor or co-maker) as part of initial and on-going customer review processes. Therefore, Comdata may, at Comdata's option, require Customer to provide various identifying information that will allow Comdata to properly identify Customer, which may include but not be limited to name, address, taxpayer identification number, and other information. Customer represents and covenants that (a) Customer (and any Vendor to whom it provides a card on behalf of its client(s)) is not currently and shall not become subject to any law, regulation or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits Comdata (i) in the case of Customer, from making any advance or extension of credit to Customer or (ii) in the case of Customer or Vendors, from otherwise conducting business with Customer or such Vendor, and (b) Customer shall provide to Comdata, MasterCard and Issuing Bank, when requested, documentary and other evidence of Customer's identity or the identity of any person to whom Customer provides a Card, so that Comdata may comply with any applicable law or regulation or Comdata's AML Policy. In addition, Customer will provide to Comdata and Issuing Bank the identity of any Participant (including, but not limited to, name, address, and taxpayer identification number) so that Comdata may comply with any applicable law or regulation or Comdata's AML Policy.

23. Exclusivity. [Intentionally Omitted].

24. Monthly Incentive. For transactions settled through the MasterCard network, an incentive will be paid to the Customer as forth on the Cover Page hereto. The incentive is paid monthly and is calculated each month based on the Customer's previous month's spend volume, net of any charge backs, and credit losses.

25. Miscellaneous. (a) This Agreement shall be exclusively governed by the laws of the State of Tennessee without regard to the choice of law rules of such state. (b) Failure to insist upon strict compliance with any of the terms or conditions of this Agreement shall not be deemed a waiver of such term or condition, nor shall waiver or relinquishment of any right or power hereunder at any time be deemed a subsequent waiver or relinquishment of such right or power. (c) This Agreement, including the Cover Page, these General Terms and Conditions, and any other exhibits, schedules or addenda attached hereto and made a part hereof, constitutes the entire agreement of the parties with respect to its subject matter; supersedes all prior agreements and understandings, oral or written, of the parties with respect to this subject matter; and except as expressly set forth herein, may only be modified by a writing signed by Comdata and Customer. (d) The parties shall be bound by and comply with all applicable laws and regulations, including without limitation, regulations regarding privacy and money transmission ("applicable law") and all payment network rules, guidelines, requirements, and prohibitions ("network rules") pertaining to their respective obligations hereunder and use of the Account and Card(s). Customer shall permit Comdata to reasonably investigate or audit Customer's compliance with applicable law and network rules regarding Customer's use of the Account and Card(s). (e) Any provision of this Agreement that by its nature is intended to survive termination of this Agreement shall so survive and shall remain enforceable after such termination. (f) The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. (g) In case one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired hereby. (h) No provision of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, having fully participated in the negotiation of this Agreement, hereby agree that this Agreement shall not be subject to the principle that a contract would be construed against the party which drafted the same. (i) This Agreement is for the benefit of Comdata, its successors and assigns, and may be assigned by Comdata without the consent of Customer. Comdata will provide notice of any such assignment. Customer may not transfer or assign this Agreement without the prior written consent of Comdata, which consent shall not be unreasonably withheld. In the event that Comdata does not consent to any transfer or assignment of this Agreement by Customer on the same terms and conditions, then Customer, at its option, may terminate the Agreement, without penalty on written notice to Comdata and shall pay Comdata the Service Fees due and owing for Services provided up to the date of termination. If Comdata does not consent to such transfer or assignment because the intended assignee is either (i) a competitor to Comdata or (ii) a business that the Issuing Bank will not work with because it is a prohibited business for such bank , and Customer elects to terminate the Agreement, then Customer agrees to pay Comdata an amount equal to (i) the Comdata Service Fee set forth on the Cover page multiplied by the Minimum Committed Volume not met for the then current year plus (ii) for each year remaining in the term of the Agreement, the Comdata Service Fee set forth on the Cover page multiplied by the Minimum Committed Volume for such year. (m) The parties acknowledge and agree that electronic records and signatures shall have the full legal effect of a written record and manual signature.

26. Termination of Prior Agreement. Upon the execution of this Agreement by Comdata and Customer, the Comdata MasterCard Corporate Card Agreement, dated July 26, 2013, as amended, between Comdata and Customer (the "Prior Agreement") shall terminate and be superseded by this Agreement. Upon execution of this Agreement, Customer shall owe to Comdata a one time "buyout" payment of $[**] payable within sixty (60) days of the date of execution of this Agreement. Retention of the foregoing buyout payment is conditioned upon fulfillment of the entire Initial Term of this Agreement, unless this Agreement is terminated early by Comdata as a result of Customer's material breach of its obligations hereunder. In the event of termination of this Agreement by Comdata for any reason other than Customer's material breach prior to the expiration of the Initial Term. Comdata agrees to repay such buyout amount on a pro rata basis.

