Splunk® Pricing: True-Up Program Guide

Splunk True-Up Program

The Splunk True-Up Program is a flexible purchasing program that offers a number of benefits:

1. Fixed and predictable pricing that aligns with your budget cycle
2. The ability to grow your use of Splunk Enterprise and Premium Solutions without additional cost during the license term, and pay a True-Up at the end of the year for what you actually used
3. Free Test & Development capacity to experiment with new use cases or new data sources

Term Licenses eligible for the True-Up Program can be purchased in one or two year increments. During the license period, you are allowed to exceed your prepaid license capacity with no limitation on usage. Monitoring your usage is simple with the new Splunk Usage Reporting App. At the end of each year, you will be required to submit a Statement of Usage reflecting your actual usage over the preceding twelve months (the True-Up Term).

If your reported usage exceeds your prepaid license volume, you will be subject to a True-Up Charge. At the end of the prepaid license term, you will have the option to renew your Term License with True-Up at a pre-negotiated rate included in the terms of your initial purchase.

Determining Usage: Splunk Usage Reporting App and the Statement of Usage

Splunk Usage Reporting App

You can use the Splunk Usage Reporting App to monitor your daily usage relative to your purchased license volume over the course of the True-Up Term. The App not only tracks usage, it also calculates the metrics that are required to complete a Statement of Usage at the end of the True-Up Term. You can also create Alerts and leverage other features in Splunk Enterprise to monitor your usage.

The Splunk Usage Reporting App must be installed at the same time as the license key associated with the True-Up Program. You must install the App on all instances with a True-Up license key to ensure proper coverage of your infrastructure and accurately aggregate your usage under the True-Up Program. The App is available for download via Splunkbase, simply follow the download instructions at https://splunkbase.splunk.com/app/3147/

Statement of Usage

The Splunk Usage Reporting App will enable you to generate a Usage Report, which you’ll need to complete a Statement of Usage. The Statement of Usage certifies your actual data ingestion relative to your purchased license volume.

To comply with the terms of the True-Up Program, you must generate the Usage Report, attach it to the Statement of Usage, execute the Statement of Usage, and send it to your Splunk sales representative or Splunk authorized partner no later than 15 business days before the expiration of your Term License. A template is included at the end of this document for your reference.

It is critical that you submit this information before the deadline in order to avoid any disruption in availability due to the expiration of your Term License.

Measuring Actual Daily Usage Volumes

The Statement of Usage asks for your Adjusted Peak Daily Usage Volume during the year, a statistic provided by the Splunk Usage Reporting App. This statistic is meant to capture actual usage without penalizing for occasional spikes in data ingestion. Essentially, your 60 highest volume days throughout the year are free from overage charges. The usage on your 61st highest volume day of the year is then your Adjusted Peak Daily Usage Volume.
True-Up Charge and Renewal

True-Up Charge
The True-Up Charge is calculated by multiplying your True-Up Quantity by a True-Up Rate. The True-Up Quantity is difference between your Adjusted Peak Daily Usage Volume and your purchased license volume. If your Adjusted Peak Daily Usage Volume is at or below your purchased license volume (e.g., True-Up Quantity = 0), you will not owe a True-Up Charge.

Your True-Up Rate is a preset price per GB / day included in the terms of your initial purchase.

Calculating the True-Up Charge
The True-Up Charge is calculated annually at the end of each True-Up Term when the Statement of Usage is executed. You can estimate your True-Up Charge at any time during the year by multiplying your True-Up Quantity by your True-Up Rate. An example showing the True-Up Charge calculation is provided below.

Sample Calculation:
Please Note: This is an example and actual prices and rates will vary.

Term License Purchased: 1,000 GB / day
License Period: One Year
Term Unit Price: $480 per GB / day
True-Up Rate: $576 per GB day

Splunk Usage Report Data:

<table>
<thead>
<tr>
<th>Sequential Days</th>
<th>Daily Usage (GB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>800</td>
</tr>
<tr>
<td>2</td>
<td>850</td>
</tr>
<tr>
<td>3</td>
<td>820</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>100</td>
<td>2,100</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>177</td>
<td>1,150</td>
</tr>
<tr>
<td>178</td>
<td>1,200</td>
</tr>
<tr>
<td>179</td>
<td>1,180</td>
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<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>270</td>
<td>1,300</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>365</td>
<td>1,800</td>
</tr>
</tbody>
</table>

Note: If you have existing licenses on the same instance that are not subject to the True-Up Program, these license sizes will be subtracted from the Adjusted Peak Daily Usage Volume to get to your True-Up Quantity. You will provide this information in the Statement of Usage.

