LICENSING BASIS FOR WINDCHILL AND FLEXPLM PRODUCTS

Scope of this Document

This document sets out the licensing basis and restrictions for each of PTC's Product Lifecycle Management Licensed Products. In most cases, this document is incorporated into the legal documents governing the Customer's use of software licensed from PTC (collectively the "License Agreement"). In the event of inconsistency between this document and the PTC quote pursuant to which the Customer purchased the licenses (the "Quote"), the Quote shall govern. For example, this document may identify that a product is licensed in a particular way, but if the product name on the Quote specifies a different licensing basis, the Quote shall govern. PTC may update this document from time to time, but each purchase made by the Customer will be governed by the most current version of this document in effect at the time of the purchase.

DESCRIPTION OF COMMON LICENSING BASES

"Active Daily User" (ADU) means that the product is licensed on the basis of the number of unique users who access the application at any time during a 24 hour calendar day. For example, if a user accesses an ADU application 3 times on a Monday and 2 times on the following Friday, then the user is counted as an active user for Monday and Friday only. The 24 hour period is defined using the time zone set for the server on which the application is installed. If Customer exceeds the quantities of Active Daily User licenses purchased, (i) Customer agrees to pay the resulting overages from exceeding such usage limits, and (ii) Customer will be required to true up its committed quantities to avoid further overages.

"Concurrent User" (CU): Each Concurrent User product license may be used by one individual person at any given time.

Concurrent User products are generally "floating," except:
- License Locked (L): Where the part number contains the suffix "L", such products may only be used with another PTC product to which the product is an extension and the License Locked Product will assume the licensing basis of such other product.
- Multiple Instances: An individual using multiple instances of Concurrent User products at a particular time will in most cases consume that number of licenses. That is, for example, if a user opens two instances of Creo Elements/Direct, that user will be consuming two licenses, not one.

"Designated Computer" (DC): Where the product name contains the words "fixed," "locked," or "node locked," such products are licensed to operate solely on the designated computer on which they are installed. It is not permitted to move Designated Computer licenses from one computer to another by means of installing such products on an external, portable or removable device (e.g., USB dongle, NAS, Router, memory stick, USB drive, external hard drive) or through other means.

"Designated Server" (DS): Each Designated Server product may only be used on the computer server that is designated by the Customer in connection with the initial installation of the product and that has one unique instance of the applicable installed product application. In the event a computer server is partitioned in any manner (physically, logically or otherwise), the reference in the preceding sentence to "computer server" shall mean each partition of such server, and such Designated Server product may only be used on one of such partitions.

There is a variation of the Designated Server model referred to as "Designated Server (per CPU)". For these products, the license is limited to a server with only one central processing unit (CPU); an additional license is required for each additional CPU.

"Kiosk User" license enables a single non-networked computer or tablet (e.g., on a factory shop floor) to be treated as one Registered User for the applicable application. This license is intended for use by Customers who do not wish to maintain distinct Registered User accounts for multiple shop floor workers. Requests to the application from the Kiosk User are valid only if they originate from the single computer/tablet to which the license was assigned.

"Per Instance" (PI): For Per Instance products, one license is required for each instance of a system to which the applicable product connects. For example, if an adapter that is licensed on a Per Instance basis enables Windchill to connect to an ERP system and a CRM system, two licenses of such adapter will be required. Furthermore, licenses are required for non-production instances as well as production instances.

"Registered User" (RU): Registered User products may only be used by a single individual without regard to how often the person uses the license. A license is required for every such individual, regardless of whether the individual is accessing the Licensed Product directly or via an intermediate application. Shared passwords or log-in accounts are not permitted unless the licensing basis for the particular product below specifies to the contrary. The Customer may add and/or substitute from time to time new Registered Users as long as the aggregate number of Registered Users does not exceed at any point in time the number of licenses in effect at such time for that particular product and, provided further, that if a person who was previously a Registered User returns to Registered User status, a new license fee must be paid to PTC at PTC's then current rates unless the licensing basis for the particular product below specifies to the contrary.

"Demo and Test": Products licensed on a "demo and test" or "non-production" basis (or similar designation), such Licensed Software may not be used in a production environment.

Packages (P): The licensing basis for each component of a PTC product package shall be the same as if such component were being licensed separately, except that the components of each package may only be used with the base seat in the package. For example, the Windchill PDMLink and Windchill ProjectLink Registered User Licenses bundled with the Creo Enterprise XE Package are Licensed on a Registered User basis and must be assigned in combination to a single Creo user.

