

November 6, 2024

All Perpetual Licensees of SST Systems' Pipe Stress Software CAEPIPE

Dear Valued Licensees of CAEPIPE,

We at SST Systems, Inc. have taken a difficult decision to discontinue CAEPIPE as an "independent product" and instead offer a "bundled" CAEPIPE 3D+, which includes many very useful piping design-oriented modules in addition to "stand-alone" CAEPIPE.

In other words, every seat of CAEPIPE 3D+ includes the following.

- (1) a seat of "stand-alone" CAEPIPE,
- (2) a seat each of numerous dataTRANSLATORS from 3D Plant Design systems to CAEPIPE input,
- (3) <u>a seat each</u> of the 3D Piping Designers' First-level Stress Check modules, named checkSTRESS, for use with many 3D Plant Design systems, and
- (4) <u>a seat each</u> of the module HOTclash for interference checking during "hot" operating condition on Aveva's and CADMATIC's 3D Plant Design systems.

The attached CAEPIPE 3D+ brochure describes in detail the rationale for developing and bundling the above modules into one product CAEPIPE 3D+. These modules have been in use by licensees globally for a decade or more; so, they are well tested. In fact, in all SST's design & engineering projects, we have successfully used all of the above modules.

Benefits derived from CAEPIPE 3D+:

- 1. The same full-fledged pipe stress software CAEPIPE 3D+ is used with many 3D Plant Design systems or as a "stand-alone" stress software CAEPIPE, based on project requirements.
- 2. CAEPIPE input files can be generated directly from 3D Plant Design systems, thereby saving time and avoiding errors in re-creating stress models manually.
- 3. CAEPIPE 3D+ can be used first by 3D piping designers as a 'first-level' piping flexibility check software. This step substantially reduces the number of design iterations between the piping layout and stress departments, resulting in huge time saving during design.
- 4. Using CAEPIPE 3D+ module on E3D/PDMS/CADMATIC, 3D piping designers can check for physical interference between "piping deformed under hot operating condition" and adjacent objects.
- 5. 3D plant model can be instantly viewed by piping designers during their 'first-level' stress checks and by pipe stress engineers during detailed analyses.
- 6. Piping designers can identify all possible locations for pipe supports on 3D plant model, as it contains all supporting objects such as steel and concrete structures adjacent to the concerned piping systems. These possible pipe support locations, once marked in the 3D plant model, are automatically transferred as "nodes" in the CAEPIPE input files.

7. Piping designers can import layout changes made in CAEPIPE by stress engineers into 3D plant model and update pipe supports by viewing final stress models, resulting in significant time saving during design.

In summary, CAEPIPE 3D+ helps 3D piping designers and stress engineers to arrive at substantially better piping layouts that also meet all stress requirements, thereby saving costs associated with design, materials, construction, operation and maintenance.

How will the above change in our product policy affect the current perpetual licensees of CAEPIPE?

- 1. We no longer need to maintain and enhance 2 different source codes, i.e., one source code for CAEPIPE as an "independent product" and another source code for CAEPIPE 3D+ with all (a) dataTRANSLATORS, (b) checkSTRESS and (c) HOTclash modules, and (d) the "stand-alone" CAEPIPE built in, and release them as 2 "independent" products. This saving in the effort put in by our talented and experienced Mechanics & Computer Science specialists can then be more wisely utilized to enhance CAEPIPE 3D+ even more, so that it truly becomes "the most disruptive pipe stress software".
- 2. Our current CAEPIPE licensees worldwide are grouped below into 3 categories.

Category 1 CAEPIPE Licensees:

Category 1 licensees always extended, year-after-year, their Annual Maintenance, Enhancement & Support (ME&S) contract for their perpetual CAEPIPE licenses. Such licensees will actually benefit a lot from our new product and pricing policy. They will receive "free upgrade" to subscription-based CAEPIPE 3D+ for each seat of their earlier perpetual CAEPIPE licenses on the expiry of their current Annual ME&S contract(s) and on their purchase of the first-year subscription for their "free upgraded" CAEPIPE 3D+ licenses.

