



**APPENDIX D TO DIR CONTRACT NO. DIR-TSO-3926
GENERAL TERMS AND CONDITIONS**

These General Terms and Conditions ("General Terms") are made as of _____ ("Effective Date") between Proofpoint, Inc., a Delaware corporation, with offices at 892 Ross Drive, Sunnyvale, CA 94089 USA ("Proofpoint") and _____ with offices at _____ ("Customer").

The purpose of the General Terms is to create a mechanism under which Customer may purchase Proofpoint Products. In addition to DIR Contract No. DIR-TSO-3926 and the General Terms, Customer's purchase and use of Proofpoint Products shall also be subject to the Proofpoint Product Exhibit for each Proofpoint Product purchased by Customer in the form as mutually agreed and executed by Customer and Proofpoint (each, a "Product Exhibit"). In the event of any conflict between the DIR Contract No. DIR-TSO-3926, General Terms, each Product Exhibit and Order Forms (as defined below), the order of precedence will be the following: DIR Contract No. DIR-TSO-3926, the applicable Product Exhibit(s), these General Terms, and then the applicable Order Form(s).

BY SIGNING BELOW, CUSTOMER AGREES THAT DIR CONTRACT NO. DIR-TSO-3926 AND THIS AGREEMENT (AS DEFINED BELOW) IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF, AND SUPERSEDES ALL PROPOSALS OR PRIOR OR CONTEMPORANEOUS AGREEMENTS, ORAL OR WRITTEN, INCLUDING, BUT NOT LIMITED TO, ANY TERMS CONTAINED IN CUSTOMER'S PURCHASE ORDER.

| | |
|--|---|
| CUSTOMER: | PROOFPOINT, INC.: |
| Individual Signing: [print name] | Individual Signing: [print name] |
| Signature: | Signature: |
| Title: | Title: |
| Signing Date: | Signing Date: |
| CUSTOMER ADDRESS FOR NOTIFICATIONS: | PROOFPOINT, INC. ADDRESS FOR NOTIFICATIONS: 892 Ross Drive Sunnyvale, CA 94089 USA Attn: General Counsel |

1. DEFINITIONS. In the General Terms:

1.1 "Affiliate" means, with respect to a party, any entity which directly or indirectly controls, is controlled by, or is under common control with such party. "Control," for purposes of this definition, means ownership or control, directly or indirectly, of more than 50% of the voting interests of the subject entity.

1.2 "Agreement" means DIR Contract No. DIR-TSO-3926, the General Terms, each Product Exhibit, each SOW (if any) and any other document executed by the parties.

1.3 "Appliance(s)" means a virtual or hardware device containing the Software.

1.4 "Confidential Information" has the meaning set forth in Section 3.

1.5 "Documentation" means the description of the Proofpoint Product(s) contained in the then current Proofpoint Product descriptions provided by Proofpoint to Customer upon purchase or license of the Proofpoint Product(s), and the user manuals relating to the use of the Proofpoint Products that are either provided on-line at the time of Customer's purchase of the Proofpoint Product, embedded in the Proofpoint Product(s) or delivered with the Proofpoint Product.

1.6 "Extension Term" means each additional one year subscription term for which the subscription term for a Proofpoint Product is extended pursuant to Section 7.

1.7 "Initial Term" means the initial subscription term for a Proofpoint Product that is defined on the applicable Order Form.

1.8 "Mailbox" means a separate account on Customer's e-mail server for sending or receiving messages or data within Customer's e-mail system or network. Aliases and distribution lists shall not be counted as separate mailboxes provided each person who has access to such aliases and distribution lists has a separate account on Customer's email server for the receipt of messages or data within Customer's e-mail system or network.

1.9 "Order Form" means an ordering document for a Proofpoint Product and may take the form of a purchase order issued by Customer or Reseller. Each Order Form shall reference DIR Contract No. DIR-TSO-3926 and this Agreement and will be subject to DIR Contract No. DIR-TSO-3926, each applicable Product Exhibit and these General Terms.

1.10 "Technical Services" means installation, implementation, data migration or other services provided by Proofpoint to Customer.

