



SOFTWARE & CLOUD SERVICES TERMS

This document consists of four parts: Part 1 - Application Bundles, Part 2 - Software Licensing and Subscription Metrics, Part 3 - Additional Terms for Various Products and Services, and Part 4 - Premium Support Terms for Streamlined and Staged Adaptive ERP. The Software & Cloud Services Terms form an integral part of the QAD|Redzone License and Maintenance Agreements, Licensing Provisions, and Cloud Services Agreements. This document is subject to future change by QAD|Redzone.

This document outlines the current QAD|Redzone offerings. For previous offerings, please refer to the legacy version of the Software and Cloud Services Terms available at this link <https://www.qad.com/documents/legal/legacy-software-and-cloud-services-terms.pdf>.

► Part 1: Application Bundles

Adaptive ERP (Staged and Streamlined - See Part 4 for details)

Champion Assist for ERP: 180 Credits per Named User per year are included.

EAM (Enterprise Asset Management): asset maintenance, projects, indirect inventory, MRO purchasing.

Engineering: BOM/routing, formula/process, co-products and by-products, engineering change management, costing.

Field Service Management: installed base, service contracts and warranty, returns and replacements, incident management, in-house repair, field service, service billing.

Financials: budgeting, general ledger, accounts receivable, accounts payable, banking and cash management, fixed assets, global tax management, financial shared services, management and statutory reporting.

Integration Platform: 50,000 Exchanged Documents are included.

International Extensions: Algeria, Austria, Belgium, Bulgaria, China, Croatia, Czech, Finland, France, Germany, Indonesia, Israel, Latvia, Lithuania, Macedonia, Moldova, Morocco, Norway, Philippines, Romania, Serbia, Slovakia, Slovenia, Sweden, Thailand, Tunisia, Turkey, Vietnam.

Inventory: warehousing (includes limited Automation Solutions for warehousing transactions only, but does not include the full Automation Solutions capability set), inventory control, lot and serial traceability, packaged inventory, item and lot attributes, consignment inventory, inter-site requests and distribution orders.

Planning and Scheduling: forecasting, master scheduling, material requirements planning, distribution requirements planning, capacity requirements planning, production scheduling.

Process Intelligence: 3 Named Users, 3 Process Cards and 25M Logs are included.

Platform: enterprise platform, analytics and reporting, process, integration, security.

Production: production orders, production activity reporting, subcontracting, quality orders, lean manufacturing.

Purchasing: requisitions, discrete purchase orders, supplier schedules, supplier pricing, approved vendor lists, receiving, supplier performance.

Sales: CRM for manufacturers, discrete sales orders and quotations, configurator, customer schedules, pricing, promotions and contracts, shipping and invoicing, shipment performance.

Note: There may be additional charges for APIs, documents, system resources, and third-party applications. For details on what is included please refer to the release notes. Staged Adaptive ERP includes Premium Support. QAD|Redzone reserves the right to change bundle contents in future releases.

Adaptive ERP (legacy)

EAM (Enterprise Asset Management): asset maintenance, projects, indirect inventory, MRO purchasing.

Engineering: BOM/routing, formula/process, co-products and by-products, engineering change management, costing.

Field Service Management: installed base, service contracts and warranty, returns and replacements, incident management, in-house repair, field service, service billing.

Financials: budgeting, general ledger, accounts receivable, accounts payable, banking and cash management, fixed assets, global tax management, financial shared services, management and statutory reporting.

International Extensions: Algeria, Austria, Belgium, Bulgaria, China, Croatia, Czech, Finland, France, Germany, Indonesia, Israel, Latvia, Lithuania, Macedonia, Moldova, Morocco, Norway, Philippines, Romania, Serbia, Slovakia, Slovenia, Sweden, Thailand, Tunisia, Turkey, Vietnam.

Inventory: warehousing (includes limited Automation Solutions for warehousing transactions only, but does not include the full Automation Solutions capability set), inventory control, lot and serial traceability, packaged inventory, item and lot attributes, consignment inventory, inter-site requests and distribution orders.

Planning and Scheduling: forecasting, master scheduling, material requirements planning, distribution requirements planning, capacity requirements planning, production scheduling (note: in versions older than Adaptive ERP 2024, the term production scheduling covers planning and scheduling workbenches).