27. [**]

28. Agreement to Amend. The parties agree to amend the Agreement to include additional obligations with respect to a possible change in funding of Virtual Cards. Within ten (10) days following the Effective Date, the parties shall designate representatives to work together on the foregoing matter and shall use commercially reasonable efforts to execute one or more amendments to incorporate additional agreed upon obligations with respect thereto by March 31, 2021.

[Fee Schedule and Service Schedule Follow]

FOR INTERNAL USE ONLY:

Virtual Card Transactions:

Billing Terms: 1 day(s) *Payment Terms: 1 day(s)*

Schedule 1
Service Levels

[**]

Schedule 2
Funds Flow

[**]

Exhibit 10.22

Pursuant to 17 CFR 229.601, certain identified information marked "[**]" has been excluded from this exhibit because it is both (i) not material and (ii) is the type the registrant treats as private and confidential and would be competitively harmful if publicly disclosed.

Financial Technology Partners LP | FTP Securities LLC ***Securities Offered Through FTP Securities LLC***

One Front **Street 31st Floor | San Francisco CA 94111**

PERSONAL AND CONFIDENTIAL

February 19, 2021

Michael Praeger
Chief Executive Officer and Co-Founder
AvidXchange, Inc.
1210 AvidXchange Lane
Charlotte, NC 28206

Dear Mike:

We are pleased to amend and restate the arrangements under which Financial Technology Partners LP and FTP Securities LLC and their successors (together, "**FT Partners**") are engaged by AvidXchange, Inc. (the "**Company**") as its exclusive financial and strategic advisor in connection with one or more possible Transactions (as defined in Annex B, which, along with Annex A, is incorporated by reference into this Amended and Restated Engagement Letter) involving the Company.

1. Recitals.

WHEREAS, the Company and FT Partners are parties to that certain engagement letter by and between the Company and FT Partners, dated August 24, 2010 (the "**Original Engagement Letter**");

WHEREAS, the Company has requested that FT Partners amend and restate the Original Engagement Letter by entering into this Amended and Restated Engagement Letter (the "**Amended and Restated Engagement Letter**");

WHEREAS, FT Partners is willing to amend and restate the Original Engagement Letter in consideration of the Company entering into this Amended and Restated Engagement Letter and simultaneously paying to FT Partners an amount in cash equal to $50,000,032.91, which amount is in consideration of this amendment and restatement and is not contingent upon any future services by FT Partners; *provided* that FT Partners and the Company have further agreed that FT Partners will invest such amount in shares of common stock, par value $0.001 per share, of the Company at a price per share of $49.012, for a total issuance of 1,020,159 shares of common stock (the "**Share Issuance**"), which Share Issuance is being effected concurrently herewith pursuant to the subscription agreement attached as Annex C (the "**Subscription Agreement**");

WHEREAS, the parties acknowledge that, as of the date of the Amended and Restated Engagement Letter, neither party has failed to perform any of its obligations under the Original Engagement Letter or otherwise breached the Original Engagement Letter, and the Company acknowledges that the services performed by FT Partners under the Original Engagement Letter have at all times been performed to the complete satisfaction of the Company;

Initials:
Company _____ FT Partners _____

WHEREAS, the parties acknowledge that with the execution of this Amended and Restated Engagement Letter and the simultaneous Share Issuance under the Subscription Agreement, all obligations under the Original Engagement Letter shall be considered satisfied (for the avoidance of doubt, nothing contained herein shall limit FT Partners' rights to indemnification set forth in the Original Engagement Letter based on actions or omissions arising prior to the date hereof);

WHEREAS, the Company acknowledges that this Amended and Restated Engagement Letter restates in its entirety the Original Engagement Letter, which is hereby terminated and of no further force and effect;

WHEREAS, the Company and FT Partners each acknowledge that they are entering into this Amended and Restated Engagement Letter on an arm's-length basis and that each has had ample opportunity to consult with its respective legal counsel regarding the terms thereof; and

WHEREAS, the Company and FT Partners each acknowledge that they are freely entering into the Amended and Restated Engagement Letter with full knowledge regarding the terms thereof and not in reliance upon any statements made by any other party.

2. Services.

During the term of FT Partners' engagement, and as mutually agreed upon by FT Partners and the Company, FT Partners will provide the Company with overall advisory services regarding analysis and evaluation of strategic options, periodic updates to management and the Company's Board of Directors (the "Board") on key industry transactions, trends and valuations which may impact the Company, financial advice and assistance in connection with a potential Transaction, which may include performing financial analyses, searching for investor(s) or purchaser(s) acceptable to the Company, coordinating meetings with such potential investor(s) or purchaser(s) and assisting the Company in negotiating the financial aspects of the Transaction, as well as any other services we mutually deem appropriate. FT Partners will have conference calls and meetings with the Company as reasonably appropriate in the course of providing such services.