1.11 "Proofpoint Products" means the Appliance, Service or Software licensed and/or purchased by Customer under an Order Form.

1.12 "Reseller" means a third-party authorized by Proofpoint to resell Proofpoint Products directly to Customer.

1.13 "Service" means any Proofpoint Product licensed on a hosted basis as software as a service.

1.14 "Software" means any Proofpoint binary software programs licensed by Proofpoint to Customer, together with all the Software Updates.

1.15 "Software Updates" means all Software updates and enhancements that Proofpoint generally makes available at no additional charge to its customers who are current in payment of applicable Subscription Fees or otherwise provides to Customer under this Agreement.

1.16 "SOW" means each statement of work, engagement letter or other writing signed by Proofpoint and Customer that describes the Technical Services provided by Proofpoint. Each SOW shall reference DIR Contract No. DIR-TSO-3926 and this Agreement and will be subject to the terms and conditions hereof.

1.17 "Subscription Fees" mean the fees paid by Customer for the right to use the applicable subscription based Proofpoint Products for the given Initial Term or Extension Term, as applicable.

1.18 "Taxes" means any direct or indirect local, state, federal or foreign taxes, levies, duties or similar governmental assessments of any nature, including value-added, sales, use or withholding taxes.

1.19 "Term" means the Initial Term and any Extension Term applicable to each Order Form.

1.20 "Work Product" means all work product developed or created by Proofpoint during the course of providing support or Technical Services to Customer. Notwithstanding anything herein to the contrary, Work Product shall not include any Customer Data (as defined in the applicable Product Exhibit) or Customer Confidential Information.

2. GENERAL LICENSE TERMS

2.1 Subject to the terms of DIR Contract No. DIR-TSO-3926, these General Terms and each applicable Product Exhibit, Proofpoint grants to Customer and its Affiliates a royalty-free, non-exclusive, limited term, non-transferable (except to a successor in interest as permitted hereunder) license to use the Proofpoint Products purchased by Customer during the Term in accordance with the Documentation, in the quantities specified in the applicable Order Form, and solely for Customer's own internal business purposes. Customer may use the Documentation in connection with the license granted hereunder.

2.2 As between Customer and Proofpoint, Customer is responsible for all activities conducted by its users under its Mailbox accounts. Customer specifically agrees to limit the use of the Proofpoint Products to those parameters set forth in the applicable Order Form. Without limiting the foregoing, Customer specifically agrees not to: (i) resell, sublicense, lease, time-share or otherwise make a Proofpoint Product (including the Documentation) available to any third party; (ii) attempt to gain unauthorized access to, or disrupt the integrity or performance of, a Proofpoint Product or the data contained therein; (iii) modify, copy or create derivative works based on a Proofpoint Product; (iv) decompile, disassemble, reverse engineer or otherwise attempt to derive source code from a Proofpoint Product, in whole or in part; (v) access a Proofpoint

Product for the purpose of building a competitive product or service or copying its features or user interface; (vi) use a Proofpoint Product, or permit it to be used, for purposes of: (a) product evaluation, benchmarking or other comparative analysis intended for publication outside the Customer organization without Proofpoint's prior written consent; (b) infringement on the intellectual property rights of any third party or any rights of publicity or privacy; (c) violation of any law, statute, ordinance, or regulation (including, but not limited to, the laws and regulations governing export/import control, unfair competition, anti-discrimination, and/or false advertising); (d) propagation of any virus, worms, Trojan horses, or other programming routine intended to damage any system or data; and/or (e) filing copyright or patent applications that include the Software and/or Documentation or any portion thereof. Proofpoint Products are for use with normal business messaging traffic only, and Customer shall not use the Proofpoint Products for the machine generated message delivery of bulk or unsolicited emails or e-mails sent from an account not assigned to an individual.

3. CONFIDENTIALITY

3.1 To the extent allowable under the Texas Public Information Act, as used herein, "Confidential Information" means all confidential and proprietary information of a party ("Disclosing Party") disclosed to the other party ("Receiving Party"), whether orally or in writing, that is designated as "confidential" or the like, or, that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure the Software, Customer Data, business and marketing plans, technology and technical information, product designs, and business processes.