Platform: enterprise platform, analytics and reporting, process, integration, security.

Production: production orders, production activity reporting, subcontracting, quality orders, lean manufacturing.

Purchasing: requisitions, discrete purchase orders, supplier schedules, supplier pricing, approved vendor lists, receiving, supplier performance.

Sales: CRM for manufacturers, discrete sales orders and quotations, configurator, customer schedules, pricing, promotions and contracts, shipping and invoicing, shipment performance.

Note: For on-premises customers, some aspects of the platform may be limited, Customers must be current on maintenance to receive certain products and there will be an additional charge for the embedded analytics. For on-premises and cloud customers, there may be additional charges for APIs, documents, system resources, and third-party applications. For details on what is included please refer to the release notes. QAD|Redzone reserves the right to change bundle contents in future releases.

► Part 2: Software Licensing and Subscription Metrics

This section contains the definitions of metrics used when selling QAD|Redzone offerings. The software and/or Cloud Services to which the metric applies is indicated in italics in parenthesis.

(Digital Supply Chain Planning - DSCP) **Administrator** shall mean a Named User that may set up, model, administer the system and run batches. The Administrator is a Planner; however, an Administrator is not authorized to use the system for planning purposes in the “production” platform as a Planner (i.e. an Administrator may not perform planning tasks using the system).

(QXtend) **Agent** means the means by which messages are transported using QXtend. An Agent has a defined and finite capacity for transporting messages and thus more Agents may be needed for a given implementation depending on message size, complexity, volume, frequency and speed of movement required.

(Digital Supply Chain Planning - DSCP) **Collaborator User** means a Named User authorized to view, modify and import/export existing data. An **External Collaborator User** is different from a regular Collaborative User in that when assessing the number of External Collaborative Users, the total number of concurrently logged on external users is verified. The total number of concurrently logged on external users should not exceed the total number of External Collaborative Users purchased.

(Trade Compliance Standard Screening) **Contact** means a contact record, representing a natural person or a legal entity, that is stored in the database and that is subject to daily screening through use of the Trade Compliance Standard Screening solution.

(Champion AI) **Credit** means a metered usage credit that represents the right to consume Champion AI services. The licensed quantity of Credits represents the maximum number of Credits that may be used within a subscription year. Credit allowances are pooled and can be used across the user base. Credits

purchased for one Champion AI SKU (e.g. Champion Assist for ERP and Champion Assist for SRM) are limited to that SKU (i.e. separate Credit purchases are required for each Champion AI SKU). If a Credit is not used in a given subscription year, it expires. Consumption of Credits is tracked by the system and can be viewed at all times by a system administrator.

(Integration Platform) **Exchanged Document** means a discrete set (unit) of structured data (e.g. a purchase order, sales order, bill of materials, a supplier, etc.), represented in the Integration Platform event stream, that is exchanged between a publisher (the source) and a subscriber (the destination). If there are multiple publishers of and/or subscribers to an Exchanged Document, each additional publisher/subscriber shall consume one additional Exchanged Document (e.g. 1 publisher and 1 subscriber = 1 Exchanged Document, 1 publisher and 2 subscribers = 2 Exchanged Documents). The licensed quantity of Exchanged Documents represents the maximum number of Exchanged Document that may be used within a calendar month. If the Exchanged Document allowance is not used in a given calendar month, it expires. Exchanged Document allowances are pooled and can be used across different integrations. Exchanged Documents are deleted from the event stream after 14 days on a rolling basis (error logs are retained for 45 days). If an Exchanged Document has been published to the event stream, but has not been consumed by a subscriber at the end of a fourteen-day period, it will be counted as one Exchanged Document.

(Production Execution) **Instance** means a single copy of a running application for up to 150 concurrent users and for total usage up to 400 Gb for the Production Execution database.

(Demand and Delivery, Lean Manufacturing) **Kanban Loop** means a total collection of Kanban signals associated with an item from its original sources to its final destination site. Kanban loops are defined by a unique combination of item, step and destination.

(EQMS - Enterprise Quality Management System) **Limited Concurrent User** means the number of individual users who are concurrently accessing the Cloud Applications. Usage is limited to (1) personnel viewing database records, (2) personnel completing any assigned approvals, (3) personnel completing training evaluation questions, (4) personnel completing inspection events, and (5) personnel completing audits.

