

14 November 2019

## ANNOUNCEMENT

### PRG Software Licensing Changes Starting January 1, 2020

**We want you, as a past or current PRG software licensee, to maximize the value of our license offerings.**

**We want you to protect the value of your existing licenses, or move to a licensing option that better fits your future usage plans and needs!!**

#### What is happening?

- Beginning on **January 1, 2020**, PRG is moving to a **Subscription Only software licensing model.**

#### What other changes are being made with this change in licensing?

- Subscriptions will be sold for a **minimum term of 1 year.**
- 1-Year Subscription prices will be **LOWER** than the previous new license purchase price for perpetual licenses.
- 1-Year Subscription prices will be **HIGHER** than the previous annual SMS fee for perpetual licenses.
- Subscriptions will be sold for use by a **single user** (single person) on a **single machine** (PC/Workstation).
- **Subscriptions will not be transferrable** (from company to company, or person to person).
- At the end of the Subscription Term, the software will no longer run.
- Active subscriptions will include SMS, including software updates, patches, and phone/email technical support.

#### How does this affect the PRG Software Licenses you currently own and use?

That depends on what type of license(s) you own, and if they are current on support. If you are unsure what type of license you own, or if your license(s) is/are current on support, please contact PRG's sales at sales@paulin.com for this information.

#### Customers with Expired Licenses

- "Legacy" perpetual licenses with expired support will still run as per the terms and conditions of the license agreement that was provided to your company when the license was purchased.
- Please note that past support renewals/reinstatements included both "Service Module" programs that stop running when support expires and core "Perpetually Licensed" programs that can still be run even with expired support.
- All of the same rules that applied in the past for expired licenses will continue to apply for expired licenses, i.e.
  - No technical phone or email support is provided.
  - No updates to the software (new releases, versions, fixes, patches, etc.) are provided.
  - If the software stops running for any reason, PRG does not provide new installation kits or support for reinstalls.
  - PRG only provides temporary license files that allow the continued running of the perpetually licensed programs.
- **Customers will have until March 31, 2020 to reinstate support for any expired license(s).**
  - After that date, if you want access to a new version of the software, or if your current expired copy stops running for any reason other than the need for new security files, or if you require technical support of any kind other than issuance of expired license keys, you will have to purchase a subscription.
  - No grace period after March 31, 2020 will be provided to any customer.
- **Customers that reinstate support for their license(s) by March 31, 2020 (and continue to maintain active SMS going forward) will pay a lower annual SMS fee (as compared to the annual subscription cost) and continue to be able to use those licenses as per the terms of your original License Agreement – specifically use of USB or LAN security.**

PRG believes the legacy licenses have a tremendous amount of value and should be kept on support moving forward if your company plans to continue to use PRG Software in the future, and if your company shares PRG Software licenses between multiple users at a single location. **We highly recommend you reinstate support for all expired licenses before March 31, 2020.**

## Customers with Licenses on Support (Current SMS)

- If you own a license that is current on support, and your company maintains (extends) that support when the support renewal date arrives, you will continue to be able to use that license as per the original License Agreement terms and conditions.
- If support for your license(s) is allowed to expire any time after March 31, 2020, those licenses will be treated exactly like expired “legacy” licenses as discussed above. However, you will NOT have the option to reinstate support for these licenses.

## What is the new subscription pricing going to be and how does this compare to the annual SMS fees that PRG will charge for “legacy” perpetual licenses that are kept on support going forward?

- The **Annual Subscription Fee** for our two core products will be:
  - \$6,000 USD for a single subscription to FEPipe™ (single user – single machine)
  - \$3,000 USD for a single subscription to NozzlePRO™ (single user – single machine)
- The **Annual SMS Fee** for a single license seat of our “legacy” perpetual PRG licenses for 2020 will be:
  - FEPipe™**
    - Standalone (USB key or Site Code) .....\$2,175 USD
    - Flexible (LAN/Network “shared folder”) .....\$2,300 USD
  - NozzlePRO™**
    - Standalone (USB key or Site Code) .....\$975 USD
    - Flexible (LAN/Network “shared folder”) .....\$1,175 USD

Multiple license seats used at a single location (and kept on support) are given discounts from the prices mentioned immediately above. Prices listed above are for the US market. Prices in your area may fluctuate due to currency conversion, local taxes or VAT and processing costs.

