QAD ESS PROGRAM DOCUMENT

This Vendor ESS Program Document establishes terms and conditions for Extended Solution Services ("ESS" or "Services") ordered by Customer and provided by Vendor under an ESS Order Document. Terms not otherwise defined herein shall have the meanings provided under the ESS Order Document.

The Services consist of the various support services described below which Vendor provides with respect to the Elements. "Elements" consist of the in-scope customizations and other software elements identified in the ESS Order Document. As used in this Program Document "Components" are groupings of Elements that have similar characteristics. "Update" refers to Application version changes that do not contain significant new functionality (also known as patches or bug fixes). "Upgrade" refers to Application version changes that do contain significant new functionality.

General Terms	

Extended Maintenance	Vendor shall provide the following:
	● Troubleshooting of reported incident.
	● Assistance to repair or correct errors in the Elements. Such assistance for error correction shall consist of providing Customer with the required corrections for issues resolution including:
	   ○ Unit testing.
	   ○ Code review.
	   ○ Performance check.
	   ○ Initiation of the Software Delivery Life Cycle (SDLC) process.
	● Validation of fixes in Customer's TEST environment.
	● In addition, with regard to integrations and Automation Solutions:
	   ○ Installation of updates in all required PROD environments.
	   ○ Set up and configuration in all required PROD environments.
	   ○ Reprocessing of failed transactions.
	   ○ User advice on Vendor Applications configuration requirements.
	● In addition, with regard to EDI eCommerce:
	   ○ Updates as required.
	   ○ Support for existing EDI eCommerce Transformations.
	   ○ User advice on Vendor Applications configuration requirements.
	   ○ Installation of EDI eCommerce Transformation updates in one TEST environment.
	   ○ Setup and configuration of EDI eCommerce in one TEST environment.
	   ○ If required as a result of the introduction of changes by the trading partner then Vendor shall provide assistance and key user training during trading partner testing and certification. The single point of contact (SPoC) will be responsible to lead the process and Vendor will provide technical assistance as required.
	   ○ Transformation copy and setup for additional trading partner usage.
	   ○ UDP, Unix Split Script Processing or other EDI preprocessing tools used for the execution of EDI eCommerce.
	   ○ Production promotion of EDI eCommerce transformation updates.
	   ○ Setup and configuration of EDI eCommerce changes resulting from this ESS in all the required production environments.
	   ○ Ensure compatibility between trading partner EDI specifications and standard Vendor Applications.

Patch Management	Vendor shall provide the following: ● Advise on viable options and impacts in the event of code conflict / dependencies. Customer will make the decision on how to proceed with the code installations in question, provided however that if Customer withholds consent then Vendor shall not be responsible for any changes in software or system performance resulting from not applying such update. ● Determine the impact of code installation and advise what areas require validation. ● Adjust in-scope Elements to work with standard support patches.

Uplifts	Uplifts entail conversions or adaptations focused on maintaining compatibility with more recent versions of software in use by Customer. Uplifts are not intended to implement new functionality or to change existing processes. At the request of Customer Vendor shall provide Uplifts subject to the following conditions:
	● The Uplift service is included for Order Documents covered by a non-cancelable term of 36 months or more.
	● Uplifts shall be limited to conversions or adaptations of Elements in scope to make such Elements compatible with new versions of the Vendor Applications.
	● Uplifts shall not be used to introduce new functionality to existing Elements, changed business logic or processes, etc.
	● An Uplift shall preserve existing functionality and business logic and processes on which the Elements covered under this Program Document are based.
	● Prior to performing the Uplift, Vendor will recommend Customer which Elements should be included in the Uplift based on the results of a free of charge QScan on same.
	● In the year Customer requests QAD to start the Uplift process, Customer shall pay QAD a one-time fixed fee equal to a percentage of the ESS fee as indicated below based upon applicable stage in Vendor's Product Life Cycle Policy:
	    ○ Generally Available / Functionally Stable : 15%
	    ○ Mature : 25%
	    ○ Other : 50%
	● The applicable Order Document must remain in effect (and fees paid thereunder) until the completion of any Uplift requested by Customer.