(ERP) **Limited Named User** means a Named User that can only access a limited number of functionalities. These functionalities are: (1) browses, inquiries, reports, and process maps, (2) global requisition creation/approval, (3) shop floor labor reporting, (4) shipment receipts, (5) shipment confirmation, (6) quality control reporting, and (7) RF device access, and (8) EAM functionalities as defined under Limited Named User for Enterprise Asset Management. As part of an audit conducted by QAD|Redzone or as otherwise requested by QAD|Redzone, Customer shall provide QAD|Redzone with a list of all system user ID's associated with any Limited Named User.

(EAM - Enterprise Asset Management) **Limited Named User** means a Named User that can only access a limited number of modules and functions within EAM. The functions that are allowed are: requisition (create/approve), stores requisition (create/approve), service request (create/approve), project approval, work order management (create/approve), work order close maintenance and PO receipt and reporting. As part of an audit conducted by QAD|Redzone or as otherwise requested by QAD|Redzone, Customer shall provide QAD|Redzone with a list of all system user ID's associated with any Limited Named User.

(General Product) **Location** means each of the physical locations where Vendor will provide, and Customer is authorized to use, the Services.

(Process Intelligence) **Log** means each entry in a log file that contains the following information: 1) an identification number, 2) a timestamp, 3) a description of an event.

(QXtend, EDI eCommerce Package) **Message** means a single file or other data packet representing a single input to or output from the system that will be transferred between the system and another third party application.

(General Product) **Named User** means each individual, device, or process that has access to the system.

(Digital Supply Chain Planning - DSCP) **Planner** means a Named User that can perform planning activities using the system. A planner may perform special calculations (sales forecasts, plan calculations, DRP, etc.), program supplementary calculations or rule bases, add references, make changes to horizons, etc.),

(Digital Supply Chain Planning - DSCP) **Planning Site** means the physical site, named in an Order Document, for which planning is performed and supported by the system. Only products from the named Production Site can be planned with the system.

(Process Intelligence) **Process Card** means a process defined in the Process Intelligence solution through the use of a process map.

(Digital Supply Chain Planning - DSCP) **Product Division** shall mean a product family, business unit or geography, designated in the Order Document, for which Customer can perform the supply chain planning activities.

(General Product) **Production Database** means the database that is used to manage the business, i.e. contains "live" data.

(Advanced Scheduling) **Production Line** means a set of sequential operations established in a factory whereby materials are put through a refining process or components are assembled to make an intermediate or finished article. The Advanced Scheduling solution distinguishes between (1) Complex (unlimited changeover attributes), Normal (less than 7 changeover attributes) and Simple (less than 2 changeover attributes) Production Lines, (2) Large (unlimited SKUs) and Small (less than 2,000 SKUs) Production Lines, and (3) Production Lines that either use or don't use an optimizer functionality. The purchased solution is indicated in the Order Document.

(Cloud ERP Bundle) **Purchase Requisition User** means an individual who uses the Cloud Applications for the sole purpose of (1) creating, approving and processing purchase requisitions, with associated browses, or (2) entering or viewing EAM service requests. As part of an audit conducted by QAD|Redzone or as otherwise requested by QAD|Redzone, Customer shall provide QAD|Redzone with a list of all system user ID's associated with any Purchase Requisition User.

(QXtend) **QXtend Node** means either a) if the shared services domain functionality is not used; each production database that transfers inbound or outbound data to any destination, or b) if the shared services domain functionality of the system is used; each domain that is used to transfer information to or from i) another domain, ii) another production database, or iii) another third party application.

(QXtend) **Receiver** means an endpoint to which data are moved by QXtend via QXtend Agents.

(General Product) **RF Device User** means a person that uses a radio frequency (RF) terminal device to access the system. Such access shall be limited to functions of entering RF data.

(General Product) **Server** means a hardware platform running QAD|Redzone software applications.

(Global Trade and Transportation Execution - GTTE (formerly known as Transportation Management or TMS)) **Ship from Country** means a country from which shipments will be made utilizing the GTTE product suite.

(Global Trade Management) **Site** means a location that uses Global Trade Management and that files export declarations to a Customs Agency.

