



LICENSING

This document comprises a description of the contents of various Application Bundles, definitions of additional licensing metrics that may apply for certain Software and some additional licensing restrictions for Add-On Products licensed by QAD. This document forms an integral part of the License and Maintenance Agreement or the Licensing Provisions, as the case may be. QAD may update this document when required (e.g. when new products are introduced).

Application Bundles

Combined Bundle - QAD Enterprise Applications Standard Edition

Modules: Accounts Payable, Accounts Receivable, Advanced Forecasting, Advanced Repetitive, Cash Management, Client-Server, Configured Products, Cost Management, CRP, Database module (Progress or Oracle), QAD Desktop 2 (must be selected separately when ordering), Enhanced Security, Formula Process, General Ledger, General Ledger Report Writer, Global Enterprise Foundation (available at no additional charge to customers that license software based on the Named User metric), GRS, Inventory Control, Master Scheduling, Material Requirement Planning, Multiple Currency, OS Module (UNIX or NT), Physical Inventory, Product Change Control, Product Line Planning, Product Structures, Purchasing, Quality Management, Repetitive, Resource Planning, Results Files, Routings/Work Centers, Sales Analysis, Sales Orders/Invoicing, Sales Quotations, Service/Repair Orders, Shop Floor Control, Work Orders, CRM (version 6 or later, only for customers current on Maintenance using QAD Enterprise Applications 2008 SE or later under the Named User metric, may not be available for all versions and must be indicated on order).

Limited Use Modules: QXtend, EDI eCommerce Package.

APIs: Trade Management, Warehousing API.

Tools and Database (Progress Software): Enterprise Server or Oracle DataServer, Query Results, development software: 4GL Development System for 1 user per Location (for use directly related to the Application Bundle only), 1 single Pro Vision (on the client).

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

Combined Bundle - QAD Enterprise Applications Enterprise Edition

Modules: Advanced Forecasting, Advanced Repetitive, Base Data (includes items, sites, addresses, taxes, and system administration), Configured Products, Cost Management, Capacity Requirements Planning (CRP), Enterprise Financials, Forecasting, Formula/Process, Global Enterprise Foundation (available at no additional charge to customers that license software based on the Named User metric), Global Requisition System, Inventory Control, Master Scheduling, Material Requirement Planning, Physical Inventory, Product Change Control, Product Line Planning, Product Structures, Purchasing, Quality Management, Repetitive, Resource Planning, Routings/Work Centers, Sales Analysis, Sales Orders/Invoicing, Sales Quotations, Service/Repair Orders, Work Orders (Shop Floor Control), CRM (version 6 or later, only for customers current on Maintenance using QAD Enterprise Applications 2008 SE or later under the Named User metric, may not be available for all versions and must be indicated on order).

Limited Use Modules: QXtend, EDI eCommerce Package.

Tools and Database (Progress Software): Enterprise Server or Oracle DataServer, Query Results, development software: 4GL Development System for 1 user per Location (for use directly related to the Application Bundle only), 1 single Pro Vision (on the client).

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Master Bundle

Contents: Combined Bundle (Standard or Enterprise Edition), Configurator, Consignment Inventory, CRM, EDI Ecommerce (standard or EMT) (does not include full process maps or Gentran), Enhanced Controls, Enterprise Asset Management or EAM (does not include Active X), Field Service Scheduler, Fixed Assets, Lean Manufacturing, Logistics Accounting, Production Scheduler, Pro/Plus, QXtend, Release Management, Service & Support Management (SSM), Supply Chain Planning, Transportation Management (the non-subscription modules Base, Freight Mgt, Global Trade Mgt, Trade Compliance, and Freight Approval. Subscription content, such as compliance content, and Transportation Tracking are not included), Vertex Sales & Use Tax Interface, Warehousing (WMS – Base, RF Device Users, and Wave Planning), Compliance, and Project Realization Management (PRM).

Note: Licensing of the Master Bundle does not entitle Customer to receive future additions, features or functionality. A license to the Master Bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

Note for On Demand: CRM, TMS and WMS must be purchased separately. APM Medical, Demand Management, Trade Management, Product Information Management and the Vertex Sales & Use Tax Interface are not available On Demand. A separate On Demand Services bid is required to enable third party connections utilizing QXtend.