Bundles (B): Each PTC Bundle contains several different PTC Licensed Products and the licensing basis for each such Licensed Product may differ from the other Licensed Products included in that Bundle.

LICENSE RESTRICTIONS COMMON TO MULTIPLE PRODUCTS

Subscriptions. A "Subscription" is a on-premise License type that includes a License for a term as specified in the product name, Quote, order agreement or other order documentation, and/or the invoice, and such License includes Support Services during such License Term at no additional fee.

Perpetual Licenses. PTC does not have perpetual license models for most products. Where PTC does sell perpetual licenses, however, and such product includes components that are provided by PTC on a hosted or SaaS basis (e.g., Creo AR Design Share), PTC may discontinue providing such hosted components at any time.

Virtualization Technologies. Although in some cases it may be possible through the use of virtualization technologies to circumvent the license control mechanisms that PTC employs in order to enforce the above licensing schemes, or to circumvent the intent of such licensing schemes, such practices violate the Customer's License Agreement with PTC. Without limiting the foregoing, Customers may not install or access Designated Computer licenses (also sometimes referred to as "node locked licenses") on or through virtualization technologies.

Upgrades. For PTC software licensed as an upgrade from a previous version, the Customer must first be licensed for the software identified by PTC as eligible for the upgrade and Customer must be active on Support Services for such software at the time Customer purchases the relevant upgrade. After installing the upgrade, the software licensed as an upgrade replaces and/or supplements the product that formed the basis of the Customer's eligibility for the upgrade and the Customer may no longer use the original software that formed the basis for the Customer's upgrade eligibility.

Interoperability Tools/Toolkits. PTC interoperability tools (e.g., Pro/TOOLKIT, or J-Link, Pro/Web.Link and application programming interfaces) are provided solely for purposes of enabling the Customer (itself or with the assistance of a third party) to cause the Licensed Products to interoperate with the Customer's other computer systems and programs. Customer shall not distribute to any third party all or any part of any such interoperability tool or use such interoperability tools to develop an integration for distribution to third parties.

Batching

For contract types based on numbers of users (e.g., Registered User, Concurrent User, etc., but not Kiosk Users), a license is required for each individual who accesses such Licensed Product or the functionality or data contained therein, whether directly or through a web portal or other mechanism for "batching" or otherwise achieving indirect access to the Licensed Product or such functionality or data. Generic or shared log-ins are not permitted where the same results in the bypassing or contravention of the licensing basis for use of the software. For

example, user credentials may not be shared, meaning each individual must be assigned their own license to enable access to the Licensed Products and/or the data contained therein. Notwithstanding the foregoing, Customers may create generic service and/or administrative accounts solely for the purposes of automating tasks initiated by a licensed Windchill user, which tasks such licensed user is entitled to perform.

Without limiting the foregoing, without express written permission from PTC, the Customer is expressly prohibited from using (directly or via an application created by Customer or a third party) the application program interface of the Licensed Product to extract data from the Licensed Product for the purpose of training, fine-tuning, or creating an artificial intelligence (AI) model or building a data source such as a Retrieval Augment Generation (RAG), whether for internal use or external distribution. In the event that Customer receives such permission, all users of any application(s) that leverage such AI model or data source must have a Registered User license to the Licensed Product, regardless of whether such users in fact access the Licensed Product directly (and in the event Customer acts in contravention of the foregoing restriction, the requirement to assign a Registered User license to such users shall not be PTC's sole remedy). Also, all users of any application(s) that leverage such AI model or data source must only use PTC-supported APIs of the respective Licensed Product. The parties acknowledge that the way the Licensed Product structures data and respective databases are proprietary and any permission from PTC to access the Licensed Product with application(s) that leverage such AI model or data source is not meant to derogate from the proprietary nature of such data structures and databases, and Customer may not recreate such data structures and/or databases that are part of the Licensed Products.

GEOGRAPHICAL RESTRICTIONS ON INSTALLATION AND/OR USE OF PTC PRODUCTS

Restriction on Installation Location. Except for "Global" licenses (as specified in the product name), all of PTC's products are restricted such that they may only be installed in the country of purchase (referred to in the License Agreement as the "Designated Country"). Where Customer desires to change the country of installation, Customer is required to notify PTC and, where the list prices for such licenses are higher in the proposed new country of installation, uplift fees are required based on the difference.