3. Fees.

(a) In consideration of the services being provided by FT Partners hereunder, if one or more Transactions is consummated (i) between the date hereof and the date of the termination of this Amended and Restated Engagement Letter or (ii) during the Tail Period (as defined below), the Company agrees to pay FT Partners a transaction fee (the "**Transaction Fee**") for each such transaction according to the following schedule:

(i) In the case of a Company Sale (as defined in Annex B), the Transaction Fee shall be 1.75% of any Aggregate Consideration (as defined in Annex B);

(ii) In the case of a Capital Raise (as defined in Annex B) occurring (1) prior to such time as the Company completes an IPO (as defined in Annex A) or (2) in conjunction with an IPO, the Transaction Fee shall be [**]% of the gross proceeds of the Capital Raise;

(iii) In the event the Company completes an IPO, the Transaction Fee shall be 1% of the gross proceeds of such IPO (at the offering price, not the underwriters' discounted price), including any option to purchase or place additional shares exercised by the underwriters; and

(ii) After completion of an IPO, in the event the Company completes one or more Follow-On Offerings (as defined in Annex B), the Transaction Fee shall be 1% of the first $500 million of cumulative aggregate gross proceeds on any such Follow-On Offerings (at the offering price, not the underwriters' discounted price), including any option to purchase or place additional shares exercised by the underwriters. After the first $500 million of post-IPO Follow-On Offering proceeds, FT Partners shall have no further right to participate in or to be paid for financial advisory services in connection with a Capital Raise or Follow-On Transaction, absent a new written agreement with the Company.

Initials:
Company _____ FT Partners _____

(b) The Company may engage other financial advisors at any time and from time to time, and notwithstanding any such engagement, FT Partners will use its reasonable best efforts to carry out its obligations under this Amended and Restated Engagement Letter, and will cooperate with such other financial advisors in good faith as directed by the Company.

(c) If in connection with the termination or abandonment of any proposed Transaction occurring during the Term or the Tail Period (as defined below), the Company receives any so called "termination," "break up," "topping" or similar fee or payment (including any judgment for damages or amount in settlement of any dispute as a result of any termination or other failure to consummate any such Transaction) or any profit arising from any shares (or option to acquire shares or assets) of any prospective purchaser or any of its affiliates acquired in connection with any such Transaction, FT Partners shall receive a termination fee equal to 20% of all such fees or profits, net of direct out of pocket expenses (including, without limitation, financing fees, legal fees and investment banking fees) incurred by the Company in connection with any such proposed Transaction other than this termination fee. Such fee shall be payable to FT Partners promptly upon receipt of any such compensation by the Company.

(d) If, in lieu of a Transaction, the Company completes an alternative transaction similar in type or purpose with the assistance of FT Partners, FT Partners and the Company will negotiate in good faith the appropriate compensation for FT Partners, which will take into account, among other things, the custom and practice among investment bankers in similar size and type of transactions.

(e) The Company will pay, or will instruct the purchaser to pay, all fees and expenses payable to FT Partners pursuant to this Amended and Restated Engagement Letter simultaneously with, or prior to, the consummation of the Transaction, as a condition to the closing of such Transaction. In the event the Company or a purchaser fails to timely pay the fees and expenses of FT Partners due hereunder at the times described herein, the unpaid fees and expenses due to FT Partners shall bear interest at the rate of two percent (2%) per month, or the highest rate permitted by law if less, until paid in full. The Company agrees that all payments to be made to FT Partners shall be made in cash in United States dollars; provided, however that if some or all of the consideration to the Company or its members in a Transaction is in the form of securities, FT Partners may, at its sole discretion, elect to receive a portion of the Transaction Fee in such securities in lieu of cash, provided that the relative portion of the Transaction Fee consisting of such securities shall not exceed the relative portion of the Aggregate Consideration consisting of securities. The Company further agrees that all payments to be made to FT Partners hereunder shall be made without deduction for any withholding, value added or other similar taxes, any and all of which, to the extent taxable to FT Partners, shall be the sole responsibility of FT Partners.

(e) If any portion of the Aggregate Consideration is payable to any person or entity after the closing of the Transaction and is either (a) a contingency payment relating to future earnings, revenue or other performance-related targets or (b) amounts held in escrow relating to indemnity holdbacks or any other guaranteed payments (together, "**Contingency Consideration**"), that portion of the Transaction Fee attributable to such Contingency Consideration shall be paid to FT Partners at the same time such Contingency Consideration is actually paid to such person or entity.

4. Expenses.

Regardless of whether or not any Transaction occurs, the Company also agrees to reimburse FT Partners periodically, upon request, and in any event upon consummation of a Transaction or upon termination of this Amended and Restated Engagement Letter, for FT Partners' reasonable, documented out-of-pocket expenses (including the fees and disbursements of legal counsel) arising in connection with any matter referred to in this Amended and Restated Engagement Letter provided that expenses in excess of $500 per expense are communicated and approved in advance by the Company. It is agreed that reasonable expenses for travel and printing of materials for meetings of which the Company is already aware shall be exempt from such advance approval.