Consumer Products Bundle

Contents: Combined Bundle (Standard or Enterprise Edition), Decision Support Engine, Trade Management.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

EMEA Small Business Bundle

Contents: Combined Bundle (Standard or Enterprise Edition), European Accounting, Fixed Assets.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

EMEA Medium Business Bundle

Contents: Combined Bundle (Standard or Enterprise Edition), European Accounting, Consignment Inventory, Pro Plus, Release Management and, Compliance.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

Enhanced Auto Bundle

Contents: Combined Bundle (Standard or Enterprise Edition), Pro/Plus, Release Management, EDI eCommerce Package.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

Medical Bundle

Contents: Combined Bundle (Standard or Enterprise Edition), Compliance

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

QAD APAC New Business Solution

Contents: Combined Bundle (Standard or Enterprise Edition), Enhanced Controls, Pro Plus

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

QAD Automotive Business Solution

Contents: Combined Bundle (Standard or Enterprise Edition), Consignment Inventory, EDI eCommerce Package, Enhanced Controls, Lean Manufacturing, Logistics Accounting, Pro/Plus and Release Management.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

QAD Brazilian Small Business Suite

Contents: Combined Bundle (Standard or Enterprise Edition) and Brazilian Business Practices.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

QAD Consumer Products Business Solution

Contents: Combined Bundle (Standard or Enterprise Edition), Consignment Inventory, EDI eCommerce Package, Enhanced Controls, Lean Manufacturing, Logistics Accounting, Pro/Plus and Trade Management.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

QAD Electronics Business Solution

Contents: Combined Bundle (Standard or Enterprise Edition), Consignment Inventory, Enhanced Controls, Lean Manufacturing, Logistics Accounting, Pro/Plus and Release Management.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

QAD Food and Beverage Business Solution

Contents: Combined Bundle (Standard or Enterprise Edition), Consignment Inventory, EDI eCommerce Package, Enhanced Controls, Logistics Accounting, Pro/Plus, and Trade Management.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

QAD Industrial Products Business Solution

Contents: Combined Bundle (Standard or Enterprise Edition), Consignment Inventory, Enhanced Controls, Lean Manufacturing, Logistics Accounting, Pro/Plus and Release Management.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

QAD Life Sciences Business Solution

Contents: Combined Bundle (Standard or Enterprise Edition), Compliance, Consignment Inventory, EDI eCommerce Package and Enhanced Controls.

Note: A license to this bundle grants access to the included modules, but does not guarantee that all modules will be available for all QAD Software releases, that modules will be available in all languages, or that modules will run on all technical platforms.

Licensing Metrics

Certain Software is licensed on the basis of a licensing metric different from Named User. The definitions of some of these metrics are provided below. The Software to which the metric applies is indicated in italics in parenthesis.

(QXtend) **Agent** shall mean 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.

(CSS) **Bundle** shall mean a bundle of five licenses for the Progress Enterprise Database and five licenses for Progress Web Speed Agents.

(Business Intelligence) **Business Module** shall mean a pre-defined mapping for the extraction of data out of a source database.

(General Product) **Concurrent Session** shall mean any database session, including a fax session, a print session, a batch processing session, background session or any other similar type of session. Concurrent Session licenses are only available to Licensees that have already purchased such licenses in the past.

(CSS, Master Bundle Only) **Connection** shall mean a connection to the Production Database opened by the Customer Self Service Add-On Product.

(Business Intelligence) **Data Source** shall mean the number of databases and file sources that will be aggregated into the QAD BI data warehouse.

(General Product) **Domain** shall mean a logical partition inside a shared services domain database that can hold the transactional and static data, as well as file settings for a group of Affiliates and/or Locations. With this functionality individual Domains in the same physical database can have different operational parameters.

(Demand Management) **Engine** shall mean the central application used to establish security and configure Demand Management functions. The Engine is also the primary location to transform, monitor and edit forecast calculations.

(General Product) **Enterprise User** shall mean all employees of an Enterprise (including, but not limited to agents, consultants, or third party suppliers who are provided access to the Enterprise license). Enterprise shall mean Customer and/or any group of Affiliates designated by Customer to form an "Enterprise."

(General Product) **Infrequent User** shall mean a User that accesses the Software for four (4) hours or less per week on average over a ninety (90) day period. If a Licensee wishes to license Infrequent Users, a Licensee must license a minimum of twenty percent (20%) of a Licensee's total employee population at a Location as Named Users. The number of Infrequent Users licensed by a Licensee cannot exceed thirty percent (30%) of the number of Named Users licensed.

(Supply Chain Portal/Supply Visualization perpetual license, Lean Manufacturing) **Kanban Loop** shall mean 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.

(Decision Support) **Library** shall mean a collection of software files that provide common services used by the Decision Support offering.

(Enterprise Asset Management) **Limited Named User** shall mean a Named User that can only access a limited number of modules and functions within Enterprise Asset Management. The functions that are allowed are: requisition (create/approve), service request (create/approve), project approval, work order management (create/approve) and PO receipt and reporting.

