

UPDATE

Price Changes for Connected Payments

June 28, 2017

Base prices of Connected Payments Summit and Criterion subscriptions will be increased by \$2.25/week. This is the first change in more than three years, and takes effect August 1, 2017.

Customers with "Charter" subscriptions or those with otherwise protected rates will not be affected. Also, the "1-2-3" (transaction-based) subscription prices and the prices for Connected Payments options such as Fuel and Online eWIC are also unchanged.

Letters are being mailed this week to affected customers.



DETAILS

- The pricing will change for service periods starting August 1, 2017.
- Rates through the July 2017 service period will not be affected, regardless of the billing date.
- New merchants that first subscribed to Connected Payments in the past year (since July 1, 2016) will continue at their original rates until the next change is announced.
- Connected Payments "Charter Subscriptions" will remain at the originally committed charter rates. (Charter Subscriptions were offered only during the initial Connected Payments Launch.)
- Subscribers with unusual terms and conditions that affect pricing or timing will be contacted individually.

This Update includes:

- Questions and Answers (below)
- Updated Connected Payments price and offering sheet (attachment)
- Standard Notification letter to Connected Payments subscriber (attachment)

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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 \$2.25 per week. The average increase is about 5%.

Which products are affected? — Only the principal base module packages are affected – the Connected Payments “Summit” and “Criterion” packages (ServerEPS “Gold” and “Platinum” packages).

How about pricing for small stores? — The small-store flat-rate prices for Summit and Criterion will increase by \$2.25. Prices for Transaction-Based subscriptions and the special “1-2-3” transaction-based price for very small stores are not affected by this change.

What about the add-on bells and whistles to the main subscriptions? — Prices for options such as Fuel, Online eWIC EBT etc. will stay the same and are not affected.

TIMING OF THE NEW PRICES

When will the new prices start? — The new prices are effective August 1, 2017 for all existing and new subscriptions and agreements after that date. The change will be reflected in the September 2017 billings. The July 2017 period is not affected. A new updated Connected Payments Offering and Pricing Sheet is attached.

Are there any grace periods? — Yes. Merchants that first subscribed to Connected Payments since July 1, 2016 are not subject to the new rate. Merchants first subscribing to Connected Payments between now and August 1, 2017 will also be grandfathered into the prior rate. All new subscriptions starting August 1, 2017 will use the new rates.

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 the increase will apply to all stores. All of the customer’s sites will normally change over to the new rate at the same time.

What if a customer has added new stores since July 1, 2016 but their original agreement was before that date? — Since the merchant first subscribed to Connected Payments before July 1, 2016, all the merchant’s stores will be changed to the new rate. Adding a site doesn’t change a master agreement’s anniversary date or affect any of the previously installed sites or 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.

How long has it been since the last price increase? — This is the first price increase in three years.

ADMINISTRATION

How will customers be notified? — NCR is mailing a formal notification to all Connected Payments and ServerEPS users the week of June 26, 2017. Some letters may arrive as early as June 29, 2017.

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.

Connected Payments

Offerings and Prices for NCR FDMM Channel 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 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)
- 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 mall option and interface (Blackhawk, InComm etc.)

SPECIAL PRICING FOR SMALL STORES

- Stores with five or fewer lanes qualify for small-store Summit and Criterion package prices
- Stores with three or fewer lanes may select the "1-2-3" Transaction-Based Pricing that provides the Criterion Package but with (1) Debit, (2) Credit and (3) standard EBT transaction types only

SUBSCRIPTION PRICING SUMMARY		
OFFERING	CRITERION PACKAGE	SUMMIT PACKAGE
Subscription - Standard Stores	\$39.25 (G330-0627-0000)	\$54.25 (G330-0631-0000)
Subscription - Small Stores	\$34.25 (G330-0679-0000)	\$44.25 (G330-0633-0000)
Fuel Option (requires store site)	\$10 (G330-0629-0000)	\$10 (G330-0629-0000)
Online eWIC EBT Option	\$10 (G330-1100-0000)	N/C (G330-0577-0000)
P-2-P Hardware Encryption Option	\$0 (No Charge/Included)	\$0 (No Charge/Included)
Enhanced Receipt Storage Option	N/A	\$5 (G330-0630-0000)
Transaction-Based Pricing	\$5 + .03 / transaction	\$5 + .04 / transaction
1-2-3 Transaction-Based Pricing	\$5 + .02 / transaction	N/A
Setup service charges: \$150/store (G330-0574-0000); \$75 additional for Fuel site (G330-0574-F000)		

Prices are weekly subscriptions in effect as of August 1, 2017

CONNECTED PAYMENTS

Subject line: Connected Payments Service Notice

Connected Payments Price Adjusting on August 1, 2017

June 2x, 2017

Dear Valued NCR Customer:

NCR is adjusting the subscription fees for Connected Payments subscriptions by an additional \$2.25/week per location, effective August 1, 2017. While we have been able to maintain stable pricing for several years, despite the exponential growth in transaction volume, it is necessary to increase prices slightly at this time. We are committed to making continued investments in our best-in-class Connected Payments solution that helps support evolving payment trends, compliance requirements, and secure payments processing for our customers. This letter should serve as written notice of a change in the pricing terms of your Connected Payments Subscription Agreement.

The payments environment has experienced more change in the last 5 years than in the previous 50 years combined, creating a more urgent need for bolstering technology infrastructure and optimizing software features. Below are some of the new payments capabilities NCR currently provides or is actively developing for availability in the near future:

- EMV and contactless EMV
- Fast-Chip (QuickChip/mChip) support
- Point-to-Point (P2Pe) hardware encryption
- PIN pad monitoring
- Automated email alert system
- EBT voucher clearing
- Security enhancements
- SaaS systems support, management, automation and reporting tools

We appreciate your ongoing partnership with us and the opportunity to meet your needs today and in the future. Should you have any questions, please contact your NCR Account Representative. Thank you.

Sincerely,

Steven Arthur
VP & GM, Payments and Security
Industry Solutions Group – Retail & Hospitality
NCR