3.2 "Confidential Information" shall not include information that (i) is or becomes a matter of public knowledge through no act or omission of the Receiving Party; (ii) was in the Receiving Party's lawful possession prior to the disclosure without restriction on disclosure; (iii) is lawfully disclosed to the Receiving Party by a third party that lawfully and rightfully possesses such information without restriction on disclosure; (iv) information that the Receiving Party can document resulted from its own research and development, independent of receipt of the disclosure from the Disclosing Party; or (v) is disclosed with the prior written approval of the Disclosing Party.

3.3 To the extent allowable under the Texas Public Information Act, receiving Party shall not (i) disclose any Confidential Information of the Disclosing Party to any third party, except as otherwise expressly permitted herein or (ii) use any Confidential Information of Disclosing Party for any purpose outside the scope of this Agreement or in any manner that would constitute a violation of any laws or regulations, including without limitation the export control laws of the United States, except with Disclosing Party's prior written consent. The Receiving Party shall not make Confidential Information available to any of its employees or consultants except those that have agreed to obligations of confidentiality at least as restrictive as those set forth herein and have a "need to know" such Confidential Information. The Receiving Party agrees to hold the Disclosing Party's Confidential Information in confidence and to take all precautions to protect such Confidential Information as the Receiving Party employs with respect to its own Confidential Information of a like nature, but in no case shall the Receiving Party employ less than reasonable precautions. Receiving Party shall promptly notify Disclosing Party if it becomes aware of any actual or reasonably suspected breach of confidentiality of Disclosing Party's Confidential Information. This Agreement will not be

construed to prohibit disclosure of Confidential Information to the extent that such disclosure is required to by law or valid order of a court or other governmental authority; provided, however, to the extent permitted by law, the responding party shall give prompt written notice to the other party to enable the other party to seek a protective order or otherwise prevent or restrict such disclosure and, if disclosed, the scope of such disclosure is limited to the extent possible.

3.4 Subject to record retention laws and policies, the Receiving Party will return all copies of the Disclosing Party's Confidential Information upon the earlier of (i) the Disclosing Party's request, or (ii) the termination or expiration of this Agreement. Instead of returning such Confidential Information, the Receiving Party may destroy all copies of such Confidential Information in its possession; provided, however, the Receiving Party may retain a copy of any Confidential Information disclosed to it solely for archival purposes, provided that such copy is retained in secure storage and held in the strictest confidence for so long as the Confidential Information remains in the possession of the Receiving Party.

3.5 The parties acknowledge and agree that the confidentiality obligations set forth in this Agreement are reasonable and necessary for the protection of the parties' business interests, that irreparable injury may result if they are breached, and that in the event of any actual or potential breach of Section 3, that the non-breaching party may have no adequate remedy at law and shall be entitled to seek injunctive and/or other equitable relief as may be deemed proper by a court of competent jurisdiction.

4. OWNERSHIP

4.1 As between the parties, Proofpoint retains all title, intellectual property and other ownership rights throughout the world in and to the Proofpoint Products, Documentation, any Service offering and the Work Product. Proofpoint hereby grants to Customer a non-exclusive, non-transferable, fully paid up, perpetual license to use the Work Product in accordance with this Agreement and solely for Customer's internal business purposes. Customer retains all title, intellectual property and other ownership rights in all Customer Data, Customer Confidential Information and all data, text, files, output, programs, information, or other information and material that Customer provides, develops, or makes available or uses in conjunction with any Service offering.

4.2 Customer's rights to use the Proofpoint Products (including the Documentation) shall be limited to those expressly granted in this Agreement and any applicable Product Exhibit. Customer is not authorized to use (and shall not permit any third party to use) the Proofpoint Products (including the Documentation) or any portion thereof except as expressly authorized by this Agreement or the applicable Order Form. There are no implied rights and all other rights not expressly granted herein are reserved. No license, right or interest in any Proofpoint trademark, copyright, trade name or service mark is granted hereunder. Customer shall not remove from any full or partial copies made by Customer of the Software, Software Updates and Documentation any copyright or other proprietary notice contained in or on the original, as delivered to Customer. If Customer sells, leases, lends, rents, transfers or otherwise distributes an Appliance to a third party, Customer will ensure that it erases all copies of the Software from such Appliance.