- **Important Note:** Unless PRG has entered into a custom WAN license Agreement with your company, the types of license(s) you own is/are either Standalone or Flexible license seats, and these license seats are for use at a single location. These licenses are not to be shared over the WAN for use at multiple locations without a custom agreement in place to allow this type of use. Any customer that maintains a “legacy” license or licenses on support moving forward that is found to be sharing a non-WAN license over the WAN will be immediately terminated and will have all remaining license and software access shut down. Customers with custom WAN agreements will be contacted by PRG individually to address their specific WAN Agreements.
- **Important Note:** We have had a number of customers in the past believe that they own/have purchased WAN licenses, when in fact what they purchased was a LAN/Network (Local Area Network only, for use at a single location). In the past, PRG has policed this practice to our best ability, and normally given customers the benefit of the doubt. Moving forward, any use of a license at a location other than the location for which it was sold/purchased will be grounds for immediate termination of the support agreement.

## When does it make sense for you to keep/reinstate support for your “legacy” license seats?

- Your group has more than one user of the Software at the location where the license seat is used, **OR**
- You envision the software being used at least once per year, **OR**
- You believe you will need a new version/update to the Software in the next 3 to 4 years due to Code Changes or new functionality, **OR**
- Your group will likely need technical support by phone or email on the Software use at least once every 2 years, **OR**
- You have to make sure you can get a new version/release of the software if it stops running on its current platform for any reason, or does not run properly for any reason. (e.g. OS issues, discontinued hardware, software bug, etc.)

## When would it make sense for you to abandon your “legacy” licenses and go to the subscription model?

- If your company/location only has a single user of a software license seat, **AND**
- That person only uses the software very sporadically (i.e. less than once per year)!

## When would it make sense for me to keep my “legacy” license(s), but NOT reinstate support?

- You do not see the need for a new version of the software for at least 3 to 4 years.
- You are not worried about the current version of the software continuing to run (without any technical support from PRG) on the current hardware and/or OS on which it is now running.
- Your group does not see needing technical support from PRG on the Software itself for at least 3 to 4 years.
- You do not use the software now and do not see using the software in the next 3 to 4 years.
- You simply don't have the funds to reinstate support and are willing to take the risks associated with that fact.

## Can you purchase additional “perpetual” licenses to add to your current license seat(s)?

- Yes, current customers will be able to purchase additional Flexible “legacy” license seats up until **March 31, 2020**.
- The cost for a single FEPIPE “legacy” hybrid/perpetual License Seat will be \$12,500 USD.
- The cost for a new single NozzlePRO “legacy” hybrid/perpetual License Seat will be \$7,500 USD.

## Are there any other PRG Software changes we should know about?

PAULIN Research Group is pleased to announce the latest software release for FEPIPE v14.0 and NozzlePRO v14.1.

### New Features Include:

- Pipe Shoe Design Wizard – automatically design shoe supports in a piping system
- Material Database (MatPRO) Upgrades
  - ASME B31.1 & B31.3 expanded from 2008 to include 2010, 2012, 2014 and 2016
  - ASME Section II-D expanded from 2010 to include 2013, 2015 and 2017
  - Code compliance for European Standard EN-13445 added to the ASME/EN panel
- Cumulative Damage
- Stability Tools
- The Drawing Tools features have been extensively upgraded and rebranded as DrawFE v2.1.
  - Interactively add lugs, gussets, supports, cracks for j-integral calculation and more.

For a complete list of new features and upgrades, please see the NewFeatures-2019Release.pdf document.

**PRG will be announcing Webinars in the near future to introduce this new release and these major new functionalities.**

- Clients whose SMS is set to expire on 15 July 2019 or later are eligible to receive the new software release.
- To contact PRG for a download request for the newest version, please send user's name, company name, email address and serial number to: [support@paulin.com](mailto:support@paulin.com)

We hope this gives you the information you need to plan accordingly. If not, or if this raises any other questions in your mind about your current license(s), or your plans for moving forward, please do not hesitate to contact the PRG Sales group at [sales@paulin.com](mailto:sales@paulin.com). We want this transition to our new licensing model to go as smoothly as possible while at the same time giving our current and past customers every opportunity to protect the value of their past license purchases.

With our warmest regards,

The PAULIN Research Group Sales Staff