(QAD|Redzone Demand and Delivery, Lean Manufacturing) **Stock Keeping Unit (SKU)** means an item at a particular geographic location. For example, one product stocked at the plant and at six different distribution centers would represent seven SKUs.

(Supply Chain Planning) **Supply Chain Node or SCN** means a single address or location defined as a site in the production database that will be used as either the source or destination site for planning or executing inventory transfers. A single address or location will be counted as one SCN even if it is divided into two or more logical sites within the system (e.g., for accounting and reporting reasons).

(eDocument Compliance) **Transaction** means the submission, processing and, when legally required, archiving for the duration of the legal retention period, of one fiscal document, with or without attachments, using the Cloud Services. Files that exceed 150kb will be considered additional Transactions for each increment of 150kb.

(QAD|Redzone Global Trade and Transportation Execution - GTTE) **Transaction** means an individual transaction stored and counted in the system. Examples include unique references used for shipping or tracking such as a package tracking number, a waybill number, a PRO number (for LTL or less-than-truckload), a trade compliance screening run number, or a unique reference used for customs declarations/document production. Transactions are counted over a rolling twelve-month period.

(EQMS - Enterprise Quality Management System) **View/Acknowledgement Named User** means a Named User whose use of the system is limited to (1) viewing database records, (2) completing any assigned approvals, and (3) completing Training Evaluation Questions.

(QAD|Redzone Digital Supply Chain Planning - DSCP) **Viewer User** means a Named User who is only authorized to view and export existing data. An **External Viewer User** is different from a regular Viewer User in that when assessing the number of External Viewer Users, the total number of concurrently logged on external users is verified. The total number of concurrently logged on external users should not exceed the total number of External Viewer Users purchased.

► Part 3: Additional Terms for Various Products and Services

Additional Environment. This service consists of Vendor providing a single Cloud environment consisting of a virtual non-production server only. The service levels outlined in the Cloud Program Document shall not apply.

Automation Solutions. If Customer has purchased an Automation Solutions subscription for all Named Users using the primary Application Bundle at a given Site, then no additional Automation Solutions subscription shall be required for any additional individuals using Automation Solutions for the benefit of such Site.

Boomi AtomSphere Service (the “Boomi Service”). The Boomi Service is defined as the business integration solution described in the Service Description posted at the website <http://www.boomi.com/legal/service> (plus the related websites referenced therein, as such websites may be amended from time to time). Vendor is an authorized reseller of the Boomi Service. The standard terms posted at www.boomi.com/msa shall apply.

The Boomi AtomSphere Bundle consists of the following:

2 Production Standard Connections	Parallel Processing
2 Test Standard Connections	Visual Designer
1 Production E-mail Connection	Advanced Workflow
Unlimited processes	Advanced User Security
Unlimited users	Integration Pack
Boomi Suggest	SOA Framework

Customer acknowledges that (i) the Boomi technology and the related documentation are the exclusive property of Boomi and its licensors and (ii) Customer has no right to transfer, sublicense or lease the Boomi technology. Customer shall not modify, distribute, prepare derivative works of, reverse engineer, reverse assemble, disassemble, or decompile the Boomi technology, any object code generated by the Boomi technology or any part thereof, or otherwise attempt to discover any source code, modifying the

Boomi technology in any manner or form, or using unauthorized or modified versions of the Boomi technology. Customer shall not access the Boomi technology for primary purposes of monitoring its availability, performance or functionality, or for any other benchmarking or competitive purposes. The Boomi technology is not warranted to be error-free, and it may be subject to limitations, delays, and other problems inherent in the use of the Internet and electronic communications.

Digital Supply Chain Planning (DSCP). Each Licensee shall appoint a Super User. Super User shall mean a member of the Customer's personnel who participates or has participated actively with QAD|Redzone in the implementation of the system. The Super User must have expertise on the Customer's business processes and shall form the link between QAD|Redzone and Customer for maintenance and other issues in relation to Digital Supply Chain Planning (DSCP). The Super User is required to have completed all required training modules (Super User cycle) and to have all required knowledge of the Customer's information systems. A Licensee may appoint a replacement Super User for situations in which the Super User is not available.