Restrictions on User Location (Concurrent User Products). Except for "Global" and "Restricted Global" licenses, PTC products that are licensed on a Concurrent User basis may only be used by persons physically located in the country where the products are installed, and all of the software components shipped as part of that product (for example, client code and license server) may only be installed in the Designated Country. However, where a person who is normally located in that country is traveling abroad, that person can "borrow" the license for a limited period of time (for most products two weeks), during which time period such license is not available on Customer's network. Users who are not employees of the Customer may use PTC products licensed on a Concurrent User basis only while physically located at a Customer site. **THE RESTRICTIONS IN THIS PARAGRAPH APPLY ONLY TO CONCURRENT USER PRODUCTS, NOT TO PTC PRODUCTS THAT ARE LICENSED ON A DIFFERENT BASIS THAN CONCURRENT USER.**

Global/Restricted Global Licenses.

Global Licenses. A "Global" License allows the Customer to install, operate and use such Licensed Product at any of the Customer's site(s) throughout the world, notwithstanding any restrictions in the License Agreement in relation to limiting use of Licensed Products to the country of installation, but subject to compliance with all applicable export laws and regulations.

Restricted Global Licenses. A "Restricted Global" License allows the Customer to install, operate and use such Licensed Product at any of the Customer's site(s) located in the Designated Country and/or in any Permitted Country, notwithstanding any restrictions in the License Agreement in relation to limiting use of Licensed Products to the country of installation. "Permitted Countries" means China, India, the Czech Republic, Poland, Hungary, Malaysia, South Africa, Israel, Mexico, Brazil, Argentina, and Romania.

WINDCHILL AND FLEXPLM PRODUCTS (3)

Licensed Product Name	Licensing Basis	Licensed Product Name	Licensing Basis
Windchill Family of Products (except as noted)	Registered User	Windchill FRACAS, FMEA, FTA, Markov, Maintainability, LCCs, and Prediction	Concurrent User
Windchill Enterprise Systems Integration (except as noted)	Designated Server	Products with the word "FlexPLM" in the product name	Registered User (1)

Windchill Enterprise Systems Integration Adapters	Per Instance	Retail IoT ADK (Application Developer Kit)	Registered User **(2)**
Windchill Info*Engine Adapters	Per Instance	Flex Insights and Flex Insights Pro	Registered User
ePLM (designated by "ePLM" being in the product name	(6)	Flex Connect	See note **(1)**
Creo View	See licensing basis document for Creo products	BrowzWear Plug In	Registered User
Windchill Platform Structures	Active Daily User (ADU)	Windchill R&R ALERT, R&R AUDIT, and R&R PLM Integration	Designated Server
Windchill Supplier Author	Registered User **(4)**	Windchill Navigate Supplier Collaboration	Active Daily User **(4)**
Windchill Navigate View and Acknowledge	Active Daily User unless the product name includes a reference to Registered User	Windchill Navigate Enterprise Collaboration	Active Daily User
Windchill Navigate Shop Floor	Kiosk User	Windchill Navigate Base	Designated Server **(5)**

(1) FlexPLM and Flex Connect

FlexPLM "Supplier Licenses" or "External User Capacity" licenses may be assigned only to users who are vendors, third parties and others external to the Customer and its affiliates ("External Users") and do not have substantial duties within the following organizations or functional areas within the Customer's organization: System Administrators, Technical Designer, Designer, Fabric Development, Color Development, Fit Specialist, Merchandising, Product Quality, and Sourcing. External User licenses may be reassigned to another External User at no additional license fee, except that an External User license may not be used by more than one External User during any calendar month.

FlexPLM "Internal Licenses" must be assigned to all other FlexPLM users.

If the Customer creates (or engages a third party to create) an integration between a production FlexPLM system and a system of non-PTC software or otherwise enables data to be passed between a production FlexPLM system and a system of non-PTC software, then the Customer must purchase the Flex Connect (SPN-2253-F). The Flex Connect (SPN-2253-F) software provides capabilities to enable integration of FlexPLM to one (and only one) system of non-PTC software and includes the right to install the ThingWorx OEM Embedded License for Apps (SPN-56283-F) for the sole purpose of enabling the integration of FlexPLM and one system of non-PTC software. Use of ThingWorx software or components for any other purpose without approval or purchase of relevant license is prohibited. The Flex Connect Additional System Connection (SPN-2254-F) authorizes the use of the Flex Connect to integrate FlexPLM with one additional system of non-PTC software, beyond that included through the licensing of SPN-2253-F as defined above. There is no limit to the number of licenses of SPN-2254-F that can be acquired once SPN-2253-F is licensed.

