

# UPDATE

## Price Changes for Connected Payments and ServerEPS

April 30, 2014

NCR is changing the base prices of Connected Payments subscriptions by \$2/week. The increase is the first in seven years, and takes effect May 1, 2014 for all new subscriptions.

Only the base service prices of primary subscription items are affected. Prices for options or add-ons will not change, and "1-2-3" Very Small-Store subscriptions and transaction-based pricing will also remain unchanged.

Prices for existing customers will cut in over the next year, depending upon each customer's subscription type and timing of their agreement.



- "Connected Payments" subscriptions will change on the anniversary/renewal date of the customer's Subscription Agreement. The earliest affected anniversary date will be July 1, 2014, covering the July service period (invoiced in early August in arrears).
- "ServerEPS" changes will take effect starting with the July 2014 service period.
- Increases will be delayed until the January 2015 service period for any Connected Payments or ServerEPS store locations that went live after January 1, 2013.
- First-year "Charter Subscriptions" will remain at the originally committed charter rates, and special promotional prices will be honored through their full terms.
- Subscribers with unusual terms and conditions that affect pricing or timing will be contacted individually.

Subscribers are receiving formal notification of the changes over the next two weeks, enclosed with May invoices. Since your customers may call you, we are providing *Questions and Answers* below. NCR will welcome their inquiries at [ConnectedSupport@Retailx.com](mailto:ConnectedSupport@Retailx.com) and subscribers can also reach NCR's Connected Payments Support Desk by telephone (949-614-1616) between 9:00 a.m. and 9:00 p.m. Eastern time.

This Update includes:

- Questions and Answers
- Updated Connected Payments price and offering sheet
- Standard Notification letter from NCR to Connected Payments subscribers
- Standard Notification letter from NCR to ServerEPS subscribers

*continued...*

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## Questions and Answers

### THE NEW PRICES

***How big is this price change?*** – The price of base subscriptions is being increased by \$2 per week. The average increase is 4.9%.

***Which products are affected?*** – Only the base module packages are affected – the Connected Payments “Summit” and “Criterion” packages, and the ServerEPS “Gold” and “Platinum” packages.

***How about pricing for small stores?*** – The prices for Transaction-Based subscriptions and the special “1-2-3” transaction-based price for Very Small Stores are not affected either. Small-store flat-rate prices for Summit etc. are increasing by \$2 as with the other base subscriptions.

***What about the add-on bells and whistles to the main subscriptions?*** – Prices for options such as Fuel, WIC EBT and Enhanced Storage will stay the same and are not affected.

### WHY PRICES ARE CHANGING

***Why is the price increase taking place?*** – NCR has continued to make huge investments in Connected Payments/ServerEPS, and customers have a much more rich and powerful product than they originally subscribed to. Without increasing the rates, the company has taken on the full cost of developing the constant stream of new features, providing the platform and building the security infrastructure that remains the standard of the secure payments industry.

***Ok, but why is there an increase NOW?*** – The mandates of today’s electronic payments environment – and especially the security and PCI concerns – are unrelenting and demand ever-higher commitment to new development, technology, hosting, security and support. These demands and costs continue to accelerate, and force this rate change.

***I don’t remember all that much has changed. What are these “new features” you’re referring to?*** – Connected Payments/ServerEPS has provided our subscribers with a continuous stream of new capabilities, including point-to-point hardware encryption (P2Pe), PIN pad monitoring, the automated email alert system, EBT voucher clearing and a wealth of additional automation, support, management and reporting tools. And for our Channel Partners, many tasks that used to require in-store visits or remote logins are now handled automatically from the host, reducing your support costs. (Need some details? Just check the long series of Connected Payments Release Notes – there are plenty.)

### TIMING OF THE NEW PRICES

***When will the new prices start?*** – The new prices are effective May 1, 2014 for all new subscriptions and agreements. The updated Connected Payments Offering and Pricing Sheet is attached.