Service Management	Service Management is provided in conjunction with the standard Vendor Cloud and Support offering. For Vendor Cloud Customers, the Cloud Service Delivery Manager is Customer's initial point of contact for anything related to delivery of the ESS. The following terms apply: ● All ESS incidents will be submitted and managed via Vendor Support Center web interfaces, ensuring consistent and "easy to use" methods for all communications with the different Vendor support specialists. ● Each of the incidents will be assigned a Vendor Support tracking number that will be used by both the Customer's and Vendor Support personnel to track the status of a particular incident and exchange information. ● Incidents will be routed following the standard Vendor Cloud and Support procedures. ● Status of specific incidents will be maintained (in English) in the Vendor Support Center. The following services will be provided for the management of the ESS offering for Customer: ● On a regular basis, Vendor will provide a report with the ESS service desk metrics and KPIs: incidents reported, solved and outstanding as well as the historical trend. ● Upon request of any of the parties, a conference call will be held to review open issues, solved issues and monitor service performance. ● New incidents created via the Vendor Support Center will be triaged and assigned to the appropriate teams as part of the Service Management activity.
Vendor responsibilities	Vendor shall: ● provide support in English. ● review all new custom code by Vendor Code Review tools & standards and provide results back to Customer. ● troubleshoot Vendor support requests regarding in-scope Elements.

	- provide Services described in this Program Document for one Production environment unless specified differently in the ESS Order Document. - maintain a documentation repository for in-scope Elements.
Customer responsibilities	Customer shall: - be current on Vendor on-premises maintenance or cloud services subscription. - provide qualified contacts for each business function to interface with Vendor Service Delivery. - provide contact for overall responsibility of support relationship and meet regularly to review service levels and process improvements and escalations. This person will be responsible for coordinating all internal activities related to support requests. communicate in English. - assist end users in testing of installed changes. - enter support inquiries using Vendor's online help desk ticket system. This is located at supportcenter.qad.com - make technical and functional documentation needed for supporting the Elements available. - in case of on-premises, provide remote access to all supported services and systems via site to site VPN. - if applicable, provide operational training to Vendor on Source Control Tool currently in use. - be responsible for all physical server hardware and infrastructure in an on-premises environment. - manage backups for any non-Vendor applications. Vendor shall manage this aspect when the appropriate Vendor Cloud Services have been purchased. - designate a single point of contact (SPoC) per supported plant, with a corresponding backup to cover for periods of non-availability, who will centralize all the incidents to be reported to the Service and will coordinate all the activities with Vendor. At any particular point of time there will only be one SPoC per plant. The SPoC is assumed to have sufficient knowledge regarding: - different processes (upstream and downstream) in Vendor Applications. - the business processes in use at Customer. - undergo a quarterly Elements review will be conducted to determine if additional Elements have been removed or added to the systems; material changes will require a additions to the Order Document. - for the EDI-based Component: - have a sufficient knowledge of EDI eCommerce processing and error handling. - actively monitor the Vendor EDI eCommerce workbench as part of the regular user activities, for both inbound and outbound transactions. Should the Vendor EDI eCommerce workbench not be available in the version used by Customer, then the active monitoring will be performed on EDI eCommerce sequences in error. - perform typical end user operations including (but are not limited to): - Inbound Document Processing (if not automatically scheduled in batch). - Document Import Reprocessing (if not automatically scheduled in batch). - Outbound Document Processing (ASN Export, Invoice Export, Export Reprocessing and Supplier Schedule Export). - Data Maintenance (Item Cross-Reference, Item Maintenance, Customer Maintenance, Customer Schedule Maintenance, Supplier Maintenance, Supplier Schedule Maintenance and Sales Order Maintenance). - acknowledge that non-EDI eCommerce related support incidents should be managed internally and are not the responsibility of Vendor. These should be

	handled via the standard Vendor Support web portal by Customer personnel. These include but are not limited to:
	    ▪ Results of the calculation of MRP or the Supplier Schedule Update from MRP.
	    ▪ Shipping Processes (Pick list creation, Shipper Workbench, Shipper confirmation and Shipper validation).
	    ▪ Invoicing Processes (Invoice creation, Global Tax Management and Invoice Posting).
	    ▪ Effects in the General Ledger of Invoice processing.
	   ○ be responsible for ensuring that alternate/manual ASNs and outbound EDI document procedures are in place and understood at the plant level, to support time critical operations or TP requiring this type of alternate procedures in place. Vendor recommends periodic production down simulations to ensure that plant personnel remain current with emergency procedures.

Service Levels

Vendor will respond to Customer's request for Services upon receipt of the incident report as provided below. When Vendor receives the incident report, Vendor's support contact will respond to the designated person making the report. Response time goals for the various severity levels are outlined below along with resolution goal targets. The resolution goals are only set as targets to measure quality and provide continuous improvement metrics. Customer shall identify to Vendor up to three individuals who are authorized to submit incident reports. Such individuals shall serve as the point of contact for the incident reports. Service levels pertaining to the operation of the Vendor Applications are set forth in the Vendor Customer Support Guide.