Global Trade and Transportation Execution (GTTE). (formerly known as Transportation Management or TMS). QAD|Redzone may provide with the software or Cloud Services (but not as part of the software or Cloud Services) trade content, including compliance content. QAD|Redzone is not the author of such content and merely conveys the information to Licensee. QAD|Redzone does not take any responsibility or make any warranties or representations, expressed or implied, as to the accuracy, reliability or prevailing status of the content, nor does QAD|Redzone approve, sanction, promote, recommend or endorse the content. Licensee acknowledges that content provided with the software or Cloud Services is not intended as a substitute for reading the actual statutes, regulations, and other documents that apply. In no event does QAD|Redzone accept liability of any description resulting from use or inability to use the content. QAD|Redzone accepts no responsibility for keeping the information up to date or liability for any failure to do so.

Hosting for Third-Party Application. This service consists of Vendor providing hosting services for a Third-Party Application that Customer has licensed directly from a Third-Party Supplier. The following terms apply:

1. Vendor shall provide hardware infrastructure hosting services for the Third-Party Application within the Vendor production Environment and up to two non-production Environments. These hosting services consist of (A) providing a hardware environment of two CPU's, 10 Gb memory and 50 Gb disk space; and (B) relaying to Customer such alerts as are generated by Vendor system monitoring.
2. In exchange for the one-time Setup fee payable by Customer, Vendor shall provide up to eight (8) person/hours professional services for the following tasks:
 - Support Customer with the installation of the Third-Party Application in the production Environment and up to two non-production Environments.
 - Identify the system services (if any) that are required to be monitored to measure runtime availability, and establish associated monitoring and alerts.
 - Modify existing startup and shutdown script integration.
3. Customer represents and warrants that at all times it shall hold a valid license from Third-Party Supplier to use the Third-Party Application and to outsource the hosting of the Third-Party Application to Vendor as provided herein. Customer shall be responsible for all fees charged by Third-Party Supplier in connection with these hosting services.
4. Customer shall continue to obtain normal product support directly from Third-Party Supplier.
5. Vendor's obligation to provide the hosting services is conditioned on the following:
 - Third-Party Supplier will be responsible for installing the initial version and subsequent updates of the Third-Party Application in the Vendor Environments in accordance with Vendor's standard operating procedures.
 - Third-Party Supplier will provide technical support directly to Vendor as may be requested by Vendor for the ongoing hosting of the Third-Party Application, including code recompilation support when required to support Vendor software release changes or interface code changes. Customer acknowledges that, except for the express services set forth in Sections 1 and 2, Vendor makes no warranty regarding the availability or performance of Third-Party Application.

- Third-Party Supplier will facilitate the preferred Vendor standard integration technology (ODBC; FTP; SAMBA; Qxtend / Boomi) where applicable unless otherwise agreed by Vendor.
- The Third-Party Application will be compatible with current versions of Linux or Windows.
- If training is required for Vendor personnel, then training shall be provided by the Third-Party Supplier at Customer's expense, unless otherwise agreed by Vendor.

In the event any of the foregoing conditions are not met Vendor may cease providing the hosting services for the Third-Party Application upon giving notice to Customer.

6. Vendor shall not be responsible for any failure or change in the Cloud Services provided by Vendor to Customer under the Cloud Services Agreement if such failure or change is caused by the design or performance of the Third-Party Application or any act or omission of Customer or Third-Party Supplier.

Integration Platform. Integration Data Flow means the structured transmission via the QAD|Redzone Integration Platform of Exchanged Documents between two systems, one being the source (the "publisher") and the other the destination (the "subscriber"). Certain standard integrations, using one or more Integration Data Flows, are provided with the standard product at no additional fee. If Customer has purchased one or more Integration Data Flows, Customer can create integrations where the structured transmission, either on the end of the publisher or the subscriber, or with regards to the processing in between, can be modified to accommodate the requirements of the Customer. Either the publisher or the subscriber must be a QAD|Redzone system.

Network Connectivity.

