

# ANNOUNCEMENT

## Microsoft® Operating System Field Upgrades for NCR Platforms

September 23, 2014

Microsoft® has discontinued original equipment manufacturers' ability to sell field upgrades of Windows® Embedded operating systems for existing deployed devices.

This announcement was made by Microsoft effective February 1, 2014. For NCR, the final ship date for all field upgrades of these operating systems had been extended to June 30, 2014.

NCR and other OEM manufacturers had previously resold embedded operating system upgrade licenses for their POS terminals, kiosks, self-checkout systems and other hardware platforms. Operating system upgrades of previously deployed platforms are now available *only* from Microsoft directly via volume licensing.

These changes do not affect initial operating system purchases with new devices: new NCR POS terminals, kiosks and SelfServ™ terminals will continue to be available with the Microsoft embedded OEM operating system licenses just as before. Only Microsoft embedded operating system licenses to upgrade deployed terminals are affected.

### WHAT HAS CHANGED?

- Upgrades for Microsoft Embedded operating systems – such as Windows Embedded POSReady 7, POSReady 2009, WePOS and XPe – are no longer available from hardware manufacturers. They may only be purchased directly from Microsoft under volume licensing.
- Microsoft also forbids end users from employing existing operating system images to implement Microsoft's volume-licensed upgrades. Users must create their own operating system images from scratch to implement the upgrade licenses purchased from Microsoft.
- Users are also forbidden from removing an OEM manufacturer's product key from an existing Microsoft operating system image, then inserting their own keys that have been acquired from Microsoft via Microsoft's Volume Licensing arrangement.
- Consistent (“flat-lined”) operating system platforms will no longer be possible for an installed base of terminals, given the new upgrade methodology.
  - For example, a retailer may have purchased POS terminals with POSReady 2009 and later purchased more of the same terminals – but this time with POSReady 7.
  - That retailer wishes to upgrade the previously deployed POSReady 2009 terminals to POSReady 7 to ensure consistency across their installed base inventory.
  - Unfortunately that is no longer possible because any new POSReady 7 image – which the retailer must now develop from scratch – inevitably will be different from the original POSReady 7 image provided with the original shipments. The retailer must therefore support *two* versions of the same operating system.

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## NEW PROCESS FOR EMBEDDED OPERATING SYSTEM UPGRADES

New NCR devices will continue to be equipped with embedded Microsoft operating systems through NCR just as before.

All embedded operating system *upgrades* for previously deployed terminals, however, may now *only* be ordered and fulfilled directly by the end user through Microsoft's Volume Licensing (VL) Channel. Microsoft offers different VL programs depending on the type and size of the company's or merchant's operations – users will need to contact their Microsoft Account manager directly to discuss their Volume licensing options.

Users are required to work with Microsoft according to the following rules to license operating system upgrades:

- Microsoft will provide upgrade operating system binaries on a user-by-user basis only.
- Each user will be supplied separately by Microsoft, and users will be responsible to create and maintain their own “gold” master images for each operating system.
- Original equipment manufacturers may no longer make a standard operating system image available for all users' upgrade purposes.
  - For example, a universal POSReady 7 field upgrade image for NCR's RealPOS 82XRT may no longer be provided by NCR. Instead, users must now individually and separately develop their own images for each POS terminal type.
- Each merchant is responsible for securing, configuring, and testing the Windows image for each of their installed POS terminal types.
- Creating an operating system image from the Microsoft operating system binaries requires deep technical knowledge of the operating system as well as detailed information regarding the architecture and operation of the target platform device.
  - Management of the Microsoft OPK, scripting, staging of unique drivers, product key injection, image preparation and creation, and the testing (unit, integration, platform software and applications test cycles) are normally beyond retailers' internal capabilities.
  - The “answer file” for Windows XPe, for example, consists of about 20,000 line items, each of which having to be correctly specified to create a properly working image.
- In the past, the operating system field upgrades and licenses provided by NCR have been pre-registered and pre-activated: users did not have to manage these processes themselves. Under the new upgrade process, the user would be responsible for direct activation (telephone, Internet) or Indirect Activation via a Key Management Server (KMS), Multiple Activation Keys (MAK) or Volume Activation Management Tool (VAMT).
- *NCR applications such as ACS, ISS45, ScanMaster or SSCO cannot be certified or validated on user-developed operating system images. NCR operating system certifications apply only to the original OEM embedded images provided and shipped by NCR.*
- For users wishing to upgrade their operating systems via the newly required Microsoft Volume Licensing agreement, NCR plans to announce (in late 2014) a professional service to create Microsoft images for NCR POS devices. NCR is required to provide such services on a customer-by-customer basis: NCR may not simply provide the standard O/S images shipped with new hardware, or make a “one-size-fits-all” gold disk available to all users.

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## “DO’S” — AND ONE “DON’T”:

- **Do:** Assume that the original operating system shipped on any hardware product will be the *last* operating system that will ever be loaded on that machine. The costs and difficulty of obtaining operating system upgrades preclude any other realistic expectations.
- **Do:** Always order new hardware with the most recent operating system available that supports the intended application. This choice will provide the longest support life cycle without the need for replacement.
- **Do:** Remember that Microsoft XPe support ends in early 2016: users who have not yet purchased operating system upgrades for XPe terminals must either:
  1. Upgrade the old terminals to new hardware with a supported operating system, or
  2. Go through the Microsoft’s operating system image creation process and purchase new operating system licenses directly from Microsoft volume licensing.
  3. **Caution! User-created images are not supportable by NCR or by NCR applications.**
- **Don’t:** Expect that used hardware with old operating systems has any significant market value.

## MIGRATION RIGHTS

Microsoft licensing rules can provide “Migration Rights” that allow an end user to temporarily use a downgrade of the operating system to another operating system within the original operating system’s “family,” then upgrade back to the purchased version within 24 months.

- Migration Rights can be provided that allow a retailer to equip a new terminal purchase with POSReady 7, for example, but actually install a downgrade to POSReady 2009 until ready to upgrade to a POSReady 7 (for example, for software compatibility purposes). Migration Rights allow the retailer to restore the original POSReady 7 load when desired.
- Migration Rights are not available *across* Microsoft product families. For example, users cannot purchase Windows 7 Professional Embedded and obtain Migration Rights to downgrade to a POSReady-type operating system, or the other way around.
- Where Migration Rights are not available (like the example in (b) above) the user can still purchase an Embedded License Kit from NCR that will provide the desired product at a lower cost than the standard price for an off-the-shelf purchase in the open market. This requires, however, purchasing both licenses (for example, POSReady 7 and Windows 7 Professional) with the initial order.
- For additional details or to acquire Migration Rights with your new terminal purchase, discuss your requirement with your Authorized NCR Channel Partner.