Initials:
Company _____ FT Partners _____

5. No Exclusivity.

FT Partners acknowledges that the Company may retain additional financial advisors in connection with any Transaction and may retain one or more underwriters in connection with an IPO or any Follow-On Offering, it being understood that no such retention shall modify the fees due to FT Partners hereunder and FT Partners shall serve as co-lead advisor with equal recognition credit in any Company Sale.

6. Indemnification.

It is the policy and practice of FT Partners to receive indemnification when it is acting as financial advisor on behalf of its clients. Accordingly, the Company agrees to the provisions with respect to indemnification and other matters as set forth in Annex A, which is incorporated by reference into this Amended and Restated Engagement Letter.

7. Term.

(a) This Amended and Restated Agreement is intended to change the basic terms of the parties' relationship, by acknowledging that as the Company has grown, its financial advisory needs have changed. The "**End Date**" is defined as the date that is the earlier of (i) the consummation of a Company Sale or (ii) December 31, 2059. Although we do not anticipate any reason the Company will wish to terminate the engagement, this Amended and Restated Engagement Letter and FT Partners' services hereunder may be terminated by the Company at any time with or without cause immediately upon written notice to FT Partners. In the event that Steve McLaughlin ceases to be an active principal or senior employee of FT Partners or its successor, then (i) at any time after such cessation, the Company may terminate this Amended and Restated Engagement Letter (a "**Key Person Termination**") immediately upon written notice to FT Partners, and (ii) the Tail Period (as defined below) in effect as of the date of such cessation, if any, shall automatically terminate as of such date, and the Company shall have no obligation to pay a Transaction Fee in respect of a Transaction consummated after such date.

(b) Following the termination of this Amended and Restated Engagement Letter for any reason other than as a result of a Company Sale or a Key Person Termination, (i) at or prior to such termination, the Company shall pay FT Partners any unpaid fees and (ii) subject to the provisions of paragraph 5(a) above, FT Partners will be entitled to receive an applicable Transaction Fee any time the Company consummates any Transaction during the Tail Period, whether or not FT Partners is involved in such Transaction. For the avoidance of doubt, FT Partners shall be entitled to such applicable Transaction Fees during the Tail Period regardless of when termination of this Amended and Restated Engagement Letter (other than as a result of a Company Sale or a Key Person Termination) occurs and how long after termination such Transaction takes place. The **Tail Period** is defined as the period beginning on the date of termination of this Amended and Restated Engagement Letter for any reason other than by a Company Sale or a Key Person Termination and ending on the End Date.

(c) The provisions of this paragraph and paragraphs 3 (Fees), 4 (Expenses), 6 (Indemnification), 8(b), (c) and (d) (Cooperation), 10 (Jurisdiction), 12 (Representations) and 13 (Miscellaneous), as well as Annex A and Annex B, shall survive any termination or expiration of this Amended and Restated Engagement Letter.

8. Cooperation.

(a) The Company shall furnish FT Partners with all information and data that FT Partners shall reasonably deem appropriate in connection with FT Partners' activities on the Company's behalf and shall provide FT Partners full access to the Company's officers, directors, employees and professional advisors. During the course of a possible Transaction, the Company agrees to promptly advise FT Partners of all developments materially affecting the Company, such proposed Transaction or the accuracy of the information

previously furnished to FT Partners by the Company. The Company shall furnish to FT Partners a complete set of final documents governing any completed Transaction for retention in FT Partners' internal records. The Company shall also furnish to FT Partners any documentation FT Partners may reasonably request in order to calculate any Transaction Fee due hereunder.

(b) The Company expressly acknowledges that FT Partners in acting pursuant to this Amended and Restated Engagement Letter (i) will be relying on information and data discussed with or provided by the Company and on information and data available from generally recognized public sources without having independently verified the same, (ii) does not assume responsibilities for the accuracy or completeness of any such information, (iii) will not make an appraisal of any assets, liabilities or other financial statements of the Company or any other party, (iv) retains the right to perform due diligence on the Company during the course of the engagement, and (v) has no obligation to advise or opine on any solvency issues.

(c) The Company acknowledges and agrees that FT Partners' advice is for the use and information of the Company's management and Board and only in considering the matters to which this Amended and Restated Engagement Letter relates. Such advice may not be relied upon by any other person including, but not limited to, any security holder, employee or creditor of the Company and may not be used or relied upon for any other purpose. The Company will not disclose such advice to others (except to the Company's legal and accounting representatives who shall be informed of this provision and except as required by law) or summarize or refer to such advice without, in each case, FT Partners' prior written consent. The Company shall be responsible for any breach by any of its representatives of this paragraph. In the event the Company is required by law to make any filings with any governmental authority or any disclosure to any third party, including without limitation the security holders of the Company, which mentions FT Partners or the advice rendered by FT Partners hereunder, such disclosure shall be in a form and substance reasonably satisfactory to FT Partners and its counsel. Without limiting the foregoing, any opinions or advice rendered to the Company's management or Board in the course of the Company's engagement of FT Partners are for the purpose of assisting the Board or management, as the case may be, and do not constitute a recommendation to any stockholder of the Company concerning action that such stockholder might or should take in connection with any proposed Transaction.