4.3 Each party acknowledges that the Proofpoint Products contain valuable trade secrets and proprietary information of Proofpoint, that in the event of any actual or threatened breach of the scope of any of the licenses granted hereunder, such breach shall constitute immediate, irreparable

harm to Proofpoint for which monetary damages would be an inadequate remedy.

5. FEES, PAYMENT AND REPORTING

5.1 a) Initial Fees. Fees for the Proofpoint Products will be the Subscription Fees and other fees set forth in the Order Forms (collective, the "Fees") and as indicated in Appendix C of DIR Contract No. DIR-TSO-3926. No refunds will be made except as provided for under any warranties for the applicable Proofpoint Product. Taxes shall be handled in accordance with Appendix A, Section 8E of DIR Contract No. DIR-TSO-3926. In no event will either party be responsible for any taxes levied against the other party's net income.

b) Renewal Fees. Upon expiration of the Initial Term applicable to an Order Form, the subscription term may be renewed for an Extension Term in accordance with Section 7.4. The Fees stated in each Order Form shall be effective during the Initial Term specified in that Order Form and the Subscription Fees and other fees for each Extension Term shall be defined in the applicable Order Form, or in the absence of any such terms regarding Fees for Extension Terms, by mutual agreement of the parties and as indicated in Appendix C of DIR Contract No. DIR-TSO-3926.

5.2 Payment. Unless otherwise agreed between Customer and Reseller, all Fees due under an Order Form shall be due and payable in accordance with Appendix A, Section 8J of DIR Contract No. DIR-TSO-3926. Except as otherwise expressly permitted herein, all Fees owed pursuant to an Order Form are non-cancellable and non-refundable for the Term. Failure to make timely payment may result in immediate termination of access to the Proofpoint Products. Upon default by Customer, Proofpoint will have all remedies available at law or in equity.

5.3 Reporting. Customer shall audit its actual usage of the subscription based Proofpoint Products based on Mailbox count ("Mailbox Count") and inform Proofpoint by email at accountsreceivable@proofpoint.com of the Mailbox Count upon the occurrence of the following events: (i) on or before any material increase in the Mailbox Count (where such material increase shall be equal or greater than ten percent (10%) of the then current licensed Mailbox Count) and (ii) on the thirtieth (30th) day preceding each anniversary of the Effective Date. Proofpoint may also itself at any time produce a count of the actual Mailbox Count for verification by Customer. If such number exceeds the Mailbox Count for which Customer has paid Subscription Fees ("Base Mailbox Count") by more than five percent (5%), then Customer shall pay Proofpoint for each Mailbox beyond the Base Mailbox Count from the time such Mailbox was activated through the remainder of the Initial Term or Extension Term, as applicable. If such number exceeds the Base Mailbox Count by five percent (5%) or less, then Customer shall pay Proofpoint for each Mailbox beyond the Base Mailbox Count from the reporting date of the Mailbox Count through the remainder of the Initial Term or Extension Term, as applicable.

6. SUPPORT AND TECHNICAL SERVICES

6.1 Proofpoint shall provide support provided Customer is current in payment of the applicable Fees and any additional fees for platinum or premium support, if applicable. Proofpoint's current support terms are described on Proofpoint's website at <http://www.proofpoint.com/license>. Any term found to be in conflict with DIR Contract No. DIR-TSO-3926 shall be deemed null and void.

6.2 Proofpoint shall provide the Technical Services, if any, specified in one or more SOWs. All Technical Services shall be billed as stated in the applicable SOW and Customer agrees that if Customer has not used the Technical Services

within one (1) year of paying for such Technical Services, Proofpoint has no further obligations and Customer shall not be entitled to a refund except as set forth expressly in the applicable SOW.

6.3 Proofpoint warrants it will provide Technical Services in a professional and workmanlike manner consistent with good industry standards and practices. As Customer's sole and exclusive remedy and Proofpoint's entire liability for any breach of the foregoing warranty, Proofpoint will, (i) use reasonable efforts to provide a work around, or otherwise re-perform the Technical Services or, if Proofpoint is unable to do so, (ii) terminate the applicable SOW and refund that portion of any Fees paid to Proofpoint or Reseller that correspond to the allegedly defective Technical Services.