In addition, for Category 1 licensees, we have maintained our first-year subscription fee for CAEPIPE 3D+ at about the same price level as our earlier Annual ME&S contract fee for CAEPIPE. This special annual subscription fee for CAEPIPE 3D+ is more than 50% discounted from the 'List Subsequent Year Subscription Fee for CAEPIPE 3D+' quoted in our latest Pricing Schedule.

For Category 1 licensees who continuously purchased their Annual ME&S contracts on their earlier licenses of CAEPIPE, we will continue to offer them 50% or more discount on the then prevailing "List Subsequent Year Subscription Fee" for their Upgraded CAEPIPE 3D+ licenses for annual license periods expiring NO LATER THAN December 31, 2027.

Most medium-sized and large clients use one or the other 3D Plant Design systems for their design activities. Many large clients use more than one 3D Plant Design systems. Our dataTRANSLATORS from all those 3D systems into CAEPIPE 3D+ will help them a lot.

Even if a CAEPIPE licensee does not presently use a 3D Plant Design system, they will likely license a 3D Plant Design system soon, as the dataTRANSLATORS and checkSTRESS modules (built into CAEPIPE 3D+) will eliminate a lot of wasteful effort and human errors in recreating the stress models from scratch in CAEPIPE!

Category 2 CAEPIPE Licensees:

Category 2 licensees are those whose Annual ME&S contracts on their perpetual CAEPIPE licenses have expired. In spite of that, we have been delivering annual licenses for their CAEPIPE seats year after year.

For such Category 2 CAEPIPE licensees, we have included "discounted Upgrade pricing" in our latest pricing schedule to "upgrade" their CAEPIPE license(s) to our robust subscription-based CAEPIPE 3D+ version 13.00 just prior to the expiry of their last supplied annual license, so that they can then qualify for the highly discounted "Special Annual Subscription Fee for their license(s) of CAEPIPE 3D+" in future years (the same price as listed above for Category 1 CAEPIPE licensees).

The above discounted Upgrade fee includes (i) Upgrade from the Category 2 licensee's CAEPIPE version to CAEPIPE 3D+ version 13.00, and (ii) the first year's Subscription to the CAEPIPE 3D+ so upgraded. This is a limited time offer; so, we urge Category 2 CAEPIPE licensees to upgrade and receive those future years' special discounts on their annual CAEPIPE 3D+ subscriptions.

Category 3 CAEPIPE Licensees:

Category 3 licensees are those whose Annual ME&S contracts on their perpetual CAEPIPE licenses have expired and have not been extended, <u>and</u> they do NOT wish to upgrade those licenses to subscription-based CAEPIPE 3D+ seats. For such licensees, on expiry of their last supplied annual license(s) for their CAEPIPE license(s), continued license extensions will be issued for subsequent annual periods with the last annual license expiring NO LATER THAN December 31, 2027.

Within one (1) month prior to the expiry of each such annual license period, the Category 3 CAEPIPE licensee will have the option to upgrade their CAEPIPE license(s) to the then current CAEPIPE 3D+ license(s) at the then prevailing upgrade price. If Category 3 licensee opts NOT to upgrade to CAEPIPE 3D+ at the end of any of the above annual license periods, the next and final license extension for those CAEPIPE seats will be provided with a USB Hardware Key for validity up to December 31, 2049, which key can be used on any computer or server. Once this long-term license is issued with a USB key, NO new extension license will be issued thereafter, and those licensed CAEPIPE seats will no longer be eligible for an upgrade to CAEPIPE 3D+. In case a Category 3 licensee wishes to license CAEPIPE 3D+ at a later date, they will have to subscribe to new CAEPIPE 3D+ license(s) at the then prevailing full list price.

Actual Procedure to Upgrade CAEPIPE to CAEPIPE 3D+:

The Upgrade to CAEPIPE 3D+ should be seamless as the CAEPIPE 3D+ licensing packages are available for USB and SSTLM licensing options. Existing customers will continue to download their new files from PEXit.

Please feel free to write to us or contact your local Reseller of SST software for any clarification.

Best regards,

For SST Systems, Inc.

Dr. G V Ranjan (GVR) CEO, SST Systems, Inc.