



Enterprise Program

(For Attached Subscriptions)

1. Scope and Description

This Enterprise Program for Attached Subscriptions (“**ELA**”) supplements the [End User Agreement](#) (or equivalent signed agreement) (the “**EULA**”) which governs the use of every Palo Alto Networks product/service. By purchasing an ELA, Customer agrees that the terms and conditions set forth in the EULA and the terms and conditions contained in this document shall apply. Capitalized terms used but not otherwise defined herein will have the meaning assigned to them in the EULA.

Palo Alto Networks has developed an Enterprise Program, which is a volume licensing arrangement that allows organizations to have access to firewall subscriptions for use in conjunction with the deployment and use of Palo Alto Networks Hardware in a customer’s hardware estate for the applicable Term (as defined below). This arrangement is designed to simplify the purchasing, renewal, and deployment of the Attached Subscriptions (as defined below), and to provide organizations with an efficient means of managing its network security expense. The features and benefits associated with the ELA are detailed below.

2. Term

When purchased, the term of this ELA shall be effective for the term duration specified on the quote (“**Term**”). Note that a 5 year Term is 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 ELA

a. When purchased, the ELA entitles Customer to the following subscriptions during the Term (“**Attached Subscriptions**”):

- i. Advanced DNS Security (includes ADNS Resolver Service);
- ii. PAA (includes Prisma Access Agent and GlobalProtect Gateway);
- iii. Advanced URL Filtering;
- iv. Advanced Threat Prevention;
- v. Advanced WildFire; and
- vi. Advanced SD-WAN (PAN-OS).

b. **Hardware Estate.** At purchase, Customer shall provide Palo Alto Networks with a forecast of any additional hardware firewalls it expects to add to its current hardware estate (“**Current Hardware Estate**”), if any, during the Term (such additional hardware growth forecasted to Customer’s Current Hardware Estate shall be referred to herein as the “**Forecasted Hardware Estate**”). Customer’s use of the Attached Subscriptions is subject to a Total Hardware Cap (as defined below) that is based on the “Current Hardware Estate” and “Forecasted Hardware Estate” calculated based on the current hardware list price. If Customer purchases additional hardware firewalls during the Term, Customer must pay for the Attached Subscriptions for the portion of hardware above the Total Hardware Cap; provided that: (i) in the case of a 1-year term, Palo Alto Networks shall provide Customer with unlimited access to the Attached Subscriptions at no additional charge; and (ii) in the case Terms greater than 1 year, Palo Alto Networks shall provide Customer access to the Attached Subscriptions subject to the applicable term’s Total Hardware Cap described in the table below:

<u>Term</u>	<u>Limit</u>
1-year Term	Customer shall have access to 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.
Term greater than 1 year	Customer shall have access to the Attached Subscriptions on all Current Hardware Estate and utilize up to the Total Hardware Cap (defined below), 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. The " Total Hardware Cap " shall mean the Current Hardware Estate plus twenty percent (20%) above a net positive Forecasted Hardware Estate.

4. Re-purchases

Upon the expiration or early renewal of an ELA, as applicable, the Parties shall negotiate a new ELA, taking into account:

- a. Customer's existing deployment of hardware firewalls designated by Customer for use with the Attached Subscriptions under the then-current ELA; and
- b. Customer's projection of its future needs for the new and/or subsequent term.
- c. Any early renewal or recast of the ELA prior to the expiration of the Term ("**Repurchase**") is subject to the then-current ELA terms. If applicable, Customer will be given a pro-rata credit for any prepaid unused Term of the existing ELA in the early Repurchase quote. For clarity, in the event the existing ELA has not been paid in full, then such pro-rated credits will only be given if the remaining payment obligations have been met.

5. Over-consumptions

- a. Customer is responsible for managing the hardware associated with the Attached Subscriptions by monitoring such consumption via the Customer Support Portal using the consumption dashboard. Customer's deployment of the Attached Subscriptions is capped at the Total Hardware Cap. Fees for any over-consumption beyond the Total Hardware Cap must be reconciled with Customer's actual usage at the end of each month, to the extent permitted by applicable law. In the event Customer's deployment of the Attached Subscriptions exceeds the Total Hardware Cap ("**Over-consumption**"), Customer will no longer be able to deploy or increase its usage of the Attached Subscriptions unless Customer exercises one of the following options:
 - i. True-Forward Add-on SKU – Customer may request from Palo Alto Networks or its authorized reseller for a quote to increase its Forecasted Hardware Estate ("**Add-on SKU**") to enable Customer to increase its use of the Attached Subscriptions 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 Attached Subscriptions to the additional hardware devices subject to the revised Total Hardware Cap based on the updated Forecasted Hardware Estate.
 - ii. Decommission - Customer may elect to remove a specific list of Palo Alto Networks' hardware devices from its Forecasted Hardware Estate in order to ensure deployment compliance with the Total Hardware Cap. Customer shall remove such devices promptly, but in no event more than sixty (60) days after Over-consumption. Upon Palo Alto Networks' validation that any devices marked as "decommissioned" have actually been decommissioned and removed from Customer's consumption dashboard so that the Customer is within the Total Hardware Cap, Customer may add the Attached Subscriptions to the additional hardware devices.

- iii. Early Renew – This subsection (iii) applies to a Term that is a minimum of three (3) years. Upon prior approval by Palo Alto Networks, Customer may request to renew early and recalculate the Forecasted Hardware Estate for a new Term to start at the time of Over-consumption (“**Early Renewal**”). Customer shall have sixty (60) business days to notify Palo Alto Networks, initiate the Early Renewal process and request a quote from Palo Alto Networks or its authorized reseller. For the avoidance of doubt, the then-current ELA terms shall apply for Customer’s Early Renewal.
- b. In the event Customer does not exercise one of the options set forth above, Palo Alto Networks shall have the right but not the obligation to terminate or suspend Customer’s use of such Subscriptions in accordance with the EULA and as permitted by applicable law.