For example:

New Term License Purchased: 1,000 GB / day
License Period: One Year
Existing License: 200 GB / day
Adjusted Peak Daily Usage Volume: 1,200 GB

True-Up Quantity = 0 (Adjusted Peak Daily Usage Volume of 1,200 GB less license purchased of 1,000 GB less existing license of 200GB)
Renewal
You can choose to renew an expiring Term License with True-Up for another Term License with True-Up subject to the current program rules. You will be provided a Renewal Rate table at the time of your initial purchase which includes pre-defined pricing per GB / day for a one year renewal. See example below:

<table>
<thead>
<tr>
<th>Renewal Volume</th>
<th>Renewal Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000-1999 GB/day</td>
<td>$[W] / GB</td>
</tr>
<tr>
<td>2000-4999 GB/day</td>
<td>$[X] / GB</td>
</tr>
<tr>
<td>5000-9999 GB/day</td>
<td>$[Y] / GB</td>
</tr>
</tbody>
</table>

When this table is used in conjunction with the Splunk Usage Reporting App, you will have visibility throughout the year to what your renewal pricing will be. You can renew your Term License with True-Up by contacting your Splunk sales representative or Splunk authorized partner.

Choosing the Right Renewal Volume
When you renew, you should evaluate your current usage level and expected data growth during the next year. Renewing your Term License with True-Up at this expected usage level will guarantee you the most favorable price per GB and minimize any True-Up Charge at the end the renewal term.

Upgrades
You can choose to upgrade (increase) your prepaid license capacity at any time during the license term. Please work with your Splunk account representative or authorized Splunk partner to determine the optimal upgrade volume based on your growing needs.

Please note that upgrading your prepaid license capacity before the end of the term will trigger a True-Up calculation. If your Adjusted Peak Daily usage at the time of upgrade exceeds the initial license capacity purchased, a True-Up Charge will be due. As previously explained, the True-Up Charge is calculated by multiplying the Adjusted Peak Daily Usage by a preset True-Up Rate. The True-Up Rate assumes 12 months of usage, and will be reduced depending on the amount of time elapsed between the initial purchase date and the upgrade date. This proration ensures that you are only charged for the period over which the True-Up usage occurred.

Premium Solutions
Premium Solutions such as Splunk Enterprise Security (ES) and Splunk IT Service Intelligence (ITSI) are also eligible for the True-Up Program when purchased in conjunction with a Splunk Enterprise Term License with True-Up. The index capacity purchased for a Premium Solution must equal the index capacity purchased for Splunk Enterprise under the True-Up Program. Similarly, the license term end date for either ES or ITSI must equal the license term end date for the underlying Splunk Enterprise Term License with True-Up.

The True-Up calculation for Premium Solutions will also be based on Adjusted Peak Daily Usage. The Adjusted Peak Daily Usage for either ES or ITSI will be the same Adjusted Peak Daily Usage for Splunk Enterprise Term License with True-Up. For more information on how to calculate the Adjusted Peak Daily Usage please see the True-Up Charge section above.

Additionally, each instance of ES or ITSI that is purchased on a Term License with True-Up will also benefit from a Test & Dev license to provide you with flexibility as you try out new use cases and/or data sources!
**True-Up Timing**

Below are timelines that summarize the True-Up process relative to the expiration date of your Term License with True-Up:

**The True-Up Timeline**

<table>
<thead>
<tr>
<th>Purchase 2-Year Term License with True-Up</th>
<th>Immediately After Purchase</th>
<th>Initial True-Up Term: Months 1 - 12</th>
<th>At Least 15 Business Days Before End of Initial True-Up Term</th>
<th>Begin Second True-Up Term: Months 13 - 24</th>
<th>At Least 15 Business Days Before End of Second True-Up Term</th>
<th>Before License Expiration</th>
<th>End of Second True-Up Term and License Expiration</th>
<th>Following Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Install the Splunk Usage Reporting App on all relevant instances</td>
<td>Review your usage in the Splunk Usage Reporting App. How much are you using? Discuss with your sales rep and use the Splunk tools to estimate your data growth</td>
<td>Generate the Usage Report with the Splunk Usage Reporting App. Fill out and execute the Statement of Usage to your Splunk sales rep or Splunk authorized partner</td>
<td>You will be invoiced for the True-Up Charge</td>
<td>Review your usage in the Splunk Usage Reporting App. How much are you using? Discuss with your sales rep and use the Splunk tools to estimate your data growth</td>
<td>Generate the Usage Report with the Splunk Usage Reporting App. Fill out and execute the Statement of Usage to your Splunk sales rep or Splunk authorized partner</td>
<td>Discuss and execute your renewal with your sales rep if you wish to continue in the True-Up Program</td>
<td>You will be invoiced for the True-Up Charge and Term License renewal (if applicable)</td>
<td>Continue to use your license and track growth in the Splunk Usage Reporting App</td>
</tr>
</tbody>
</table>