(d) It is understood and agreed that FT Partners will act under this Amended and Restated Engagement Letter as an independent contractor with duties solely to the Company. It is understood that FT Partners' responsibility to the Company is solely contractual in nature and nothing in this Amended and Restated Engagement Letter or the nature of FT Partners' services shall be deemed to create a fiduciary or agency relationship between FT Partners and the Company or any other party, including the Company's stockholders.

(e) In providing the services hereunder, FT Partners shall comply with all applicable laws, rules and regulations, including, without limitation, all applicable state and federal securities laws.

9. No Commitment.

It is understood that this Amended and Restated Engagement Letter does not constitute an agreement on the part of the Company to consummate any Transaction or Transactions, and nothing in this Amended and Restated Engagement Letter shall prevent the Company from abandoning or otherwise determining not to proceed with any Transaction. The Company shall have final authority to make all decisions with respect to the Transaction (except those affecting FT Partners' rights and obligations hereunder) including the right to determine whether to proceed with any Transaction.

10. Jurisdiction.

This Amended and Restated Engagement Letter (including Annex A and Annex B hereto) shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws. The Company and FT Partners hereby irrevocably and unconditionally consent to the exclusive jurisdiction of and venue in any New York State or United States Federal Court located in New York County for any action or proceeding arising out of or relating to this Amended and Restated Engagement Letter or the matters

Initials:
Company _____ FT Partners _____

contemplated hereby and the Company and FT Partners hereby irrevocably agree that all claims in respect of such action or proceeding may and shall be heard in such state or federal court. The Company and FT Partners irrevocably consent to the service of any and all process in any such action or proceeding by the mailing of copies of such process to it at its address set forth above. Each of the Company and FT Partners agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the Company and FT Partners further waives any objection to any action or proceeding in such state on the basis of *forum non conveniens*. Notwithstanding anything to the contrary contained herein, nothing in this paragraph is intended to prevent either party hereto from instituting an action in a jurisdiction outside of New York for the sole and exclusive purpose of enforcing a judgment rendered by a New York State or United States Federal Court located in New York County. ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY PROCEEDING ARISING OUT OF OR RELATED TO THE SERVICES OF FT PARTNERS HEREUNDER AND THE TRANSACTIONS CONTEMPLATED HEREBY IS HEREBY WAIVED BY FT PARTNERS AND BY THE COMPANY.

11. Announcements.

The Company acknowledges that FT Partners may, at its option and expense, following the public announcement of a Transaction by the Company, place an announcement in such newspapers, electronic media and periodicals as it may choose, stating that FT Partners has acted as a financial and strategic advisor to the Company in connection with any Transaction. The Company agrees that any press release it may issue (jointly or solely) announcing a Company Transaction will contain a reference to FT Partners' role as financial advisor (or co-lead financial advisor) to the Company in connection with such Transaction.

12. Representations and Warranties.

The Company hereby represents and warrants to FT Partners that (i) it has all requisite corporate and other power and authority to execute, deliver and perform this Amended and Restated Engagement Letter and the Subscription Agreement, (ii) the execution, delivery and performance of this Amended and Restated Engagement Letter and the Subscription Agreement have been duly authorized by all necessary action on the part of the Company, its board of directors and its equity owners, and do not contravene any provision of the Company's Certificate of Incorporation (as amended through the date hereof), Bylaws, Investors' Rights Agreement or any law, decree, order, judgment or contractual restriction binding on the Company or its assets, and (iii) this Amended and Restated Engagement Letter and the Subscription Agreement are valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

13. Miscellaneous.

The terms of that certain confidentiality letter agreement of even date herewith by and between FT Partners and the Company (the "**Confidentiality Agreement**") are hereby incorporated herein by reference.

The Company acknowledges that FT Partners is a financial advisory firm focused exclusively in the financial services and technology sector and as such FT Partners or its affiliates may from time to time effect transactions, for its own account or the account of affiliates or customers, hold positions in securities or options on securities of the Company and other companies which may be the subject of the engagement contemplated by this Amended and Restated Engagement Letter, and may advise or invest in, currently or in the future, companies which may be in competition with or may be potential acquirers or targets of the Company. Although in the course of such engagements, FT Partners may acquire information about the transaction or such other parties, FT Partners shall have no obligation to disclose such information, or the fact that FT Partners is in possession of such information to the Company or to use such information on the Company's behalf, but may not use any Company confidential information in connection with any transactions on behalf of other parties. All securities related transactions will be handled exclusively by FTP Securities LLC, member FINRA / SIPC.

FT Partners does not provide accounting, tax or legal advice. The Company is authorized, subject to applicable law, to disclose any and all aspects of a Transaction that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction, without FT Partners imposing any limitation of any kind.

