

# ANNOUNCEMENT

## Microsoft SQL Changes for ISS45

January 31, 2015

Microsoft has changed the license framework and pricing for the Microsoft OEM/Embedded SQL used with ISS45. The change is effective immediately as of January 31, 2015 for all ISS45 and SQL orders.

The “Transition” section below explains how NCR is handling orders already in-house, the “Fine Print” section explains the details, and a Q&A provides answers to (our best guesses about) frequently asked questions and concerns. But in a nutshell:

- *The new price per CAL is much lower* – at \$30 net to Partners, the new price is only 1/3 of the previous SQL “unit” cost. The List Price/MRP of the new CAL is \$50.
- *One of the new CALs is now required for each ISS45 POS lane* as well as for each controller and workstation.
- *The net effect* will be slightly lower SQL cost for small stores and slightly higher SQL cost for larger stores.

### NEW PRODUCT FOR ISS45 EMBEDDED SQL LICENSES

Although the SQL Workgroup Edition software, media and installation processes are unchanged, a SQL “Client Access License” (CAL) structure replaces the SQL embedded “units” from the previous license framework.

As of January 31, 2015, one (1) CAL must be ordered for each ISS45 POS lane, each ISS45 MFS1 or MFS2 Controller/File Server, and each ISS45 Workstation (LFS). One CAL is also required for each PocketOffice device.

- For example, a four-lane system with MFS1+MFS2 and one LFS requires  $4+2+1 = 7$  CALs.
- No additional SQL components or licenses are required. Only the one CAL per each POS, Controller, and Workstation/PocketOffice terminal is required.

The old PIN for SQL units is withdrawn: No further orders can be accepted. Order instead:

PIN	Item	List Price	Maint.
SQLW1U01L-CAL	Microsoft SQL Embedded CAL for ISS45 <i>Release Note: Replaces PIN SQLW1U01L.</i> Configuration Note: One (1) Required per ISS45 POS, Controller/MFS, Workstation/LFS or PocketOffice device All ISS45/SQL orders must use this PIN after January 30, 2015.	\$50 Partner Price: \$30 Net	N/A
SQLW1U01L <i>(WITHDRAWN)</i>	SQL Workgroup Embedded License Unit for ISS45 <i>Release Note: Product withdrawn. No additional orders can be accepted.</i>	\$150	N/A

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## ORDER TRANSITION AND HANDLING

After January 30, 2015, NCR cannot accept orders for the previous SQL product (SQLW1U01L). Starting January 31, ISS45/SQL orders must use the new PIN (SQLW1U01L-CAL) and structure.

NCR will handle recent and in-house orders as follows:

- **Orders invoiced on or before January 30:** These orders have already been shipped and invoiced under the previous SQL Embedded license framework and pricing, and will not be affected in any way.
- **New orders received after January 30:** NCR cannot accept orders under the previous product licensing framework and pricing, and a modified Partner P.O. will be required that uses the new PIN and quantities. This will also be the case for any orders that were not received in time to be accepted into NCR's order process and assigned an NCR Sales Order number before close of business on January 30. Plano Order Entry will notify Channel Partners if a modified P.O. is necessary.
- **Orders accepted in-house before January 30, but not invoiced by close of business January 30:** NCR will protect the Channel Partner's cost for orders that were accepted but not invoiced in time – giving the “best of both worlds.” Specifically:
  - If the new framework, required counts and prices will *lower* the Channel Partner's SQL cost, NCR will update the SO with the new PINs, prices and quantities so that the NCR Partner will get full benefit of the reduced cost.
  - If the change would *increase* the Channel Partner's cost from the previously accepted P.O., NCR will discount the new prices so that the Channel Partner will receive the updated SQL product and license quantity for the same cost as originally ordered.<sup>1</sup>
- Orders for ISS45 Express include the old PIN. The Express package will be updated by NCR to include the correct number of new SQL CALs. Any price changes in the Express packages will be announced later.

## FINE PRINT AND DETAILS

1. For new ISS45 system orders: As of February 1, 2015, one (1) CAL must be ordered for each ISS45 POS lane, each ISS45 MFS1 or MFS2 Controller/File Server, and each ISS45 Workstation (LFS). One CAL is also required for each PocketOffice hand-held terminal.
2. NCR cannot accept orders for new ISS45 systems without the required number of CALs appearing on the P.O.
  - For example, a three-lane system with MFS1-only and one workstation/LFS requires 3+1+1 = 5 CALs.
  - New ISS45 system orders cannot be accepted without the correct quantity of CALs without a signed Exception from NCR management.