6. End of Life Devices

Palo Alto Networks strongly recommends that Customer decommission hardware devices that have been announced as End of Life (“EOL”). In the event Customer elects to continue using any EOL hardware devices, Customer acknowledges that: (i) Customer will be using such hardware at its own risk beyond the date defined in the EOL announcement; and (ii) any EOL hardware devices in Customer’s Current Hardware Estate beyond the EOL date will count towards Customer’s Total Hardware Cap.

7. Add-on Subscriptions

Customer may purchase any of the *IoT/Device Security, Enterprise DLP, SCM Pro (available as part of the ELA only for customers that are not receiving SCM Pro under their ESAs), AIOps, Quantum and SaaS Security subscriptions* (“**Add-on Subscriptions**”) under this ELA and such Add-on Subscriptions shall be governed by the EULA.

When purchased, the pricing structure follows the same terms as provided for in this ELA. Add-on Subscriptions may be deployed on all hardware devices during the Term, subject to the applicable Total Hardware Cap, and subject to any applicable pro-rated credits.

8. Prisma Access and/or FW Flex Credits Purchase

This Section 8 only applies to Terms 3 years or greater. This option is not available for Public Sector customers.

Palo Alto Networks may provide an option to Customer, upon Customer’s request, every 12 months to receive pro-rated credits in accordance with the process set forth below.

- a. Eligibility and Calculation of Pro-rated Credits. During the Term, if Customer is not expecting to use the Total Hardware Cap for the remaining Term to its full capacity either due to hardware decommissioning, plans to move to the cloud or due to any other business reasons, then Customer can get eighty percent (80%) of the value of the Attached Subscriptions (including the value of any Add-on Subscriptions) based on the remaining dollars after deducting the dollars needed to maintain the Attached Subscriptions based on the Current Hardware Estate and the Forecasted Hardware Estate projection. Such remaining value can be credited to Customer as pro-rated credits (“**Pro-rated Credits**”) for the remainder of the Term and applied solely towards the purchase of Palo Alto Networks’ Prisma Access Product (only applicable for the mobile users and remote networks SKUs), cloud next generation firewalls (“**Cloud NGFW**”) and firewall flex credits (“**FW Flex**”). For clarity and the avoidance of doubt, only the value of the Attached Subscriptions, including Add-on Subscription, shall be considered to establish the Pro-rated Credit amount and the value of Customer’s hardware estate is expressly excluded. Pro-rated Credits are only available if and at the time that Customer makes a new or extended purchase of either Prisma Access, Cloud NGFW or FW Flex up to or over the amount of the Pro-rated Credits.
- b. Use of Pro-rated Credits. Pro-rated Credits may be used solely towards the purchase of Prisma Access, Cloud NGFW and/or FW Flex credits and, upon Customer’s request of such Pro-rated Credits, will be available no earlier than twelve (12) months after the commencement of the Term and Customer may use Pro-rated Credits once every 12 months thereafter. Any Pro-rated Credits granted to

Customer under this ELA must be used in full at the time of purchase of Prisma Access, Cloud NGFW and/or FW Flex credits and can only be applied towards a single transaction during the Term. There shall be no cash or other reimbursement for any Pro-rated Credits.

- c. **How to Request Pro-rated Credits.** In order to receive the benefit of the Pro-rated Credits, the Customer must submit a valid, non-cancellable purchase order for Prisma Access, Cloud NGFW or FW Flex credits 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, Cloud NGFW or FW Flex credits, excluding income or property imposed on Palo Alto Networks.
- d. Customer's Attached Subscriptions and Add-on Subscription(s) (if any) usages shall be reduced accordingly for the remainder of the Term once Pro-rated Credits are issued.
- e. In the event the existing ELA has not been paid in full, then the Pro-rated Credits will only be given if the remaining payment obligations have been met.

9. Limitations

- a. This ELA does not apply to:
 - i. any divestiture of assets will not result in any credits or refunds to Customer and this ELA shall not apply to any hardware assets transferred as a result of a divestiture;
 - ii. M-Series and WF-xxx hardware appliances;
 - iii. hardware managed by a third party outside of Customer's account within the Palo Alto Networks support portal;
 - iv. hardware that Customer has designated to be supported by a third party;
 - v. software licenses including, but not limited to, AutoFocus, Cortex, Panorama central management software, Prisma Access (including ADNSR when used in conjunction with the Prisma Access licensing), Prisma Cloud, FW-Flex (formerly VM-series). For the avoidance of doubt, in the event Customer uses ADNSR as part of its Prisma Access instances, Palo Alto Networks shall have the right to charge Customer for such use;
 - vi. Palo Alto Networks' FedRAMP-authorized subscriptions.
- b. Once a purchase order is accepted by Palo Alto Networks it is non-cancellable and non-refundable and in no event, to the greatest extent allowable by applicable law can this ELA be terminated for convenience.
- c. Note that the purchase of this ELA does not modify any obligation pursuant to the [Palo Alto Networks End-of-Life Policy](#).

10. Compliance with Laws

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 Attached Subscriptions including, but not limited to, taxes, fees, penalties, or fines. Palo Alto Networks shall not be liable for such costs.

11. Conflict

This ELA supplements the terms of the EULA between Customer and Palo Alto Networks that governs Customer's use of Palo Alto Networks Products. In the event of a conflict, this ELA shall take precedence, but only with respect to Customer's purchase of this ELA.