Initials:
Company _____ FT Partners _____

Unless otherwise agreed in writing by FT Partners, the Company agrees not to solicit the employment of any personnel, employee or sub-contractor of FT Partners, either directly or indirectly, during the term of this Amended and Restated Engagement Letter and a period of three (3) years after its termination, provided that the Company shall not be restricted from hiring any former employee of FT Partners who responds to a public advertisement of employment without any solicitation by the Company.

This Amended and Restated Engagement Letter and the Confidentiality Agreement (a) set forth the entire understanding of the parties relating to the subject matter hereof and thereof and supersede and cancel any prior communications, understandings and agreements between the parties relating to the subject matter hereof or thereof; (b) may not be amended, modified or waived except in writing executed by each of the parties; and (c) may be signed in counterparts (any of which may be by facsimile or other electronic delivery), each of which shall constitute an original and which together shall constitute one and the same agreement. FT Partners may perform its obligations hereunder either directly or through any of its affiliates. This Amended and Restated Engagement Letter (including Annex A and Annex B hereto) and each party's rights and obligations hereunder may not be assigned by either party hereto without the other party's prior written consent. The provisions of this Amended and Restated Engagement Letter shall be binding upon each of FT Partners, the Company and their respective successors and assigns.

Except as set forth in Annex A hereto, nothing in this Amended and Restated Engagement Letter is intended to confer upon any other person (including stockholders, employees or creditors of the Company) any rights or remedies hereunder or by reason hereof.

Each of the Company and FT Partners shall refrain from disparagement or defamation of the other party, and shall use commercially reasonable efforts to cause their respective employees and agents to refrain from such disparagement or defamation, to anyone at any time in the future.

The invalidity or unenforceability of any provision of this Amended and Restated Engagement Letter shall not affect the validity or enforceability of any other provision of this Amended and Restated Engagement Letter, which shall remain in full force and effect pursuant to the terms hereof.

The Company and FT Partners agree that the terms and language of this Amended and Restated Engagement Letter were the result of negotiations between the parties and their respective advisors and, as a result, there shall be no presumption that any ambiguities in this Amended and Restated Engagement Letter shall be resolved against any party. Any controversy over construction of this Amended and Restated Engagement Letter shall be decided without regard to events of authorship or negotiation.

The prevailing party in any dispute to enforce this Amended and Restated Engagement Letter shall be entitled to reasonable attorney's fees, costs, and necessary disbursements.

In addition to any other relief to which a party may be entitled in connection with any dispute arising under or in connection with this Amended and Restated Engagement Letter, the non-prevailing party or parties in any such dispute shall bear and pay the reasonable costs and expenses (including without limitation reasonable attorneys' fees and expenses) incurred by the prevailing or substantially prevailing party in connection with resolving such dispute, however resolved.

[Signature Page Follows]

Initials:
Company _____ FT Partners _____

Please confirm that the foregoing is in accordance with the Company's understanding by signing and returning to us the enclosed copy of this Amended and Restated Engagement Letter, which shall become a binding agreement upon FT Partners' receipt and the simultaneous Share Issuance under the Subscription Agreement. FT Partners is delighted to accept this engagement, and we look forward to working with the Company on this assignment.

Very truly yours,

FINANCIAL TECHNOLOGY PARTNERS LP
FTP SECURITIES LLC

By: _____
Steven J. McLaughlin
Managing Partner

ACCEPTED AND AGREED AS
OF THE DATE FIRST WRITTEN ABOVE:

AVIDXCHANGE, INC.

By: _____
Name: Michael Praeger
Title: Chief Executive Officer and Co-Founder

Initials:
Company _____ FT Partners _____

Annex A

The Company will reimburse FT Partners for its direct, out-of-pocket costs and expenses, including the reasonable fees and expenses of legal counsel, actually incurred in connection with any actual or threatened action, proceeding, claim or investigation brought by or against any person, including stockholders of the Company, which FT Partners has incurred in connection with or as a result of either FT Partners' engagement by the Company or any matter referred to in this Amended and Restated Engagement Letter, whether or not FT Partners is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Company; provided that the Company shall have no obligation to reimburse FT Partners for any such costs or expenses arising directly from the gross negligence or willful misconduct of FT Partners, its representatives or affiliates. The Company also will indemnify and hold FT Partners harmless against any and all losses, claims, damages or liabilities to any such person in connection with or as a result of either FT Partners' engagement or any matter referred to in this Amended and Restated Engagement Letter, except to the extent of any such loss, claim, damage or liability that has been finally determined to have resulted directly from the gross negligence or willful misconduct of FT Partners, its representatives or affiliates. The Company shall not be liable for any settlement of any litigation or proceeding effected without its written consent, such consent not to be unreasonably withheld or delayed