***But what about existing Connected Payments customers?*** – Connected Payments prices change on the renewal (“anniversary”) date of the agreement. For example, a Connected Payments subscription with a July 1, 2014 anniversary date will have the new rate apply starting with the July 2014 service period, and this will be reflected on the invoice received early in August (since Connected Payments subscriptions are invoiced in arrears, after the service period).



***What if customers have several sites under the same agreement? Will the prices change at different times depending on the live dates?*** – All of a customer’s Connected Payments sites are normally covered by a single Connected Payments Agreement and therefore just one anniversary date applies to all stores. All of the customer’s sites will normally change over to the new rate at the same time.

***Are there any grace periods?*** – Yes. Connected Payments subscribers with anniversary dates between now and July 1 will not see rate changes until their anniversary dates a year from now – May or June of 2015. In addition, increases for any sites that went live after January 1, 2013 will be delayed until the January 2015 service period (or their next anniversary date, whichever comes last).

***So a customer could have sites within their master agreement at differing rates?*** – Yes, since their stores will normally change over to the new rates on the Agreement’s anniversary date, but any new stores they installed in 2013 and 2014 will keep the old rates a little longer.

***If a customer added a site in 2014, does this mean that ALL the stores can keep their old rate for a while?*** – No, only the one store is delayed. Adding a site doesn’t change a master agreement’s anniversary date or affect any of the previously installed sites or timing.

***An example or two would help...***

- For example, if the anniversary/renewal date of a Connected Payments Subscription Agreement is October 1, the new rate will go into effect for the stores in October 2014.
- If the Agreement’s anniversary date is June 1, the increase will be delayed until the June 2015 service period.
- If the Agreement’s anniversary date is October 1 but one additional store location opened in August 2013, that one site would stay at the old rate until the January 2015 service period instead of changing in October, (but if the Agreement’s anniversary date is April 1, that one 2013 site would change in April 2015 along with all the customer’s other sites.)

***Is the schedule different for ServerEPS users?*** – Yes, almost all stores under ServerEPS subscription agreements will change to the new rates as of the July 2014 service period.

***What about ServerEPS sites that just recently went live?*** – The same as for recently installed Connected Payments sites, ServerEPS stores that went live on or after January 1, 2013 will have their new rates delayed until the January 2015 service period.

***How do the anniversary dates of ServerEPS agreements affect when their prices change?*** – With ServerEPS it’s simpler since rate changes are not tied to the anniversary/renewal dates. So except for any individual 2013 and 2014 sites that are delayed until January 2015, all other ServerEPS sites will go to the new rates for July 2014.

***Ok, but you’d better run me through those same examples except for ServerEPS this time.***

- Ok: since the anniversary/renewal date of a ServerEPS Agreement won’t normally affect the cut-in date for price changes, ServerEPS agreements with an October 1 date will have the new rate go into effect in July 2014.
- And if the Agreement’s renewal date is June 1, the increase will go into effect for July 2014 too.
- Regardless of a ServerEPS Agreement’s anniversary date, the additional store location that opened in August 2013 will keep its original rate until the January 2015 service period.

*It sounds like all ServerEPS sites will be on the new rates as of January 2015 then, right? –* Yes, exactly.

*What about Change Orders? I've noticed that there's a date on the Change Order when adding sites or features to an agreement. Does a Change Order date affect the timing? –* Change Orders are subordinate to the main agreement, so change order dates don't affect the overall agreement or its timing.

*Way back when Connected Payments and ServerEPS were first launched, I took all my first customers live with "Charter Subscriptions." Charter customers were promised that their prices would always stay the same. What am I supposed to tell them? –* Tell them that they did the smart thing. Not only did they get a great payments system all these years, but NCR will continue to honor these Charter Subscriptions, and their prices will remain exempt from increases.

*Besides the Charter Subscriptions, what if a customer has some other kind of special deal, like those WinEPS pre-licensed offers that gave special pricing for the first two years of an agreement? –* NCR will honor all special and promotion pricing as originally committed for the duration of the offer.