(Master Bundle) **Limited Named User** shall mean a Named User that can only access a limited number of functionalities of the Master Bundle. These functionalities are: (1) browses, reports, & process maps, (2) global requisition approval, (3) shop floor labor reporting, (4) shipment receipts, (5) shipment confirmation, (6) quality control reporting, (7) Demand Management Portal (if the Demand Management Option has been separately purchased), (8) EAM functionalities as defined under Limited Named User for Enterprise Asset Management. Limited Named Users for the Master Bundle are only available to Customers that have licensed a minimum of twenty percent (20%) of their employee population for the Master Bundle where at least seventy percent (70%) of this twenty percent is licensed as a (full) Named User and where the number of Limited Named Users does not exceed thirty percent (30%) of the total number of Users.

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

(Mobile) **Mobile Integration Session** shall mean a Progress session that is used to initiate an application programming interface (API) to QAD Enterprise Applications.

(General Product) **Named User** shall mean each individual, device, or process that is permitted to perform an operation on a database or have access to an Add-On Product.

(Mobile) **Named User per Device** shall mean each individual that uses one device to access the QAD Mobile Client.

(Demand Management) **Portal** shall mean the web-based interface which allows users to review forecasts created in the Engine, make adjustments, and create related reports as required.

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

(QXtend) **QXtend Node** shall mean 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 QAD Software 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** shall mean an endpoint to which data are moved by QXtend via QXtend Agents.

(Warehousing, formerly known as AIM) **RF Device User** shall mean a person that uses a radio frequency (RF) terminal device to access the warehousing module. Such access shall be limited to functions of the warehousing module only (i.e. an RF Device user shall not have access to other Software functions). The RF Device User is licensed as one person per RF terminal device/one RF terminal device per person.

(General Product) **Server** shall mean a hardware platform running QAD Software applications.

(Transportation Management or TMS) **Ship from Country** shall mean a country from which shipments will be made utilizing the TMS product suite.

(Lean Manufacturing, JIT/S) **Site** shall mean a place identified by a single record in the site master table of the QAD Software that is planned, replenished and measured as a single unit.

(Supply Chain Portal/Supply Visualization perpetual license, Lean Manufacturing) **Stock Keeping Unit (SKU)** shall mean 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** shall mean 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 QAD Software (e.g., for accounting and reporting reasons).

(Transportation Management or TMS) **Transaction** shall mean a shipping transaction as documented in a single shipment header record and related shipping detail records, stored and counted in the system.

(T-Link) **T-Link Device User** shall mean each device that has the potential to connect to T-Link, not the number of devices actually connected to T-Link (such as, but not limited to cordless radio frequency devices, wireless terminal devices, bar code scanners, printers, etc).

(Enterprise Asset Management) **Warehouse** shall mean a physical location where Maintenance Repair and Operations (MRO) / spare parts are stored and managed. If a Location has multiple Warehouses, each Warehouse will require its own license.

(Warehousing, formerly known as AIM) **Warehouse** shall mean a physical location where inventory is received, stored, picked to production or picked for shipment. If a Location has multiple Warehouses, each Warehouse will require its own license.

Additional Licensing Restrictions (Specific Application Bundles and Add-On Products)

Additional licensing terms apply for the products indicated below. The additional terms are outlined below.

Business or Regional Bundles. A regional business bundle may only be installed and used in the referenced region. The EMEA Small and Medium Business Bundle may only be installed and used in Europe, the Middle East and Africa. An Asia Small Business Edition Bundle may only be installed and used in China (PRC), Hong Kong (including Macau), Taiwan, Singapore, Malaysia, Indonesia, Philippines, Vietnam, and South Korea and licenses to the Asia Small Business Edition Bundle may only be transferred between Locations in the country where the licenses have been purchased. Licenses limited to the Indian subcontinent are only available to Customers operating in the Indian subcontinent (India, Pakistan, Bangladesh, Nepal and Sri Lanka), provided that these Customers are not named accounts of QAD. The licenses may only be transferred between Locations in the listed countries. Remote access to such licenses from outside of the Indian subcontinent shall be limited to a maximum of five percent (5%) of the user count and shall only be for the business purposes of Licensee (i.e. not for the business purposes of the party remotely accessing the licenses). The following functionalities, features or modules are not available for licenses limited to the Indian subcontinent: Shared Services Domain, Enhanced Controls, Data Synchronization, languages other than US English, localization products and JIT/S. A Licensee may not mix business bundles (i.e. all Software licenses licensed to a Licensee should be for the same bundle). The maximum number of Users is 200 (two hundred) for the EMEA Small Business Bundle, 400 (four hundred) for the EMEA Medium Business Bundle and 20 (twenty) for the ASIA Small Business Edition Bundle. The minimum number of Users is 50 (fifty) for the EMEA Small Business Bundle and 100 (one hundred) for the EMEA Medium Business Bundle. No minimum applies for the Asia Small Business Edition Bundle. There are no maximums or minimums linked to licenses limited to the Indian subcontinent.