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<sup>1</sup> This announcement will be considered as fair notification of this change to the Partner's Sales Order by NCR. Channel Partners may at their option contact NCR Plano Order Entry and submit a modified P.O. against any current in-process (with an NCR SO) order that was not shipped/invoiced by January 30, 2015. If NCR is not contacted or does not receive a replacement P.O. by the ship/invoice date of any such orders, this case will be treated as agreement by the Partner for NCR to make the PIN/Product change to the Partner's Sales Order without a replacement P.O. In all such cases, the Partner will pay either less or the same amount for SQL as that Partner's cost from the original P.O.

3. For SQL, only the CALs need to be purchased: no additional Microsoft SQL components or licenses are required to operate ISS45.
4. These OEM CAL licenses are embedded for the ISS45 system: purchase of the CALs provide the license only. All authorized ISS45 Channel Partners will continue to be provided the currently certified Microsoft SQL Workgroup Edition media for installation.
5. Use the new ISS45 OEM Embedded CALs with the same SQL Workgroup Edition version and media that has previously been distributed by NCR and certified with ISS45.
  - SQL Workgroup Edition does not require the Windows Server operating system, and will run on smaller operating systems such as Windows 7. SQL "Server" or "Standard" require a server version of the Windows operating system.
6. The correct number of SQL CALs needed to cover the ISS45 system will continue to be packaged with all ISS45 Express package configurations. Channel Partners must order any necessary additional CALs if optional Workstations, MFS2 or PocketOffice terminals are added to a basic ISS45 Express system order.
7. If the Channel Partner orders the MFS/LFS swap option (to get the no-charge workstation/LFS in exchange for MFS2), the MFS1 and LFS will each require a CAL. No CAL will be required for the absent MFS2.
8. When adding terminals or other components to installed ISS45 POS systems, the new SQL license terms require that:
  - ISS45 systems that were initially purchased before *January 1, 2013* and included the SQL Workgroup Edition Unit Licenses (SQLW1U01L) do *not* need to order any new CALs when adding POS lanes to a previously deployed system.
  - As has always been the case, however, adding a Workstation/LFS, PocketOffice terminal or an MFS2 to an existing single-MFS system continues to require the corresponding SQL license, regardless of the original installation date. (The good news is that the additional CAL now only cost 1/3 as much.)
  - If the deployed ISS45 system was originally purchased *after December 31, 2012*, an order for the new CALs *will* need to accompany the purchase of any add-on ISS45 POS lanes, plus of course for any added MFS/Controllers, LFS/Workstations or PocketOffice licenses.

## QUESTIONS AND ANSWERS

- ***Why are these changes being made?*** NCR had a unique direct OEM SQL agreement, but Microsoft has now changed its methodology for distributing embedded SQL. The old agreement has been canceled and replaced by a new agreement with new rules and pricing.
- ***Why wasn't this information provided sooner?*** NCR worked through last week attempting to find an option to continue the old framework and avoid disrupting the current SQL methodology. It was only on Friday afternoon, January 30 that all other options were exhausted and these changes became necessary. We regret the late notice and apologize for any inconvenience to our Channel Partners.
- ***Will this increase my cost for SQL?*** The effect depends upon the comparable number of SQL "units" required versus the new CALs, but a break-even point for many cases is that six CALs will cost about the same as two of the past SQL "units." In general, the cost for large stores will increase slightly, and the cost for small stores will decrease slightly. Since the

CALs are now priced at only \$30 dealer net, however, the overall effect on system pricing is not significant.