If for any reason the foregoing indemnification is unavailable to FT Partners or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by FT Partners as a result of such loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative economic interests of the Company and its stockholders on the one hand and FT Partners on the other hand in the matters contemplated by this Amended and Restated Engagement Letter, or (ii) if (but only if) the allocation provided for in clause (i) is for any reason held unenforceable, in such proportion as is appropriate to reflect not only the relative economic interests referred to in clause (i) but also the relative fault of the Company, on the one hand, and FT Partners, on the other hand, with respect to such loss, claim, damage or liability as well as any other relevant equitable considerations. The Company agrees that for the purposes of this paragraph the relative economic interests to the Company and FT Partners of a proposed transaction shall be deemed to be in the same proportion that the total value paid, transferred, exchanged or received or contemplated to be paid, transferred, exchanged or received by the Company or its security holders, as the case may be, as a result of or in connection with such transaction bears to the fees paid or to be paid to FT Partners under this Amended and Restated Engagement Letter; provided, however, that if after accounting for the allocation provisions of (i) or (ii) above, FT Partners would retain responsibility for an amount in excess of the aggregate fees actually paid to FT Partners under this Amended and Restated Engagement Letter, then such excess amount shall also be contributed by the Company.

*The reimbursement, indemnity and contribution obligations of the Company under this Annex A shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any affiliate of FT Partners and the partners, directors, agents, employees and controlling persons (if any), as the case may be, of FT Partners and any such affiliate (each such person being an "**Indemnified Person**"), and shall be binding upon and inure to the benefit of any successors, permitted assigns, heirs and personal representatives of the Company, FT Partners, any such affiliate and any such person.*

The Company also agrees that neither FT Partners nor any Indemnified Person shall have any liability to the Company, the stockholders of the Company or any person asserting claims on behalf of or in right of the Company in connection with or as a result of the engagement of FT Partners under this Amended and Restated Engagement Letter, except losses, claims, damages or liabilities incurred by the Company or any such persons that has been finally determined to have resulted directly from the gross negligence or willful misconduct of FT Partners. In no event regardless of the legal theory advanced, shall any Indemnified Person be liable for any consequential, indirect, incidental or special damages of any nature.

Prior to entering into any agreement or arrangement with respect to, or effecting, any proposed sale, exchange, dividend or other distribution or liquidation of all or a significant portion of its assets in one or a series of transactions or any significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Company set forth in this Annex A, the Company will notify FT Partners in writing thereof (if not previously so notified) and, if requested by FT Partners, shall arrange in connection therewith alternative means of providing for the obligations of the Company set forth in this paragraph, including the assumption of such obligations by another party, insurance, surety bonds or the creation of an escrow, in each case in an amount and upon terms and conditions satisfactory to FT Partners. ***The provisions of this Annex A shall survive any termination, expiration or completion of the engagement provided by this Amended and Restated Engagement Letter.***

Initials:
Company _____ FT Partners _____

Annex B

Certain Definitions

As used in this Amended and Restated Engagement Letter, a "**Transaction**" means any of a Company Sale, an IPO, a Capital Raise or a Follow-On Offering. It is contemplated that FT Partners' engagement may involve a series of transactions; each such transaction shall constitute a Transaction entitling FT Partners to a separate Transaction Fee.

As used in this Amended and Restated Engagement Letter, a "**Company Sale**" means, whether effected in one transaction or a series of transactions, any merger, consolidation, restructuring, reorganization, recapitalization, joint venture, exchange or other transaction or analogous event after the date hereof pursuant to which at least 50% of the Company's (x) capital stock or equivalents, or (y) assets (based on the book value thereof), revenue, income or business is transferred to a purchaser or group of affiliated purchasers. A Company Sale resulting in the transfer of at least 50% of the Company's voting stock constitutes control and represents a completed Company Sale for purposes of determining when the full Transaction Fee is payable and is to be paid. Nevertheless, FT Partners' advisory efforts pursuant to this Amended and Restated Engagement Letter will continue after control is transferred to assist the Company with a second step merger or similar transaction. For the avoidance of doubt, no Capital Raise, Follow-On Offering and/or IPO shall be deemed to result in a Company Sale unless such transactions are used to effect an acquisition of at least 50% of the Company's capital stock or equivalents by a single purchaser (or single purchaser together with its affiliates or any other parties who are working together to effect an acquisition of the Company). For further avoidance of doubt, an acquisition by or merger with a publicly traded special purpose acquisition company shall be a Company Sale and not an IPO.

As used in this Amended and Restated Engagement Letter, a "**Capital Raise**" means a transaction after the date hereof and prior to the completion of an IPO or in conjunction with an IPO in which (i) the Company or the Company's stockholders sell less than 50% of the Company's capital stock or equivalents or (ii) the Company issues any convertible debt or other equity-linked debt securities (not including any non-convertible term loan or secured credit facility whether provided by a federal or state chartered bank or non-bank lender). For the avoidance of doubt, "Capital Raise" shall not include an IPO. For the avoidance of doubt, borrowings in the normal course of business from the Company's existing lenders as of the date hereof (regardless of form) will not be considered a Capital Raise. In addition, any equity or debt amounts contributed by FT Partners, members of the AvidXchange senior management team, Larry Brown, Pat Augustine, Todd Gorelick, Ken Miller or Ross Annable, either made directly or as participation in a FT Partners led Capital Raise, shall not be considered amounts subject to Capital Raise fees.

