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ELEVATE your Business

Dear Customer,

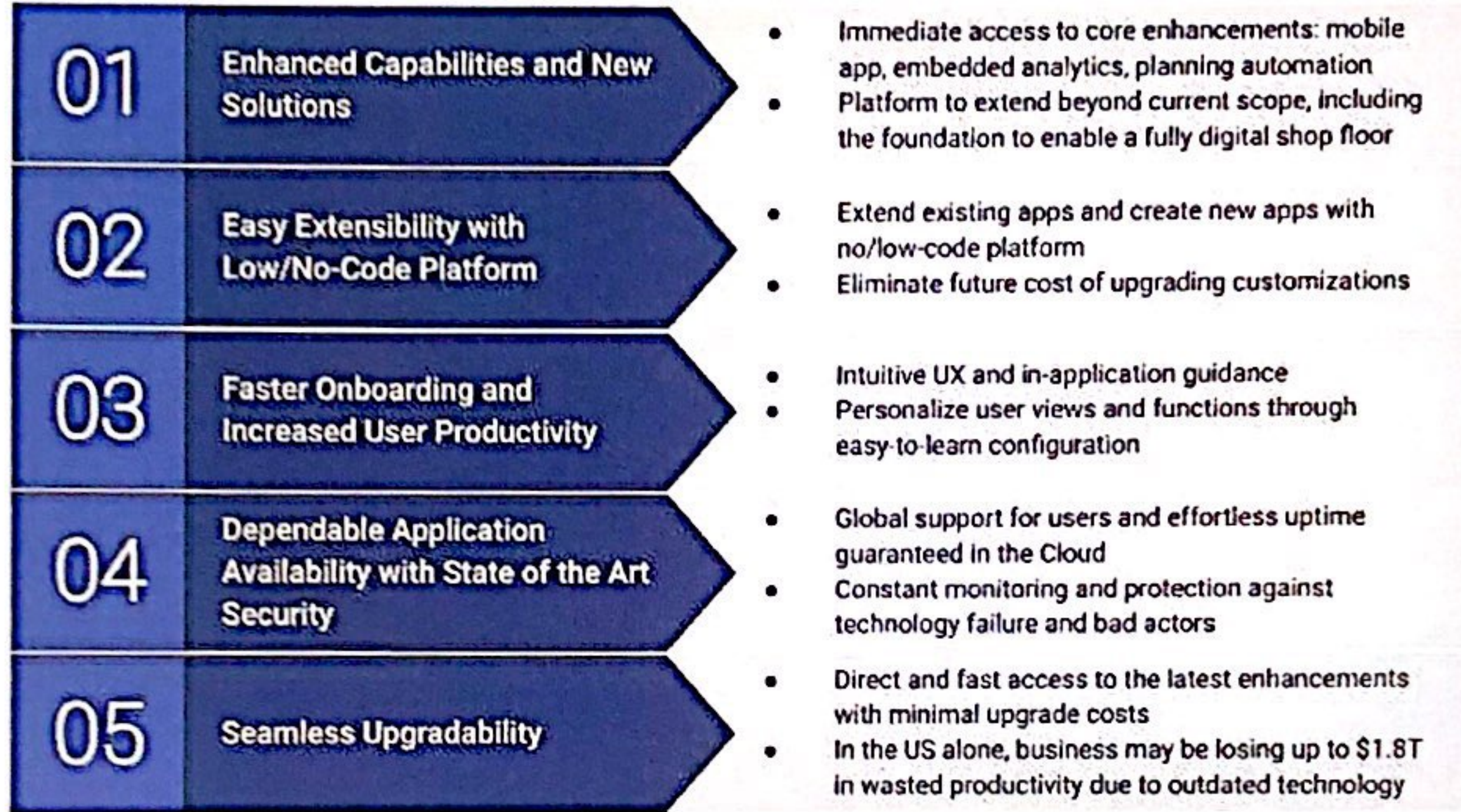
ERP is a means to an end. The end is the outcome you want to achieve – greater customer service, reduced inventory, improved quality, greater efficiency, etc. QAD is investing over \$50 million each year to enhance our cloud ERP solution. Older versions of our software lack the realized cumulative benefits of these investments. In other words, you're not getting the full benefits you're paying for and the outcomes you seek aren't being maximized. In a competitive world, this puts you at a disadvantage.

At the same time, older versions and their supporting applications and operating systems may have known vulnerabilities that represent an unacceptable existential risk in the face of growing cybersecurity threats. What was meant to be a business enabler, over time can become an anchor on your efforts to achieve your business goals.

In the spirit of customer satisfaction, we have supported and enabled customers on older and even retired versions. In the spirit of customer success, we may actually have done you a disservice, and it's time to right that wrong.

QAD Adaptive ERP* Is Ready Now





*QAD Adaptive ERP is designed for and only available in the cloud.

QAD ELEVATE Program

If QAD Adaptive ERP is so great, why aren't all customers running the latest version in the cloud already? In addition to making it too easy to stay on the old version, we haven't made the process of upgrading as easy as it should. That's changed.

We've made significant upfront investments in processes and tools to greatly streamline upgrades. Our ELEVATE program is designed to take you from where you are today to our latest version of QAD Adaptive ERP in the cloud. This includes replacing your customizations that make upgrading difficult, increase the rigidity of the system, and can cause instability, with core capabilities in the new product or with supported platform extensions or integrations. The intent is to make future upgrades as simple as applying patches.

The ELEVATE program is designed to minimize disruption with a focused, fixed-price package that can be completed for basic business models within a few short months for less than \$100k for the first site. (Your business might even qualify for a free ELEVATE



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upgrade ...)

Pricing and Support

We are making changes to our pricing and support to better align costs and focus our efforts on supporting our latest release. Maintenance pricing will increase by 15% effective Feb. 1, 2023. If you start the process of migrating to the cloud before your next renewal you can avoid this increase. We are also offering current customers a significantly discounted cloud rate as low as \$185 per user per month if you begin your efforts to move before 2024.

Discontinuation of the Support Advantage program

We will be discontinuing the Support Advantage (SA) program, effective Jan. 1, 2023. This program was established many years ago to provide an incentive for some on-premise customers to maintain prescribed levels of certifications, and to assist with the distribution of physical software discs from location to location. The program is obsolete and will be discontinued. Your Customer Success Manager can assist with any questions around this change.

Product Life Cycles

We will adhere to our product life cycles which can be found [here](#). QAD customers using Mature, Retired, or Archived versions of our solutions will find strict limits on their ability to get support, services assistance, or enhancements.

Future State

Kicking the can down the road is not the path to operational excellence. Together we can quickly get you to the latest version of QAD Adaptive ERP with access to enhanced functionality to overcome the challenges you face today, and the ability to deal with the disruptions of tomorrow. We have a dedicated migrations team ready to assist you with the ELEVATE program. [Contact us](#) to learn more and get started.

For any questions about pricing and the Support Advantage program, please contact our Customer Success Renewals team at renewal@qad.com.

We look forward to our continued partnership.



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Sincerely,



Mike Brunnick
Chief Customer Officer, QAD



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