(2) ADK. PTC's Retail IoT ADK (Application Developer Kit) product may be used by Customer only to connect to PTC's FlexPLM product to other enterprise systems (e.g., Oracle ERP, SAP, CRM systems, etc.). It may not be used to access data from devices – which can include but is not limited to connected products, wearables, production machinery, and physical assets – and any edge servers or services that devices are connected to. It also may not be used to connect to manufacturing systems, processes, and/or operations belonging to the Customer's internal production facilities or the Customer's suppliers' production facilities.

(3) PLM Packages and Add-On Applications: The pre-requisites for the PLM Add-On Applications are as follows:

License	Pre-requisite(s)
Windchill Creo Data Management and Visualization Windchill Multi-MCAD Data Management and Visualization Essentials Windchill Multi-MCAD Data Management and Visualization	Windchill Base, Windchill Advanced, or Windchill Premium

PTC Windchill Audit Management Windchill QMS - Document Control Windchill QMS - Med Dev Surveillance and Corrective Action PTC UDI Solution Windchill Regulatory Hub	
Windchill Service Parts Information & Instructions Windchill QMS - Medical Device Design Control	Windchill Advanced or Windchill Premium
Windchill Base-to-Advanced Add-on	Windchill Base
Windchill xBOM Management	Windchill Advanced
Windchill Manufacturing Process Plans and Instructions	Windchill Advanced plus Windchill xBOM Management; or Windchill Premium
Windchill Supplier Management	Supplier Management must be added to all Windchill Advanced users in the Windchill system if Supplier Management is implemented.
Windchill Part Classification	Parts Classification must be added to all Windchill Base and Windchill Advanced users in the Windchill system if Parts Classification is implemented.
Windchill Secure Collaboration	Secure Collaboration must be added to all Windchill Base users in the Windchill system if Secure Collaboration is implemented
Windchill Aerospace & Defense Module	Windchill Aerospace & Defense Module must be added to all Windchill Base, Windchill Advanced, and Windchill Premium users in the Windchill system if the Aerospace & Defense Module is implemented.
Windchill Platform Structures Management" ADU license	Windchill Advanced, or Windchill Premium. The PTC Windchill Platform Structure ADU license must be available to any user who is authoring and/or managing Platform Structures capability. Users do not need a Platform Structures license to view capabilities of Platform Structures.
Windchill Smart Platforms	Windchill Advanced, or Windchill Premium. The PTC Windchill Smart Platforms must be available to any user who is authoring and/or managing Smart Platforms capability. Users do not need a Smart Platforms license to view capabilities of Smart Platforms.

(4) Windchill Supplier Author and Supplier Collaboration Licenses: These licenses may be assigned only to users who are vendors, third parties and others external to the Customer and its affiliates ("External Users"). External User licenses may be reassigned to another External User at no additional license fee, except that an External User license may not be used by more than one External User during any calendar month. A person whom Customer desires to treat as an External User may not access the Windchill environment using a Customer domain email address.

(5) Windchill Navigate Base

One Windchill Navigate Base license is required per ThingWorx Production server instance.This license entitles a user to use the ThingWorx Composer and ThingWorx Mashup Builder to create custom apps that can connect to PTC and/or to third party enterprise systems to both view as well as to create and update information in the connected systems. Each user of the custom app must have the requisite view, create and update privileges to the content of the connected system that is exposed in the custom app. For example, each user who uses a custom Navigate app that is connected to Windchill must have this license in addition to a base Windchill Navigate View or Collaboration license (or Windchill base license), depending upon the capabilities of the custom app. The Windchill Navigate Base license may not be used to create a custom app that accesses data from devices (for example, without limitation connected products, wearables, production machinery, and physical assets) or data from any edge servers or services that any such devices are connected to.

(6) ePLM

Windchill Enterprise (ePLM) packaging may not be combined with legacy packaging families (i.e., PDMLink Heavy or Light; Navigate Author; or Windchill Base/Advanced/Premium). To adopt any part of ePLM packaging, Customer must convert all Windchill legacy products to the ePLM packaging.