*License Term Expires*
Glossary of Terms

True-Up Program: Flexible pricing program under which you can purchase a Term License and pay a True-Up Charge at the end of the True-Up Term for usage in excess of your Licensed Volume.

True-Up Term: The measurement period over which usage data is collected to determine the True-Up Quantity. This will be a 12-month period that begins on the start of the license term. Two-year license terms will contain two True-Up Terms. The second True-Up Term will begin on the one year anniversary of the start of the license term and will have 12 month duration.

License Volume: Maximum daily GB of data ingestion allowed per your contract.

Licensed Rate: The $/GB paid for your Term License under the True-Up Program

Splunk Usage Reporting App: Application that must be installed on all instances with the True-Up License key, which captures your daily usage. The app is available for download via Splunkbase at the following link: https://splunkbase.splunk.com/app/3147/

Splunk Usage Report: Report generated by the Splunk Usage Reporting App that shows the daily usage of your deployments under the True-Up Program. This report must be attached to your signed Statement of Usage and sent to your Splunk Sales Rep or Splunk Authorized Partner no later than 15 business days before the end of your True-Up Term.

Statement of Usage: Document certifying your actual daily usage relative to your purchased License Volume. This document must be signed and sent to your Splunk Sales Rep or Splunk Authorized Partner no later than 15 business days before the end of your True-Up Term.

True-Up Charge: Amount billed at the end of the True-Up Term for your usage over your Licensed Volume. Calculated as the True-Up Quantity multiplied by the True-Up Rate.

True-Up Quantity: The volume for which you will be billed the True-Up Charge. Calculated as the Adjusted Peak Daily Usage Volume minus your Licensed Volume.

Adjusted Peak Daily Usage Volume: The volume measurement that is used to calculate your True-Up Quantity. Your peak usage for each of the days in the True-Up Term is sorted from highest to lowest, and the 60 highest usage days are excluded. The Adjusted Peak Daily Volume is the GB of data ingested on the 61st highest day.

True-Up Rate: The $/GB paid for any True-Up Quantity owed at the end of the True-Up term.

Renewal Rate: The pre-defined $/GB at which you can renew your Term License under the True-Up Program. It is reflected in the renewal rate table provide in your initial Term License with True-Up quote.

Pre-negotiated Renewal Price Grid: A table provided in your initial contract that outlines a price/GB by volume tier for the renewal of your Term License with True-Up. These prices will only apply if you renew under the True-Up Program.

Premium Solutions: Optional add-ons that optimize Splunk for specific use cases for example, Splunk Enterprise Security (ES) and Splunk IT Service Intelligence (ITSI).

Resources and Support: Need help? Contact your Splunk sales representative or Splunk authorized partner.
Statement of Usage

<table>
<thead>
<tr>
<th>Product</th>
<th>Start Date</th>
<th>End Date</th>
<th>Metric Name</th>
<th>Metric Volume (GB/day)</th>
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<tbody>
<tr>
<td>Splunk Enterprise</td>
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<td>Adjusted Peak Daily Usage</td>
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Please attach the supporting usage reports (in PDF format) generated from the Splunk Usage Reporting App (available at: https://splunkbase.splunk.com/app/3147/)

I certify that I am a duly authorized representative of the Customer and the information provided in this Statement of Usage is accurate. I certify that the above represents the usage of all aggregate Splunk Enterprise licenses issued under the applicable Pricing Program (EAA, True-Up, etc.) over the reported measurement period.

Customer Name: __________________________________________
("Customer")

Pricing Program: __________________________________________

Name: ____________________________________________________

Title: ______________________________________________________

Signature: _________________________________________________

Date: ______________________________________________________