

Enterprise Program (For Attached Subscriptions)

1. Description

In conjunction with the use & deployment of Palo Alto Networks hardware firewalls, Palo Alto Networks has developed an Enterprise Program for end user customers, a volume licensing arrangement which is valid for a specific period during which organizations may have unlimited access to firewall subscriptions (known as "**attached subscriptions**"). This arrangement simplifies the purchasing, renewal, and deployment process, and provides organizations with a more efficient means of managing its network security expense. The features and benefits associated with an Enterprise Program for Attached Subscriptions ("Agreement") are detailed below.

2. Term

When purchased, the term of this Agreement shall be effective for either 1, 3 or 5 years as specified on the quote ("**Term**"). Note that 5-year SKUs are available only to select Customer accounts, whose qualifications will be determined on a case-by-case basis by Palo Alto Networks.

3. Features and Benefits of an Enterprise Program for Attached Subscriptions ("Sub-ELA")

a. When purchased, the Sub-ELA entitles Customer, during the Term, to the following attached subscriptions:

- i. DNS Security
- ii. GlobalProtect Gateway
- iii. Advanced URL Filtering
- iv. Advanced Threat Prevention
- v. Advanced WildFire (beginning January 17, 2023)
- vi. SD-WAN (PAN-OS) (beginning December 1, 2022)

for use in conjunction with Palo Alto Networks hardware firewalls existing within Customer's organization.

b. At purchase and at re-purchase, Customer shall forecast additional hardware firewalls it expects to add during the Term, calculated based on the product list price ("**Incremental Hardware Value**").

c. If Customer purchases additional hardware firewalls during the Term, Customer must pay for the costs of such additional hardware, but Palo Alto Networks shall provide the afore-mentioned attached subscriptions at no additional charge, subject to the limits set forth in the table below:

For 1-year Term/SKU	Customer may utilize the attached subscriptions on an unlimited number of hardware firewalls, so long as the new devices are (a) purchased during the Term; and (b) registered to Customer's account within the Palo Alto Networks support portal.
For 3-year and 5-year Term/SKU (unless otherwise quoted)	Customer may utilize the attached subscriptions on all existing hardware firewall devices plus 120% of the Incremental Hardware Value (defined above), so long as the new devices are (a) purchased during the Term; and (b) registered to Customer's account within the Palo Alto Networks support portal.

4. Re-purchases

Following expiration of the three or five-year term, a new Sub-ELA, if purchased, must be negotiated taking into account:

- a. Customer's existing deployment of hardware firewalls; and
- b. Customer's incremental future needs for the new term.
- c. Any early renewal or recast of the Sub-ELA is subject to the then-current Sub-ELA terms. The customer will be given pro-rata credit for any prepaid unused Term of the existing Sub-ELA in the early renewal or recast quote and the new Sub-ELA shall be either a new 3 or 5 year term, unless otherwise quoted.

5. True-Forward Add-on SKU; Decommission; Early Renew; Separate Purchase of Subscriptions

Customer will be advised of Sub-ELA usage via the Customer Support Portal using the consumption dashboard, and once Customer has met or attempts to exceed the 120% of the Incremental Hardware Value, Customer will no longer be entitled to any additional Sub-ELA entitlements during the Term unless one of the following options is exercised. For any over-use by Customer that meets or exceeds 120% of the Incremental Hardware Value during the Term, Customer shall have the following options to address such overuse:

- a. <u>True-Forward Add-on SKU</u> Customer may request a quotation from Palo Alto Networks or its authorized reseller for an Add-on SKU to increase the Incremental Hardware Value during the remainder of the Term. Upon placing a non-cancellable, non-refundable purchase order for such Add-on SKU(s), Customer may add the Sub-ELA to additional hardware devices subject to the revised Incremental Hardware Value.
- b. <u>Decommission</u> Customer may elect to remove a specific list of Palo Alto Networks' hardware devices from the Sub-ELA coverage to comply with the 120% Incremental Hardware Value cap, Customer shall remove such devices promptly, but in no event more than ten (10) business days after the over-use. Customer shall utilize the decommissioning process to remove hardware devices from Sub-ELA coverage. Upon confirmation of the removal of such identified devices and the customer remaining within the 120% of the Incremental Hardware Value, the Customer may add the Sub-ELA for additional hardware devices.
- c. <u>Early Renew During Year 3 or Year 5</u> Upon prior approval by Palo Alto Networks, Customer may request to renew early and recalculate the Incremental Hardware Value for a new Term to start at the time of over-use, Customer shall have fifteen (15) business days to notify Palo Alto Networks, initiate the renewal process and request a quotation for such early renewal form Palo Alto Networks or its authorized reseller.
- d. <u>Separate Purchase of Subscriptions</u> Customer may purchase each Subscription separately for hardware devices that exceed the Incremental Hardware Value. Customer may request for a quotation for such Subscriptions from Palo Alto Networks or its authorized reseller.