7. TERMINATION AND EXPIRATION

7.1 Terminations will be handled in accordance with Appendix A, Section 11B of DIR Contract No. DIR-TSO-3926.

7.3 On termination or expiration of the General Terms, all Software and Service licenses granted under all Order Forms shall automatically terminate with immediate effect, provided the license granted pursuant to Section 4.1 for Customer to use the Work Product for Customer's internal business purposes shall remain in full force and effect.

7.4 Unless otherwise set forth in the applicable Product Exhibit or Order Form, the Initial Term applicable to each Order Form commences on the date Customer executes such Order Form and the Initial Term applicable to follow-on orders under such Order Form commences on the date Proofpoint receives such order. Upon expiration of the Initial Term under each Order Form the subscription term applicable to such Order Form will have three (3) one (1) year renewal options exercised by the Customer providing Vendor thirty days written notice prior to the then-expiration date.

7.5 In the event of the termination or expiration of this Agreement, the provisions of this Agreement which by their nature extend beyond the expiration or termination of this Agreement, including but not limited to sections 2.2, "License Restrictions"; 3, "Confidentiality"; 4, "Ownership"; 5 "Fees, Payment and Reporting"; 7, "Termination and Expiration"; 10, "Limitation of Liability"; and 11, "General Provisions", as well as any accrued rights to payment shall remain in effect beyond such termination or expiration until fulfilled.

8. INTELLECTUAL PROPERTY INDEMNITY

Intellectual Property shall be handled in accordance with Appendix A, Section 5 of DIR Contract No. DIR-TSO-3926.

9. WARRANTIES, REMEDIES AND DISCLAIMERS

9.1 Each party represents and warrants that (i) it has the legal power to enter into and perform under this Agreement; and (ii) it shall comply with all other applicable laws in its performance hereunder.

9.2 Warranties specific to each Proofpoint Product shall be set forth in an applicable Product Exhibit, executed by both parties.

9.3 EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH ABOVE AND IN EACH PRODUCT EXHIBIT, PROOFPOINT AND PROOFPOINT LICENSORS DISCLAIM ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, INCLUDING WITHOUT LIMITATION REGULATORY COMPLIANCE, PERFORMANCE, ACCURACY, RELIABILITY, AND NONINFRINGEMENT. PROOFPOINT DOES NOT WARRANT THE ACCURACY OF

THE INTENDED EMAIL BLOCKING OF ANY MAIL MESSAGE, THE PROOFPOINT PRODUCTS WILL MEET CUSTOMER'S REQUIREMENTS OR THAT NO EMAIL WILL BE LOST OR THAT THE PROOFPOINT PRODUCTS WILL NOT GIVE FALSE POSITIVE OR FALSE NEGATIVE RESULTS OR THAT ALL SPAM AND VIRUSES WILL BE ELIMINATED OR THAT LEGITIMATE MESSAGES WILL NOT BE OCCASIONALLY QUARANTINED AS SPAM. PROOFPOINT DOES NOT WARRANT THE OPERATION OF THE PROOFPOINT PRODUCTS WILL BE UNINTERRUPTED OR ERROR-FREE. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THE AGREEMENT. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS SO THE FOREGOING LIMITATIONS MAY NOT APPLY TO CUSTOMER.

10. LIMITATION OF LIABILITY & INDEMNIFICATION

10.1 LIMITATION OF LIABILITY SHALL BE HANDLED IN ACCORDANCE WITH APPENDIX A, SECTION 10K OF DIR CONTRACT NO. DIR-TSO-3926. Indemnification shall be handled in accordance with Appendix A, Section 10A of DIR Contract No. DIR-TSO-3926.