*I have customers on wholesaler and other "special" agreements. What happens if the T's and C's of the agreements they signed are in conflict with this schedule? –* NCR is contacting the wholesalers and all major accounts and large-store count subscribers. All special agreements and special pricing will be honored.

*How long has it been since the last price increase? –* This is the first price increase since Connected Payments and ServerEPS were introduced seven years ago.

*How does that work out over time, percentage-wise? –* The average increase is 4.9% from the original prices from 2007. That means it's the same as if prices were raised only 0.0068% (about 7/10 of one percent) per year.

## ADMINISTRATION

*How will customers be notified? –* NCR is enclosing a formal notification to all ServerEPS and Connected Payments users, along with their invoices being mailed in early May. Some users, including those with special contractual terms and conditions, will be contacted directly by NCR personnel, and the CAMs will involve Channel Partners when appropriate.

*If the ServerEPS and Connected Payments customers have different timing, is NCR sending different notifications? –* Yes. Copies of the standard letter for Connected Payments users and the similar letter for ServerEPS subscribers are both attached to this Update.

*Are there any changes in how customers will be invoiced? –* No, this is a rate change only. There are no changes in the invoicing or billing mechanisms, and subscribers will receive the same type of invoice in the same way as before.

*Can I get copies of the Subscription Agreements? –* Since Channel Partners were typically responsible to get the end users signed up on their Connected Payments and/or ServerEPS Subscription Agreements, you will likely have the agreements already in your files. Most subscribers have these agreements filed in their records too. If you need an agreement copy for one of your customers and cannot locate it internally, please contact your NCR Customer Account Manager (CAM).

*Should customers who need agreement copies call my CAM too?* – That’s probably not the best plan – these customers should instead contact the accounting group at [invoice@retalix.com](mailto:invoice@retalix.com).

## WINEPS

*Is there also a SMS increase for WinEPS?* – This change affects ServerEPS and Connected Payments only – WinEPS is not involved. WinEPS is currently in support-only status, and the SMS fees for WinEPS are expected to continue to increase annually.

## THE FUTURE

*When will we see the next subscription rate increase?* – Although it’s unlikely that these new rates will remain unchanged forever, there are no current plans for further changes beyond those described in this Update that will be completed over the 14 months.



# Connected Payments

## Offerings and Prices for Retailix POS

### CONNECTED PAYMENTS CRITERION PACKAGE

- Includes in-store OpenEPS and hosted Connected Payments components
- Software maintenance and support
- Connected Payments Point-to-Point Hardware Encryption (requires Connected Payments P-2-P key on compatible and fully certified PIN pad)
- POS payments interface for compatible Retailix and NCR POS solutions
- Credit-to-debit conversion
- Signature capture option (ScanMaster or ISS45 store-level storage only: Connected Payments host storage requires Summit package)
- Electronic check conversion option (ECC/ECA)
- Centralized electronic payments journal and reporting
- BIN file service

### CONNECTED PAYMENTS SUMMIT PACKAGE

- Includes all Criterion Package items
- Centralized signature and receipt storage/retrieval of credit transactions (13 months)  
*Storage can be expanded optionally to include centralized ECC receipts and signatures, debit receipts and EBT receipts (13 months)*
- Online WIC EBT option and interface (electronic/on-line/mag-stripe/eWIC, in applicable states)
- Gift card option and interface (Blackhawk etc.)

