

DATE: February 3, 2018
DOCUMENT TYPE: External
Policy Title: Software Licenses - Terms and Conditions
DOCUMENT NUMBER: SWM-EXT-002 Rev N/R
Target Audience: QSC Sales/Channel Partners
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Purpose:

This Policy applies to QSC channel partners, including dealers and distributors, when they purchase QSC's licensed software products. This Policy describes the different types of software licenses and the terms and conditions that apply. Reference is made to the QSC Master Channel Partner Agreement ("Agreement") between QSC, LLC ("QSC") and the channel partner ("Partner"), as defined in the Agreement. Capitalized terms used but not otherwise defined in this Policy have the meanings ascribed to them in the Agreement. Partner is responsible for ensuring compliance with all QSC Policies.

Access to Sell QSC Licensed Software Products:

Partner must be qualified to sell Q-SYS licensed software products. Partner's authorization to sell QSC licensed products is governed by QSC's Product Authorization Form. The product authorization guidelines are defined by each Business Unit and recorded in QSC's ERP systems and policies.

Perpetual License:

A perpetual license is purchased with a one-time fee and issued at the time of invoice. The license does not expire and remains active for the life of the device. Once a perpetual license is activated, the license can only be moved or transferred to a different device due to a warranty action, i.e., advance replacement.

Demo License:

A demo license is used for demonstration purposes only. A demo license cannot be used in a production environment. To request a demo license, the customer must place a "zero dollar" order with QSC's Customer Care Department. Demo licenses come with a 30-day term, and can be renewed for an additional 30 days with QSC Sales Manager's approval.

Not For Resale (NFR) License:

Partner may obtain a Not for Resale ("NFR") license by issuing a "zero dollar" order to QSC's Customer Care Department. An NFR license is issued for the purposes of solution demonstrations or training and cannot be used for production environments. This is a 12-month renewable term license tied to a single Q-SYS Core. If the Q-SYS Core is sold, the NFR license must be removed and voided prior to sale.

Emergency License:

In extenuating circumstances, QSC's Technical Support can issue an emergency license to a customer to maintain the operation of a customer site. An emergency license is not renewable and is only valid for 7 days. The customer must issue a purchase order to QSC to acquire a perpetual license within 7 days to avoid service disruption.

Terms and Conditions:

Subject to the terms of the Q-SYS End User License Agreement ("EULA"):

Node-Locked - Each QSC software license is restricted to use on a single device usually via the hardware ID which is tied to the serial number of the device. The device must be within QSC's manufacturer warranty period.

Redundant Systems - Since perpetual licenses are node locked, each Q-SYS Core in a redundant system needs to have its own dedicated set of licenses.

Software Version Enforcement - All perpetual licensed products may be upgraded to a new software ("SW") version during the hardware warranty period. QSC reserves the right to bring to market a maintenance contract that may enable post-warranty SW upgrades.

Software Downgrade – On rare occasions, perpetual licensed products may be downgraded to a previous software version by contacting QSC's Technical Support. A Q-SYS software downgrade is only allowed up to one version back from the current software version to ensure that QSC can provide high levels of support to our customers who purchased our licensed products.

Hardware Upgrade - On a best-effort basis, QSC will ensure that discontinued Q-SYS products can support software version 7.x or later. However, the technology platform in discontinued hardware devices may not support the software technology requirements. For this reason, QSC cannot guarantee backwards compatibility for all Q-SYS Cores in the field.

Return Policy - On rare occasions, perpetual licensed products may be returned for credit if approved by Sales Manager. Credit may be issued on licensed products that were shipped within 90 days **and** the licenses were not activated for use. A processing fee of 20% applies to all returns.

Modifications:

This Policy may be modified by QSC at any time in its sole discretion, which shall become effective immediately.