11. GENERAL

11.1 Government End-User Notice. This Section shall apply only if Customer is a federal government entity. Proofpoint provides the Proofpoint Products, including related technology, for ultimate federal government end use solely in accordance with the following: Government technical data and software rights related to the Software include only those rights customarily provided to the public as defined in this Agreement. This customary commercial license is provided in accordance with FAR 12.211 (Technical Data) and FAR 12.212 (Software) and, for Department of Defense transactions, DFAR 252.227-7015 (Technical Data – Commercial Items) and DFAR 227.7202-3 (Rights in Commercial Computer Software or Computer Software Documentation). If greater rights are needed, a mutually acceptable written addendum specifically conveying such rights must be included in this Agreement.

11.2 Publicity. Neither party may issue press releases or otherwise publicize the parties' relationship without the other party's prior written consent, which shall not be unreasonably withheld.

11.3 Independent Contractors; Relationship with Third Parties. The parties are independent contractors, and no partnership, franchise, joint venture, agency, fiduciary or employment relationship between the parties is created hereby. There are no third party beneficiaries to this Agreement.

11.4 Notices. Notices shall be handled in accordance with Appendix A, Section 12 of DIR Contract No. DIR-TSO-3926 All notices shall be in writing to each party's address on the signature page of this Agreement and effective upon receipt.

11.5 Entire Agreement; Integration. DIR Contract No. DIR-TSO-3926 and this Agreement constitutes the entire agreement of the parties and supersedes all prior or contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter. No amendment or waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom the amendment or waiver is to be asserted. Notwithstanding any language to the contrary therein, any Order Form issued by Customer or Reseller shall be deemed a convenient order and payment device only and no terms stated in any Order Form or

in any other order document shall be incorporated into this Agreement, and all such terms shall be void and of no effect.

11.6 Waiver. No failure or delay in exercising any right hereunder shall constitute a waiver of such right. Except as otherwise provided, remedies provided herein are in addition to, and not exclusive of, any other remedies of a party at law or in equity. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, such provision shall be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions shall remain in effect. The parties' rights and remedies under this Agreement are cumulative.

11.7 Force Majeure. Force Majeure will be handled in accordance with Appendix A, Section 11C of DIR Contract No. DIR-TSO-3926.

11.8 Assignment. Assignments will be handled in accordance with Appendix A, Section 4D of DIR Contract No. DIR-TSO-3926.

11.9 Export Restrictions. Each party agrees to comply with all applicable regulations of the United States Department of Commerce and with the United States Export Administration Act, as amended from time to time, and with all applicable laws and regulations of other jurisdictions with respect to the importation and use of the Proofpoint Products and Proofpoint Confidential Information and any media, to assure that the Proofpoint Products, Proofpoint Confidential Information and media are not exported, imported or used in violation of law or applicable regulation.

11.10 Applicable Law. This Agreement will be governed by the laws of the State of Texas without regard to conflict of law principles. The United Nations Convention on Contracts for the International Sale of Goods shall not apply. The parties hereby consent to the exclusive jurisdiction of the state I courts located in Travis County, Texas, for resolution of any disputes arising out of this Agreement.

11.11 Counterparts. These General Terms and each Product Exhibit may be executed by facsimile and in counterparts.

11.12 Headings; Language. All headings used herein are for convenience of reference only and will not in any way affect the interpretation hereof. The English language version of this Agreement controls. It is the express wish of both parties that this Agreement, and any associated documentation, be written and signed in English.



EXHIBIT TO DIR CONTRACT NO. DIR-TSO-3926

SECURITY SERVICES EXHIBIT

This Security Services Exhibit is an exhibit to the General Terms and Conditions ("General Terms"). The General Terms are an integral part of this Security Services Exhibit and are incorporated by reference.

IN WITNESS WHEREOF, Proofpoint and Customer represent and warrant to the other that the person entering into this Security Services Exhibit is authorized to sign this Agreement on behalf of their respective party.

| | |
|--|--|
| CUSTOMER: | PROOFPOINT, INC.: |
| Individual Signing: [print name] | Individual Signing: [print name] |
| Signature: | Signature: |
| Title: | Title: |
| Signing Date: | Signing Date: |

CONTINUED ON NEXT PAGE

1. DEFINITIONS. For purposes of this Security Services Exhibit the following definitions shall apply. Capitalized terms used in this Security Services Exhibit without separate definition shall have the meaning specified in the General Terms.