- **Site-to-Site Basic IP VPN Service** — With this service, Customer uses networking equipment that they own to connect to the Vendor endpoint via a two phase IPSEC VPN Tunnel. Customer's device must be able to setup this specific type of VPN tunnel. Vendor assumes responsibility only for configuration of the data center's network equipment. Customer must provide network hardware at their location. Vendor manages the configuration only at the Vendor data center and Customer manages the connection at their location.
- **Site-to-Site Managed IP VPN Service** — Vendor delivers preconfigured network hardware to Customer's IT personnel for installation on the customer's site. Vendor manages the configuration, monitors and manages both ends of the network connection, and provides outage notification of the ISP connection to Customer and Vendor Cloud Operations team. In addition, Vendor can initiate a service request with the customer's ISP in the event of a network outage. A letter of authorization must be on file with the customer's ISP. Includes up to 4Mbps.
- **Site-to-Site Enhanced IP VPN Service** — Vendor delivers preconfigured network hardware for the customer to install on-site. Vendor manages the configuration and both ends of the network connection, monitors the connection and provides outage notification to the ISP, Customer and the Vendor Cloud Operations team. If Customer authorizes it, Vendor can initiate a service request with Customer's ISP in the event of a network outage. A letter of authorization must be on file with Customer's ISP. For the enhanced service, the network connects Customer site and the nearest global Vendor Cloud Center. Vendor monitors the health of the network hardware, the data transferred over the MPLS network, and Customer-provided Internet connection (LOA required). Vendor will take action with Customer's network provider if necessary, or reconfigure or replace the hardware to resolve issues. Includes up to 4Mbps.
- **Dedicated Access Services such as DSL, T-1, MPLS** — Support for customer's dedicated Access Services such as DSL, T-1, MPLS — These are custom services for Customer's private data link.

Progress Development Tools. Vendor may provide certain development tools licensed from Progress Software Corporation which Customer may use subject to the following conditions: (i) Customer may use the resulting developments exclusively for Customer's own business purposes and only together with the software made available to Customer hereunder; (ii) Customer shall not make the developments available to any other person; (iii) Customer shall follow instructions and guidelines published by Vendor for using the development tools and for promoting developments into the cloud environment; (iv) Customer acknowledges and agrees that Vendor makes no warranty with respect to developments created by Customer, and that Vendor is not responsible for any adverse impact on Cloud Services performance caused by such developments; and (v) the Progress Software Corporation development tools may be used only to install, support, localize or customize the software made available to Customer hereunder.

QXtend. QXtend is licensed based on either 1) a maximum number of QXtend Nodes, 2) a maximum range of number of total Messages processed through QXtend annually, including the sum total of either inbound and/or outbound Messages, or 3) a combination of Agents and Receivers. Licensee shall license a sufficient number of Application Bundle Users required for Licensee's use of QXtend (licenses to the Application Bundle are not included with QXtend). QXtend Inbound utilizes Java-based technology and QXtend Outbound is based on Progress Software Corporation's Open Edge software. Both products require the installation and maintenance of third party applications including a Java Runtime environment and a Web Server application. QAD|Redzone does not provide such required third party products (other than the Progress Software Corporation products bundled with QXtend) and licensing such products is the responsibility of Licensee, at Licensee's expense. QXtend is provided with a number of QDocs. QDoc shall mean an XML based, application interface specification, containing inbound or outbound business data for the system. QAD|Redzone owns all intellectual property rights to the QDocs provided by QAD. A Licensee owns any QDocs created by Licensee that do not incorporate or use QDocs provided by or owned by QAD.

Qualified Environment for Life Sciences. This service consists of 1) Vendor providing documentation to support QAD Life Sciences customers in meeting their software validation obligations under the regulations of the United States Food and Drug Administration, specifically software installation qualification. This service is limited to one production environment and one test environment and does not include validation services. Backup for the test environment shall follow a retention schedule of seven (7) days. 2) at Customer's request, providing details regarding any change(s) in the environments to the Customer.

Standalone Historical Environment. This service consists of Vendor providing a single Cloud environment consisting of virtual server only. The environment shall be limited to non-production use and shall be read-only. The environment shall contain only such data that Customer elects to include with the initial conversion and no additional data may be entered into the environment. Usage shall be limited to ten or fewer individuals. The service levels outlined in the Cloud Program Document shall not apply.

► **Part 4: Premium Support Terms for Streamlined and Staged Adaptive ERP**

These terms describe the deployment and Premium Support terms for existing QAD|Redzone ERP customers that have not migrated to the Adaptive ERP environment, including defining the deployment classifications and corresponding support obligations for the Adaptive ERP (Streamlined and Staged) bundle.