As used in this Amended and Restated Engagement Letter, an "**IPO**" means either (i) an underwritten initial public offering registered under the Securities Act of 1933, as amended (the "**Securities Act**"), of capital stock or equivalents of the Company, or (ii) an offering in which capital stock or equivalents of the Company are sold in a transaction registered under the Securities Act without an underwriting process (a so-called "direct listing"), in each case resulting in gross proceeds $•.

As used in this Amended and Restated Engagement Letter, a "**Follow-On Offering**" means, at any time following the IPO, the first one or more underwritten public offerings registered under the Securities Act of capital stock or equivalents of the Company until the aggregate of such offerings equals at least $500,000,000 in cumulative aggregate gross proceeds.

For purposes of calculating any Transaction Fee, "**Aggregate Consideration**" shall be: the total gross proceeds and other consideration, directly or indirectly, paid or payable or otherwise distributed to the Company and/or its security holders (including holders of options, warrants and convertible securities) or affiliates in connection with any Transaction, including, without limitation the following: (i) cash; (ii) notes, securities and other property valued at the fair market value thereof (determined without any discount for restrictions on the free marketability of such property, including without limitation restrictions on transfer under applicable law or pursuant to an agreement, vesting or repurchase rights); (iii) liabilities (other than trade accounts payable, accrued expenses, and other similar liabilities incurred in the ordinary course of business, except to the extent contributing to a net working capital deficit), including all debt, pension liabilities, guarantees and working capital deficit assumed (or that remain outstanding), refinanced or extinguished as part of the Transaction; (iv) payments to be made in installments; and (v) amounts paid or payable under consulting agreements, employment agreements, severance agreements, supply, service, distribution or licensing agreements, agreements not to compete or similar arrangements (including such payments to management), in each case solely to the extent in excess of market terms. Irrespective of the terms in the definitive agreement for any Transaction, Aggregate Consideration shall be determined before taking into account the Transaction Fee and any other expense of the Company incurred in connection with the Transaction. Aggregate Consideration shall also include the aggregate amount of any (i) dividend or other distributions declared by the Company with respect to its stock that are part of a dividend recap or other transaction intended to return material amounts of capital to the Company's investors or made in connection with a Transaction, and (ii) amounts paid by the Company to repurchase any securities of the Company in connection with the Transaction. Non-cash consideration shall be valued as follows: (x) publicly traded securities shall be valued at the average of their closing prices (as reported in The Wall Street Journal) for the five trading days prior to the closing of the Transaction, and (y) any other non-cash consideration shall be valued at the fair market

value thereof as determined in good faith by the Company's Board of Directors and FT Partners on the day prior to the consummation of the Transaction. Amounts paid into escrow and contingent payments made in connection with any Transaction will be included as part of the Aggregate Consideration. In connection with a Company Sale involving the sale of less than 100% of the outstanding voting equity securities of the Company, the Transaction Fee will be payable and calculated under the definition of Aggregate Consideration set forth above as though 100% of the Company's outstanding voting equity securities on a fully diluted basis had been acquired or sold for the same per share amount paid in the Company Sale in which less than 100% of the Company's outstanding voting stock is acquired by a purchaser or group of affiliated purchasers.

For the avoidance of doubt, the term "Company" shall include any corporation or other person that becomes the parent company of the Company in connection with any reorganization or restructuring implemented in connection with or in anticipation of an IPO or otherwise (but, for further avoidance of doubt, not including any transaction that is a Company Sale).

Initials:
Company _____ FT Partners _____

Exhibit 21.1

AvidXchange Holdings, Inc.

List of Subsidiaries

Subsidiaries	**Jurisdiction of Incorporation**
AvidXchange, Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of AvidXchange, Inc. of our report dated June 4, 2021, except for the effects of the revision discussed in Note 2 to the consolidated financial statements, as to which the date is September 17, 2021, relating to the financial statements of AvidXchange, Inc., which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
September 17, 2021

Exhibit 99.1

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

I consent to the use of my name as a Director Nominee in the section "Management" in the Registration Statement to be filed by AvidXchange Holdings, Inc. on Form S-1 and the related Prospectus and any amendments or supplements thereto.

Dated: September 14, 2021

/s/ Lance Drummond

Name: Lance Drummond

Exhibit 99.2

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

I consent to the use of my name as a Director Nominee in the section “Management” in the Registration Statement to be filed by AvidXchange Holdings, Inc. on Form S-1 and the related Prospectus and any amendments or supplements thereto.

Dated: September 15, 2021

/s/ Teresa Mackintosh

Name: Teresa Mackintosh

Exhibit 99.3

Consent to be Named as a Director Nominee

In connection with the filing by AvidXchange Holdings, Inc. of the Registration Statement on Form S-1 with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of AvidXchange Holdings, Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Dated: September 17, 2021

/s/ Michael McGuire

Michael McGuire