1.1 "Customer Data" means the rules and policies set by Customer in its use of the Security Services and the Customer e-mail and associated content managed by the Security Services.

1.2 "Customer Equipment" means Customer's computer hardware, software and network infrastructure used to access the Security Services.

1.3 "Security Service(s)" means the filtering and processing of email within the on-demand, Web-based email security and data loss prevention services provided by Proofpoint, including updates thereto.

1.4 "Users" means Customer's and its Affiliates' employees, agents, contractors, consultants or other individuals who are authorized by Customer to use the Security Services.

2. TERMS OF SECURITY SERVICES. Proofpoint shall make the Security Services available to Customer and its Affiliates in accordance with DIR Contract No. DIR-TSO-3926 and the General Terms, Order Form, this Security Services Exhibit and the Security Services Documentation. Customer's right to use the Security Services is limited to the maximum number of Mailboxes for each module specified in each Order Form.

3. CUSTOMER RESPONSIBILITIES. Customer is responsible for (i) all activities conducted under its User logins; (ii) obtaining and maintaining any Customer Equipment and any ancillary services needed to connect to, access or otherwise use the Security Service and ensuring that the Customer Equipment and any ancillary services are compatible with the Security Service and comply with all configuration requirements set forth in the Security Services Documentation; and (iii) complying with all laws, rules and regulations regarding the management and administration of its electronic messaging system, including but not limited to, obtaining any required consents and/or acknowledgements from its Users and service providers (if applicable) in managing its electronic messaging system. If Customer has elected to route outbound email through the Security Services, Customer is responsible for maintaining the outbound email filtering Security Services configuration settings established by Proofpoint to filter and block emails identified by Proofpoint as either containing a virus or having a spam score of ninety-five (95) or higher. If Proofpoint has reason to believe that Customer has modified the outbound email configuration setting, Proofpoint reserves the right to monitor and reset such settings.

4. WARRANTIES.

4.1 Proofpoint warrants that the Security Service will substantially conform in all material respects in accordance with the Security Services Documentation. Customer will provide prompt written notice of any non-conformity. Proofpoint may modify the Security Service Documentation in its sole discretion, provided the functionality of the Security Service will not be materially decreased during the Term. As Customer's sole and exclusive remedy and Proofpoint's entire liability for any breach of the foregoing warranty, Proofpoint will (i) use reasonable efforts to fix, provide a work around, or otherwise repair or replace the Security Service or, if Proofpoint is unable to do so, (ii) terminate this Security Services Exhibit and return

he Subscription Fees paid to Proofpoint or Reseller for such allegedly defective Security Services for the period commencing from Customer's notice of nonconformity through the remainder of the Initial Term or Extension Term, as applicable.

4.2 Proofpoint warrants that the Security Services will meet the requirements set forth in the Security Service Level Agreements (each, an "SLA"), as described on Proofpoint's website at <http://www.proofpoint.com/license>. Any term in conflict with DIR Contract No. DIR-TSO-3926 shall be deemed null and void. In the event of a breach of the foregoing warranty, as Customer's sole and exclusive remedy, Proofpoint will provide the remedy set forth in the respective SLA.

5. Indemnification shall be handled in accordance with Appendix A, Section 10A of DIR Contract No. DIR-TSO-3926.

6. TERMINATION. Upon the effective date of termination of this Security Services Exhibit or the Agreement: Customer's license to use the Security Services will cease and Proofpoint will delete all backed-up Customer Data from Proofpoint systems within thirty (30) days of such termination.

SECURITY SERVICES EXHIBIT

This Security Services Exhibit is an exhibit to the General Terms and Conditions ("General Terms"). The General Terms are an integral part of this Security Services Exhibit and are incorporated by reference.

IN WITNESS WHEREOF, Proofpoint and Customer represent and warrant to the other that the person entering into this Security Services Exhibit is authorized to sign this Agreement on behalf of their respective party.