### SPECIAL PRICING FOR SMALL STORES

- Stores with five or fewer lanes qualify for the reduced prices below on Summit and Criterion packages
- Stores with three or fewer lanes may select the 1-2-3 Transaction-Based Pricing that provides the Criterion Package with transaction types limited to (1) Debit, (2) Credit and (3) standard EBT only

SUBSCRIPTION PRICING SUMMARY		
OFFERING	CRITERION PACKAGE	SUMMIT PACKAGE
Subscription - Standard Stores	\$37 (SCP-CRI-N-L-01)	\$52 (SCP-SUM-N-L-01)
Subscription - Small Stores	\$32 (SCP-CRI-N-S-01)	\$42 (SCP-SUM-N-S-01)
Fuel Site Option (requires store site)	\$10 (SCP-FUEL-01)	\$10 (SCP-FUEL-01)
Online WIC EBT (eWIC) Option	\$10 (SCP-EWIC-CRI-01)	N/C (SCP-EWIC-SUM-01)
P-2-P Hardware Encryption Option	\$0 (now included at n/c)	N/C (SCP-P2P-S-01)
Enhanced Receipt Storage Option	N/A	\$5 (SCP-SIG-01)
Transaction-Based Pricing	\$5 + .03/transaction	\$5 + .04/transaction
1-2-3 Transaction-Based Pricing	\$5 + .02/transaction	N/A
Setup service charges: \$150 per store; \$75 additional for Fuel site		

Prices are weekly subscriptions in effect as of May 1, 2014



May 1, 2014

To Our Connected Payments Subscribers,

NCR continues to make major investments in your Connected Payments service, including engineering initiatives that will bring you enhanced infrastructure, new capabilities and features, and – as always – security. Our ongoing platform enhancements ensure that your subscription continues to bring you the industry's most effective and secure solution. To continue delivering this exceptional quality, especially in today's extraordinarily challenging electronic payments environment, the escalating costs make necessary a small increase in subscription prices.

Base rates for Connected Payments subscriptions will increase by \$2 per week. Although the new price is effective immediately for new sites, we are delaying the rate change for your Connected Payments subscription until the annual renewal ("anniversary") date of your Agreement, or the July 2014 service period at the earliest.\* Also, for any sites that first connected in 2013 or 2014, NCR is delaying the increase for those specific store locations until the January 2015 service period at the earliest. This letter constitutes legal written notice of a change of the pricing terms and conditions of your Connected Payments Subscription Agreement.

In the seven years since its introduction, Connected Payments has provided our subscribers with a continuous stream of new capabilities, including point-to-point hardware encryption (P2Pe), PIN pad monitoring, the automated email alert system, EBT voucher clearing and a wealth of additional, support, management, automation and reporting tools. Until now we have shouldered 100% of the cost to develop all these capabilities, passing none of the expense to our subscribers. The unrelenting electronic payments environment, however, now mandates accelerated levels of development, technology, hosting, security and support, forcing this rate change.

We remain committed to providing you with an unsurpassed solution for this mission-critical business imperative and to meeting your needs today and in the future. Should you have any questions, our Connected Payments Customer Support staff will welcome your inquiries: feel free to email us at [ConnectedSupport@Retailix.com](mailto:ConnectedSupport@Retailix.com), and we are also available by telephone (949-614-1616) between 9:00 a.m. and 9:00 p.m. Eastern time.

Again, we thank you for your understanding, and we greatly appreciate your ongoing business.

Sincerely,

**Brett Chandler**

Vice President and GM Retail Global SaaS  
NCR Retail

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\* For example, if the anniversary date of your Connected Payments Subscription Agreement is October 1, the new rate will go into effect for the October 2014 service period. If your Agreement's anniversary date is June 1, your increase will be delayed until the June 2015 service period. Specific store locations that first connected in 2013 or 2014 will stay at the old rates until the monthly service period that follows either (a) your anniversary date, or (b) January 1, 2015, whichever comes last.



May 1, 2014

To Our ServerEPS Subscribers,

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Base rates for ServerEPS subscriptions will increase by \$2 per week. Although the new price is effective immediately for new sites, we are delaying the rate change for your ServerEPS subscription until the July 2014 service period. NCR will also delay the increase until the January 2015 service period for any specific store locations that first connected in 2013 or 2014. This letter constitutes legal written notice of a change of the pricing terms and conditions of your ServerEPS Subscription Agreement.

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Again, we thank you for your understanding, and we greatly appreciate your ongoing business.

Sincerely,

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