Deployment Classifications: Streamlined vs. Staged. Vendor provides the Adaptive ERP Bundle under two distinct deployment classifications to accommodate varying stages of Customer modernization. These classifications dictate the permitted architectural modifications and the resulting operational obligations.

Streamlined Adaptive ERP (Target Architecture). Streamlined Adaptive ERP constitutes Vendor's optimal, target architectural standard. This classification strictly prohibits any intrusive customizations (including, but not limited to, core ERP logic modifications, database schema changes, and direct ODBC access). By enforcing a "clean state" methodology, the Streamlined classification guarantees continuous, seamless upgrade pathways, ensuring maximum system stability and delivering the lowest possible Total Cost of Ownership (TCO) to the Customer.

Staged Adaptive ERP (Transitional Model). Staged Adaptive ERP facilitates the secure transition from legacy operations to the cloud. Staged Adaptive ERP accommodates environments utilizing intrusive customizations. The support of intrusive customizations results in higher operational overhead. Staged Adaptive ERP is intended as an onramp to a fully Streamlined Adaptive ERP architecture; once all intrusive modifications have been remediated, Customer can move to Streamlined Adaptive ERP.

Criteria	Streamlined (Target Architecture)	Staged (Transitional Model)
Strategic Intent	Continuous Innovation & Clean State Architecture	Gradual modernization and remediation pathway
Core ERP Modifications	Strictly Prohibited	Supported via Managed Upgrade Path
Database Schema Changes	Strictly Prohibited	Supported via Managed Upgrade Path
Upgrade Pathway	Seamless, Automated, & Continuous	Managed, Gated, & Coordinated (Requires mutual planning)
Long-Term TCO	Optimized (Lowest Cost)	Investment Phase (Higher transitional overhead)

Premium Support. Premium support is available for both the Streamlined and the Staged Adaptive ERP offerings. The offerings are distinctly different.

Premium Support for Streamlined Adaptive ERP. Premium Support for Streamlined Adaptive ERP is an offering that is purchased separately. If the offering is purchased, Vendor shall provide additional support for Vendor-approved extension methodologies. Such support includes support of non-intrusive customizations for Platform Extensions, Electronic Data Interchange (EDI) configurations, Bank Drivers, Automation Solutions labels and transactions, Integration Data Flows (Integration Platform) and processes, and other non-intrusive elements (browses, reports, inquiries). No support for intrusive customizations or modifications is provided as part of Premium Support for Streamlined Adaptive ERP.

Premium Support for Staged Adaptive ERP. Premium Support for Staged Adaptive ERP is included in the fee for Staged Adaptive ERP. Support as outlined under “Premium Support for Streamlined Adaptive ERP” is provided and, additionally, support for intrusive customizations (e.g., customizations that modify core ERP business logic or database schema) is included. Notwithstanding the foregoing, support for intrusive customizations is only provided if a clear path to phase out such customizations is defined; it is the express intention of parties to move the Customer environment to Streamlined Adaptive ERP and the Premium Support for Staged Adaptive ERP offering is provided to facilitate operational continuity during the Customer's transition to Streamlined Adaptive ERP. Remediation of intrusive customizations is included as part of Premium Support, with the exclusion of changes to existing functionality and/or customization rebuilding or redesign (this includes technology changes). Excluded Services will be quoted on a time-and-materials basis under a separate Work Order.

Premium Support for Staged Adaptive ERP is subject to the following fair use guidelines:

- **Scope:** Requests must relate directly to customizations registered in the customer's Premium Support inventory or to the named integration categories above. Business process consulting, general configuration advisory, or support for third-party software not provided by QAD|Redzone is out of scope.
- **Volume:** QAD|Redzone reserves the right to review accounts where support ticket volume materially exceeds the peer average for comparable customer size and complexity. Excessive volume may trigger a review conversation with the customer's Customer Success Manager (“CSM”).
- **Customization hygiene:** Customers are expected to maintain an up-to-date inventory of customizations. Support requests for undocumented or unregistered customizations may be scoped and charged as a Professional Service separately.
- **Escalation path:** Systemic or repeated out-of-scope requests will be reviewed by the CSM and may require a separate Professional Services engagement.

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