CUSTOMER:

PROOFPOINT, INC.:

Individual Signing:
[print name]
Signature:
Title:
Signing Date:

Individual Signing:
[print name]
Signature:
Title:
Signing Date:

1. DEFINITIONS. For purposes of this Security Services Exhibit the following definitions shall apply. Capitalized terms used in this Security Services Exhibit without separate definition shall have the meaning specified in the General Terms.

1.1 "Customer Data" means the rules and policies set by Customer in its use of the Security Services and the Customer e-mail and associated content managed by the Security Services.

1.2 "Customer Equipment" means Customer's computer hardware, software and network infrastructure used to access the Security Services.

1.3 "Security Service(s)" means the filtering and processing of email within the on-demand, Web-based email security and data loss prevention services provided by Proofpoint, including updates thereto.

1.4 "Users" means Customer's and its Affiliates' employees, agents, contractors, consultants or other individuals who are authorized by Customer to use the Security Services.

2. TERMS OF SECURITY SERVICES. Proofpoint shall make the Security Services available to Customer and its Affiliates in accordance with the General Terms, Order Form, this Security Services Exhibit and the Security Services Documentation. Customer's right to use the Security Services is limited to the maximum number of Mailboxes for each module specified in each Order Form.

3. CUSTOMER RESPONSIBILITIES. Customer is responsible for (i) all activities conducted under its User logins; (ii) obtaining and maintaining any Customer Equipment and any ancillary services needed to connect to, access or otherwise use the Security Service and ensuring that the Customer Equipment and any ancillary services are compatible with the Security Service and comply with all configuration requirements set forth in the Security Services Documentation; and (iii) complying with all laws, rules and

regulations regarding the management and administration of its electronic messaging system, including but not limited to, obtaining any required consents and/or acknowledgements from its Users and service providers (if applicable) in managing its electronic messaging system. If Customer has elected to route outbound email through the Security Services, Customer is responsible for maintaining the outbound email filtering Security Services configuration settings established by Proofpoint to filter and block emails identified by Proofpoint as either containing a virus or having a spam score of ninety-five (95) or higher. If Proofpoint has reason to believe that Customer has modified the outbound email configuration setting, Proofpoint reserves the right to monitor and reset such settings.

4. WARRANTIES.

4.1 Proofpoint warrants that the Security Service will substantially conform in all material respects in accordance with the Security Services Documentation. Customer will provide prompt written notice of any non-conformity. Proofpoint may modify the Security Service Documentation in its sole discretion, provided the functionality of the Security Service will not be materially decreased during the Term. As Customer's sole and exclusive remedy and Proofpoint's entire liability for any breach of the foregoing warranty, Proofpoint will (i) use reasonable efforts to fix, provide a work around, or otherwise repair or replace the Security Service or, if Proofpoint is unable to do so, (ii) terminate this Security Services Exhibit and return the Subscription Fees paid to Proofpoint or Reseller for such allegedly defective Security Services for the period commencing from Customer's notice of nonconformity through the remainder of the Initial Term or Extension Term, as applicable.

4.2 Proofpoint warrants that the Security Services will meet the requirements set forth in the Security Service Level Agreements (each, an "SLA"), as described on Proofpoint's website at <http://www.proofpoint.com/license>. In the event of a breach of the foregoing warranty, as Customer's sole and exclusive remedy, Proofpoint will provide the remedy set forth in the respective SLA.

5. INDEMNIFICATION BY CUSTOMER. Customer shall defend, indemnify and hold Proofpoint harmless against any loss, damage or costs (including reasonable attorneys' fees) incurred in connection with claims made or brought against Proofpoint by a third party alleging that the Customer Data, or Customer's use of the Security Services in violation of this Agreement, infringes the intellectual property rights of, or has otherwise harmed, such third party; provided, that Proofpoint (a) promptly gives written notice of the claim to Customer; (b) gives Customer sole control of the defense and settlement of the claim (provided that Customer may not settle any claim unless it unconditionally releases Proofpoint of all liability); and (c) provides to Customer, at Customer's cost, all reasonable assistance.

6. TERMINATION. Upon the effective date of termination of this Security Services Exhibit or the Agreement: Customer's license to use the Security Services will cease and Proofpoint will delete all backed-up Customer Data from Proofpoint systems within thirty (30) days of such termination.