6. Prisma Access and/or FW Flex Credits Purchase

This section only applies to Sub-ELA Terms of 3 or 5 years. This option is not available for Public Sector customers.

For new or repurchase Sub-ELA contracts, Palo Alto Networks is now offering a new benefit, which may be particularly helpful to those customers whose infrastructure is being moved to the cloud. This one-time option is available to Customer only if Customer has not utilized the Sub-ELA at 100% of the existing Hardware firewall devices plus the Incremental Hardware Value and only to the extent of that

under-utilization, provided that the list price of Customer's total new reduced hardware estate does not decrease below \$1.5M (U.S.). There is no extra charge associated with this benefit.

- a. During the Term, if Customer further decommissions existing hardware firewalls, or does not purchase the projected number of Hardware firewalls, eighty-five percent (85%) of the Sub-ELA (and Add-on Subscription, if applicable) value attached to those Hardware firewalls can be credited to Customer as pro-rated credits for the remaining Term and used to towards the purchase of Prisma Access and/or FW Flex credits, subject to the limitations of this Section 6. Only the Sub-ELA and Add-on Subscription value shall be considered to establish the pro-rated credits amount ("Pro-Rated Credits"); the value of Hardware firewalls is expressly excluded. Credits are only available if and at the time that Customer makes a purchase of either Prisma Access or FW Flex up to the amount or over the amount of the Pro-Rated Credits.
- b. Pro-Rated Credits will be available twelve (12) months after the commencement of the Term upon request. Pro-Rated Credits must be used in full at time of purchase and shall only be applied towards a single transaction for Prisma Access or FW Flex during the Term of this Agreement.
- c. Use of Pro-Rated Credits are limited to a purchase of Prisma Access or FW Flex credits. There shall be no cash or other reimbursement for any Pro-Rated Credits except as expressly stated in this Section 6. Further, in order to receive the benefit of the Pro-Rated Credits, Customer must submit a valid, non-cancellable purchase order for Prisma Access or FW Flex to Palo Alto Networks or its authorized reseller. Customer shall be invoiced and responsible for all applicable taxes associated with the purchase of Prisma Access or FW Flex, excluding income or property imposed on Palo Alto Networks.
- d. The Sub-ELA and Add-on Subscription (if any) coverage shall be reduced accordingly for the remaining Term once Pro-Rated Credits are issued.

7. Add-on Subscriptions

The add-on Subscriptions capability allows Sub-ELA customers to add subscription products, specifically *IoT Security, Enterprise DLP, AIOps, and SaaS Security*, under a single license agreement for easy deployment and activation. Upon request, these add-on Subscriptions can be quoted with the net-new ELAs or as add-ons to existing ELAs during the Term.

When purchased, the pricing structure follows the same terms as for the Sub-ELA. These add-on Subscriptions may be deployed on all devices during the Term, subject to any Incremental Device cap or limitation, and subject to Pro-Rated Credits, as set forth in Section 6.

8. Limitations

a. This Sub-ELA does not apply to:

i. hardware firewalls acquired via merger, acquisition, asset purchase, divestiture or the like during the Term;

ii. any divestiture of assets will not result in any credits or refunds to Customer, and the Sub-ELA shall not transfer with any hardware assets transferred as a result of a divestiture of such assets;

iii. M-Series and WF-xxx hardware appliances;

iv. hardware managed by a third party outside of Customer's account (also known as "managed services") within the Palo Alto Networks support portal;

v. hardware that Customer has designated to be supported by a third party (also known as "partner-enabled support");

vi. software licenses including, but not limited to, AutoFocus, Cortex, Panorama central management software, Prisma Access, Prisma Cloud, FW-Flex (formerly VM-series). Note that the purchase of this Sub-ELA does not modify any obligation pursuant to the <u>Palo Alto</u> <u>Networks End-of-Life Policy</u>.

b. Once a purchase order is accepted by Palo Alto Networks it is non-cancellable and non-refundable.

9. Compliance with Laws

Note that there may be specific rules and regulations governing the use of software offerings in certain jurisdictions. Both parties must abide by applicable laws. Customer shall be responsible for all costs resulting from the application of such laws which apply to Customer's use of this Sub-ELA including, but not limited to, taxes, fees, penalties, or fines. Palo Alto Networks shall not be liable for such costs.

10. Conflict

This Agreement supplements the terms of the Palo Alto Networks End User Agreement (or equivalent agreement) between Customer and Palo Alto Networks governing use of Palo Alto Networks products. In the event of a conflict, this Agreement shall take precedence, but only with respect to Customer's purchase of this Sub-ELA.