Severity level	Description	Vendor Response Goal	Vendor Resolution Goal
0	Highest priority available for cases. Business critical (down system) condition in a production environment.	Direct connection to support personnel or a response within 30 minutes.	Eight (8) hours from time call is answered. Resolution is understood as being provided with a work-around or a permanent solution that eliminates the business critical condition, with 90% of tickets resolved.
1	Critically impacts the Customer's business operation. Production is operational or a "work around" exists, but severely restricting production. Production environment	Direct connection or a response within less than two (2) hours.	Two (2) business days from time call is answered. Resolution is understood as being provided with a work-around or a permanent solution that eliminates the business critical condition, with 90% of tickets resolved.
2	General product questions regarding the product. Production or Non-Production environments.	Four (4) support hours	Five (5) business days. Resolution is understood as being provided with a work-around or a permanent solution that eliminates the business critical condition, with 80% of tickets resolved.
3	Informational or environment related questions, and / or change requests. Production or Non-Production environments.	Eight (8) support hours	Fifteen (15) business days. Resolution is understood as being provided with a work-around or a permanent solution that eliminates the business critical condition, with 80% of tickets resolved.

Standard Support Hours	
Definition	Support hours are from Sunday 6pm – Friday 6pm EST (Monday 12am – Saturday 12am CET). ● AMER: 8am to 5pm CST, Monday through Friday; Mexico City (Mexico) local public holidays excluded. ● EMEA: 9am to 6pm CET, Monday through Friday; Barcelona (Spain) local public holidays excluded. ● APAC: 4:30am to 13:30pm IST, Monday through Friday; Mumbai (India) local public holidays excluded. Upon request, support over non-support hours can be requested and provided as an additional billable activity against a separate Statement of Work.
Off Hours Support	Off hours support hours are provided to handle severity 0 cases. Issues of lower severity are deferred to the beginning of the following business day for follow-up. Vendor will make all reasonable efforts to respond to "Off Hours" support calls in the same response time as defined for normal and customary daily operations.
Requests intake	All severity 0 requests will be called in to Vendor's emergency support line. All requests outside of severity 0 shall be delivered to supportcenter.qad.com.

Exclusions

Except as expressly included within this Program Document, the following items are excluded from the scope of this Program Document and may require the initiation of a chargeable project. This list of excluded items is presented for clarification however; this list does not represent a comprehensive list of excluded items. Each individual chargeable project will be quoted at the agreed to Vendor resource rates.
● Project related activities.
● On-site training and consulting.
● Interfaces to internal or third-party applications not included within the scope of the Order Document.
● EDI Management:
    ○ Additional trading partners or transactions (If EDI-New trading partner and Document Setup Services from above is not part of the Extended Solution Services Agreement).
    ○ Supplier on-boarding via Supplier Portal or EDI unless otherwise agreed to and included in this Extended Solution Services Agreement.
    ○ Supplier management outside of specific EDI document maintenance or otherwise agreed to and included in this Extended Solution Services Agreement.
● EDI – hardware, software and other infrastructure related upgrades outside of Vendor's EDI eCommerce and ProPlus as it relates to EDI processing.
● Third-party or Customer-created, non-Vendor application support.
● If Customer modifies programs that break in scope Elements, remediation activities may be billed on a time-and-materials basis under a separate Work Order.
● Managing Elements documentation in a non-English language. Translation of documentation into English may be performed on a time-and-materials basis under a separate Work Order.
● Any activities for Elements not created by Vendor, Elements that have not been in PROD for more than 90 days or are in other environments would be supported on a time-and-materials basis under a separate Work Order.
● Development of new Elements or changing business logic/functionality of existing Elements.
● Provide a new version of a bank driver, required based on changes to the bank driver standards.
● Any Element not created by Vendor that is to be included in scope for an Order Document will require a quality analysis on code and documentation, which will be charged separately. Any remedial action required to ensure that the Element and/or documentation meets Vendor quality standards will be charged separately.
● If technology no longer supported by Vendor or technology changes to existing functionality requires customization redesign any retrofit of customization would be quoted on time-and-materials basis under a separate Work Order.

The following services are not part of the Extended Maintenance service:
- Correction of data in the database (or provision of database correction scripts). In case the data correction is the result of a defect, Vendor will provide a data correction utility which will have to be acceptance tested by Customer and code promoted using the Software Delivery Life Cycle (SDLC) process.
- Implementation of any business logic specific for Customer's operations.
- Development of new or business logic changes to existing Elements.
- Installation or implementation of any standard software patches for Vendor Applications.

Excluded from Uplifts and requiring a separate Statement of Work are the following activities:
- Uplifts to Adaptive UX and/or QAD Enterprise Platform.
- Uplifts of existing Finance related customizations from Vendor Standard Edition or earlier to Vendor Enterprise Financials.
- Any form of functional support and/or functional testing.
- Any non-approved Components/Elements not specifically mentioned.

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