- ***How will ScanMaster be affected?*** ScanMaster is not affected since it uses the PSQL SQL database engine from Actian instead of Microsoft SQL.
- ***How will ACS be affected?*** Most ACS is now installed with SQL Express, and these changes do not apply to SQL Express.
- ***Hey – why doesn't ISS45 run on SQL Express too?*** In the past, SQL Express had limitations that imposed problems for ISS45 operation, and ISS45 cannot currently run over SQL Express. Current low-level ISS45 system code uses system calls provided in SQL Workgroup Edition that are missing in SQL Express.
- ***Will NCR adapt ISS45 for SQL Express?*** SQL Express has been enhanced and some previous multi-CPU and database size limitations have been removed. We are looking at rewriting the necessary low-level code to work around the remaining system call and function limitations, and we hope to release an ISS45 version with SQL Express compatibility later in 2015.
- ***How do I calculate the number of SQL CALs I need?*** The easiest way is to “count the boxes.” For new systems, each POS terminal, controller PC or server, and workstation needs to be a SQL CAL. Since PocketOffice hand-held terminals also have access to the SQL data, each PocketOffice terminal in a store also requires a CAL.
- ***Do I need to order SQL when I order ISS45?*** Yes – the correct number of SQL CALs must be ordered with every ISS45 system under the framework for embedded OEM SQL.
- ***What about ISS45 Express packages?*** CALs do *not* need to be ordered with ISS45 Express systems since each Express package will include the required number of CALs to cover that Express configuration.
- ***What if configure a Workstation or PocketOffice or the optional MFS2 along with an ISS45 Express system?*** These additional endpoints will all require an additional CAL on the order.
- ***What if customers have their own Microsoft agreements and want to acquire their SQL licenses directly?*** NCR will provide a formal signed Exception in unusual cases where it can be established that SQL will be legitimately provided by alternate means. Otherwise, NCR can only accept ISS45 orders that include the appropriate number of SQL CALs.
- ***What if I liked the old SQL “unit” system better? Can I still order the old SQL PIN at the old price?*** The old SQL PIN was specific to the former SQL framework agreement with Microsoft which expired on January 30. NCR regrets (believe me) that the old SQL PIN is withdrawn and orders can no longer be accepted.
- ***I often order the “MFS/LFS Swap” option for ISS45 instead of MFS1+MFS2 and just run the MFS1 and the LFS/workstation. I don't want to pay for an extra CAL to support a non-existent MFS2 if I'm just running MFS1 and the LFS. How will you work that?*** NCR will not require a CAL for the absent MFS2 when the MFS/LFS Swap option is used. Order only the count of CALs for the actual configuration.
- ***Has anything changed in how ISS45 is installed?*** There are no changes in ISS45, SQL or how the system is installed. These changes regard only the commercial terms and requirements for licensing.
- ***So my existing installation methods don't need to change?*** Nope. The new SQL licensing framework doesn't touch how SQL is installed or managed.
- ***Will NCR be sending me out a new SQL media CD-ROM?*** You can continue to use the same media disk NCR provided that is currently certified. There's no change in the SQL product itself.

- **Since SQL isn't really installed on any of the POS lanes, why is a CAL required?** Microsoft has changed the definition of a SQL "client" so that even "indirect" access to the SQL tables now requires a CAL. POS terminals run ISS45's internal QDX database, which in turn connects to the SQL database; POS terminals therefore must now be counted for CALs.
- **Besides the CALs, do I need to buy a "main" SQL license?** No. NCR's OEM agreement for embedded SQL continues to provide the SQL system license for the price of the CALs alone.
- **Since SQL is running on the controller itself, why does the MFS1 or MFS2 box need to be counted when calculating the number of CALs?** The new SQL pricing structure still omits having to buy the most expensive SQL component licenses - you for just the CALs. Although this dramatically lowers the price, in return the CALs are required for each main system component that would either directly or indirectly access the SQL tables.
- **How are my installed ISS45 V8 systems affected?** ISS45 systems already deployed are not affected unless new POS lanes, workstations, controllers or PocketOffice terminals are added. Adding workstations, controllers or PocketOffice has always placed the requirement for an additional SQL unit, but now adding a POS lane may also require an additional CAL for the system.
- **When do I need to add a CAL if I add a POS lane?** If your original system is less than about two years old - that is, purchased **AFTER 2012** - then adding a POS lane will require adding a CAL. But if your POS system was purchased in 2012 or earlier, no additional CAL is required. The necessary information to decide exists on the ISS45 system SKIFs.
- **I just got my invoice for an ISS45 system and SQL last week. Do I need to do anything?** Nothing is required if your order was completed and invoiced on or before January 30, 2015. Those orders fell under the previous SQL framework and no changes are required.
- **But I have another order that hasn't shipped yet. What will happen?** Plano Order Entry will change in-house orders that are not yet shipped/invoiced to the new SQL framework.
- **Hey - wait a minute - what will that do to my cost?** NCR is covering our partners on all pending orders like this: if the new SQL pricing lowers your cost, NCR will invoice the lower amount. If the new pricing would *increase* your cost, NCR will take the hit and provide the new SQL at the lower price by discounting the SQL CALs on your order.
- **Do I need to do anything?** Plano Order Entry will contact you if your P.O. needs to be modified. If a P.O. modification from you is not strictly required, it's still your option: you are invited to send us a modified P.O. to get your P.O. and the NCR Sales Order back in synch. If you choose not to contact Plano Order Entry or provide a revised P.O., it is assumed you agree the changes. Remember - your cost won't go up: For any unshipped orders already entered into the NCR system with an assigned SO number, the Channel Partner's cost will be protected.
- **What if I sent in an order that wasn't accepted yet?** Plano Order Entry will contact you to request a revised P.O.
- **I have a special pricing Exception that stipulates SQL and lists the old PIN. Should I still use that Exception and order using the old PIN and price?** NCR can only accept SQL orders using the new PIN and pricing. NCR will update the terms of most open Exceptions, but will also accept Exception orders that call out the new/revised SQL PIN, pricing and quantities.