

## **WatchGuard Specific Terms for STELLR Portal:**

**The terms and conditions below specifically pertain to Reseller's procurement of WatchGuard Technology, Inc's Subscription Products and Services.**

**"Subscription Products"** means the Products or Product on the STELLR Marketplace that TD SYNEX indicates as being included as Subscription Products. Subscription Products are generally hardware appliances and associated Services.

**"Services"** refers to hosted security services, signature updates, and similar services that are provisioned to Products remotely, as well as the software and services running locally on a Product.

**Reseller may procure the Subscription Products and Services from TD SYNEX through a monthly subscription or a term subscription as outlined below:**

**Term Subscription Product.** Term Subscription Product. hardware is sold by TD SYNEX to Reseller. At the end of the 3-year term of a Term Subscription Product subscription, the subscription will continue by default, and convert to a monthly subscription with the same monthly billing fee that applied during the 3-year term. TD SYNEX may cancel the subscription for a Subscription Product at any time, effective upon notice to TD SYNEX.

**Monthly Subscriptions Product.** Monthly Subscription Product hardware is leased by TD SYNEX to reseller on a month-to-month basis with a monthly recurring subscription.

**Term Subscription Product.** Term Subscription Product. hardware is sold by TD SYNEX to Reseller. At the end of the 3-year term of a Term Subscription Product subscription, the subscription will continue by default, and convert to a monthly subscription with the same monthly billing fee that applied during the 3-year term. TD SYNEX may cancel the subscription for a Subscription Product at any time, effective upon notice to TD SYNEX.

**Invoices.** TD SYNEX will issue an invoice for Subscription Products on the 1st and 15th day of each month. Any Subscription Products ordered (or restarted from a suspension, in the case of month-to-month subscriptions) between the 1st and 15th day of a month will be invoiced on the 15th day of the following month, and any Subscription Products ordered (or restarted from a suspension) between the 15th and the last day of a month will be invoiced on the 1st day of the second month following the month in which the order was placed.

## **Suspensions and Cancellations.**

IF payment is not received and not cured according to the STELLR Terms and Conditions, TD SYNEX may suspend any subscription for a Subscription Product Subscription billing will for the associated Subscription Product will be suspended promptly, generally within 1 business day after the day the request is received. Services will stop approximately 7 days after the next invoicing date, provided that WatchGuard receives the request at least 1 business day before the invoicing date; otherwise Services will stop approximately 7 days after the invoicing date in the following month.

When Services are suspended or terminated, a Product returns to its default state in effect before Product activation, such that it will connect to only a single IP address on a network. Products in the default state are essentially non-functioning and cannot provide network security or other services. TD SYNEX will inform the Reseller in writing of the circumstances under which Products will cease functioning. Reseller has no obligation to return the product to TD SYNEX if subscription services are cancelled or suspended.

TD SYNEX may restart a suspended subscription, such that Services to the Product resume, generally within 1 business day after the day the request is received through the WatchGuard API. If no such request is received by WatchGuard within 6 months after the suspension began, the associated subscription will be cancelled. Cancelled subscriptions cannot be reinstated. When a subscription is cancelled, the associated Subscription Product will return to its default, non-functioning state.

With suspension of a Monthly Subscription Product, or a Term Subscription Product that has run its course and become a monthly subscription, TD SYNEX will suspend the associated monthly billing such that no subscription fees will be payable by Reseller with respect to the suspension period. However, suspension of fees will take effect with the period following the one in which the suspension request is made, and no refunds will accrue or be paid. Further, when a Monthly Subscription Product is ordered, in all cases at least one month of billing will accrue and be payable before any suspension of billing can take effect. The request must be made at least 1 business day before the issue date of the next invoice; otherwise, that invoice will issue and be payable regardless of the effective date of the Services suspension.

Services for Term Subscription Products can be suspended, but billing for the Product will in all cases continue uninterrupted until at least the end of the 3-year term, at which point billing will continue if the subscription remains active, and will cease if the subscription has a suspended or cancelled status at that time.

For reference, here is the language re suspension of services in the STELLR portal agreement:

- a. **Payment Terms.** Except as provided in the Agreement, upon acceptance of a Purchase Order from CSR, Distributor shall invoice CSR the cost (the "Fees") for the initial Cloud Services quantity set forth on the Purchase Order. All undisputed portions of Distributor's invoices for Fees will be paid by CSR within thirty (30) days of the date of invoice unless otherwise agreed to in writing by the Parties: (i) the Fees shall be as set forth in Distributor's published price list; (ii) all Fees shall be paid annually, monthly or quarterly in advance, or monthly or quarterly in arrears, as set forth in Distributor's published price list, or such other payment schedule as agreed upon by Distributor; (iii) Fees for license-based subscriptions are based on the quantity of Cloud Services purchased and not actual usage by the End User, which may be less. Fees for usage-based subscriptions are based on actual consumption, and may include a minimum usage fee. The quantity of purchased Cloud Services may be increased or decreased during the Subscription Term, unless otherwise set forth in the Documentation.
- b. **Overage Fees.** In the event actual usage of Cloud Services exceeds the initial quantity ordered on the Purchase Order ("**Overage**"), CSR may be billed for any applicable Overage charges on a monthly or quarterly basis in accordance with any applicable Documentation ("**Overage Fees**"). All undisputed portions of Distributor's invoices for Overage Fees will be paid by CSR within thirty (30) days of the date invoice.
- c. **Suspension of Access** In the event that (i) any fees owed to Distributor by CSR, including but not limited to monthly Fees or Overage Fees, are overdue and CSR has not cured within fifteen (15) days of Distributor's written notification of failure to pay, or (ii) CSR is in material breach of this Addendum, including any terms of any Documentation, then Distributor may either: (i) suspend, or may request CSP to suspend, End User's access to the Cloud Service(s) associated with such delinquent payment;

or (ii) Distributor may choose not to submit Purchase Orders to CSP for orders from CSR and Distributor will not be subject to a penalty for such action; or (c) terminate or suspend the Terms and Conditions, or this Addendum, with CSR (collectively "Suspension of Access").

In the event of Suspension of Access, End User and/or CSR may be subject to termination and liable to pay any applicable early termination fees set forth in any applicable Documentation or imposed upon Distributor by the CSP for the Cloud Services. Notwithstanding the foregoing, in the event Distributor elects or requests a Suspension of Access, CSR may be liable for any fees, including but not limited to monthly Fees or Overage Fees, associated with such delinquent payment through the end of the current Subscription Term. CSR understands that End User will not receive Cloud Services during this time.