Business Intelligence. If ReportNet products from Cognos Corporation are used with Business Intelligence, then the total number of licensed ReportNet Users cannot be more than the number of licensed QAD BI data warehouse Users. Each ReportNet User must be a Software User (i.e. a ReportNet User requires a license for the Software). If Licensee receives Support Advantage discounts for Maintenance (or any other discounts for Maintenance), the ReportNet products are not subject to such discounts.

CRM. Licenses for CRM that are provided as part of the Application Bundle may be accessed only by Users already licensed for the Application Bundle. Full-use licenses must be purchased for Users that are not licensed for the an Application Bundle containing CRM.

Customer Self Service. The Customer Self Service (“CSS”) modules require their own separate production database plus access to the Progress Software Corporation production database for the Software. The additional Application Bundle User(s) required by the QAD CSS modules are included with the license to the QAD CSS modules and are for use solely with the QAD CSS modules.

Distributed Order Management. Limited Use Modules included: EDI eCommerce Package.

General Product. A Licensee that has been granted a license based on the Concurrent Session licensing metric is not permitted to use the so-called shared services domain functionality of the Software. The shared services domain functionality provides Licensee’s the ability to support multiple discrete "domains" within a single physical database.

Just in Time Sequencing (JIT/S). Licensee shall only use those modules of JIT/S for which Licensee has paid a license fee to QAD. The additional Application Bundle User(s) required by the JIT/S modules are included with the license to the JIT/S modules and are for use solely with the JIT/S modules. Limited Use Modules included: QXtend, QLinQ, Data Synchronization and EDI Gateway.

Enterprise License. Customer shall declare to QAD which entities (i.e. Customer and/or one or more Affiliates) form an Enterprise. Customer may add or delete an entity to or from the Enterprise by providing written notice to QAD. Customer shall certify in writing each year the number of Enterprise Users in an Enterprise. QAD may conduct an annual assessment of the Enterprise to establish compliance with the terms and conditions of the Agreement. Each entity included in the Enterprise cannot deviate from the Enterprise license configuration, however, entities may license additional Software not included in the Enterprise license configuration based on the applicable price list for such Software. The purchase of additional Software or additional Enterprise Users requires the Enterprise to be current on Maintenance. If an Enterprise license is not current on Maintenance additional Software or additional Enterprise Users can be added by paying to QAD additional license fees based on the QAD list price for Named Users in effect at the time of QAD’s receipt of a purchase order. Maintenance discounts for the QAD Support Advantage or Central Site programs can be applied to Maintenance fees for Enterprise licenses but are in lieu of standard volume discounting for Enterprise Maintenance fees. Any contractual discounts contained in the Agreement shall not apply to Enterprise licenses unless otherwise agreed in writing by QAD.

Mobile. The additional Application Bundle User(s) required by the QAD Mobile Field Service module are included with the license to the QAD Mobile Field Service module and are for use solely with the QAD Mobile Field Service module. Maintenance for QAD Mobile Field Service does include updates to the OneBridge Mobile Data Suite product from iAnywhere Solutions Inc. However, it does not include upgrades which are new releases which contains significant new functionality. Upgrades for the OneBridge Mobile Data Suite may be purchased for an additional fee. Limited Use Modules included: QXtend and Service and Support Management.

Package Exception Management. Limited Use Modules included: TMS Base.

Production Scheduler. Each User of the QAD Production Scheduler module is also counted as a User of the Software. Limited Use Modules included: QXtend.

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 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 Software. QAD 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.

Source Code. Customer or Licensee may obtain a license to any generally, commercially available source code upon payment of the source code license fee in effect at the time of being granted a license for such source code. Source code licenses are granted per Server (i.e. for installation on a single Server). A Maintenance fee for the source code is charged per Server on which the source code is installed. A Licensee may use source code on a separate Server from the Server where the production environment of the Software is installed for non-production development purposes and shall inform QAD of such Server's location. Source code for Software modified by QAD may be licensed for an additional fee under the terms of a separate services agreement.

T-Link. The additional Application Bundle User(s) required by the T-Link module are included with the license to the T-Link module and are for use solely with the T-Link module; the limited use license permits the T-Link Device User to use the Software via T-Link, but in no other way. Software Users supporting the T-Link interface will not be counted against a User license of the Software. Messages from T-Link will not be counted against the (separate) license for a product in the QXtend family (if any). Limited Use Modules included: QXtend.

Transportation Management or TMS. QAD may provide with the Software (but not as part of the Software) trade content, including compliance content. QAD is not the author of such content and merely conveys the information to Licensee. QAD 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 approve, sanction, promote, recommend or endorse the content. Licensee acknowledges that content provided with the Software is not intended as a substitute for reading the actual statutes, regulations, and other documents that apply. In no event does QAD accept liability of any description resulting from use or inability to use the content. QAD accepts no responsibility for keeping the information up to date or liability for any failure to do so.