

XProtect Essential

&

Subscription Plan



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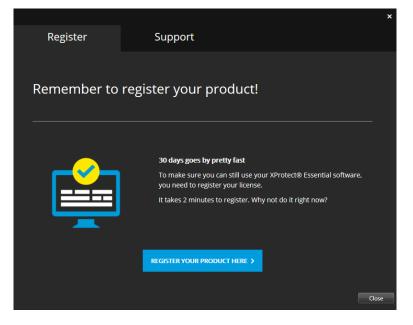
General Questions on free XProtect Essential

What are the conditions for running the free XProtect Essential?

To ensure system functionality of XProtect Essential, registration on our website within 30 days of downloading it is required. The registered license is active for 12 months. After 12 months, users must re-register online, at no cost, to continue using the software uninterrupted. Once the product is re-registered, additional 12 months are added to the software expiration date.

How are users informed about the conditions of their XProtect Essential license?

<u>Un-registered user</u>: After downloading, the VMS works for 30 days upon which it needs to be registered online. Whenever an unregistered user opens the XProtect Smart Client, a screen will be displayed for at least 10 seconds that informs them about this requirement with a direct link to the page for registration. The screen also includes a link to the Essential support community:



<u>Registered user</u>: Once registered, the license is valid for 12 months. Whenever a registered user opens the XProtect Smart Client, a screen will be displayed for at least 10 seconds that informs them about their expansion possibilities, e.g. subscription packs or promoting a more advanced product. The screen also includes a link to the Essential support community.

Will users be warned when their registered license is about to expire?

Users will be notified in two ways:

- An email will be sent to the email address used to register the license, warning that the license will expire in 60 days, in 30 days and on the exact day of expiry.
- The date of expiry is displayed in the Management Application.

How many cameras are supported on the free XProtect Essential?

The free XProtect Essential supports up to 8 cameras at no cost. Yearly subscription packages are available, if users want more than 8 cameras connected to the system. Ultimately, the new XProtect Essential supports up to maximum 48 cameras if users make use of the maximum number of subscription packages. Please see section further down on specific details.



Can the new free XProtect Essential do the same as the old XProtect Essential?

All existing XProtect Essential features will remain in the free product, except the support for Milestone Interconnect. Some of the key features included are: interactive single-layer map, Smart Search (motion-based advanced video search), support for all XProtect clients including the best mobile app in the industry and unlimited retention time.

How to expand possibilities with XProtect Essential?

Free XProtect Essential is a free Milestone solution that integrators can benefit from by attracting customers with a reduced budget for security. XProtect Essential is a great way for potential customers to experience the full benefits of the Milestone platform at zero software cost. We believe that once customers try the XProtect platform they will like the easy-to-use software and will want to expand the system over time. This is why we have made it easy to expand and upgrade with XProtect Essential:

- Users can increase their number of cameras with a subscription package, for a small fee (see section further down).
- Users with multiple locations can easily upgrade to XProtect Express to take advantage of Milestone Interconnect or to XProtect Professional for multi-server support.
- Users who require increased functionality can upgrade to one of Milestone's more advanced solutions for additional capabilities and integration possibilities.

How to get support on the free XProtect Essential?

We are confident that users will find XProtect Essential easy to use. If they need some assistance there is a free online support community on our website. Here users will find various support tools to help answer questions about installation, setup or everyday use.

There will be no technical support from the Milestone support team available on the free product. If the system holds an active subscription plan, technical support is available to integrators as with any other standard Milestone product.

General questions on subscription plan?

What is it?

The subscription model is an opportunity for XProtect Essential users to expand their capabilities beyond the functionality included within the free product. The subscription package can be added on top of the free product if the user needs to add more cameras to the system or wants to take advantage of the Milestone Care Plus connected services, such as Push Notifications, Smart Connect and the Customer Dashboard system monitoring service.

What's included in the subscription package?

The subscription package cost \in / \$ 399 per year, is currently only available for XProtect Essential and includes:

- 8 camera licenses Maximum five subscription packages can be added to one Software License Code, resulting in a solution supporting a maximum of 48 cameras
- 1 year of Milestone Care Plus covering the whole system regardless of the number of camera licenses in the system

How does it work?

The following conditions applies to the subscription business model:

• Users pay a yearly fee of € / \$ 399 per subscription pack.



- Needs to be renewed every year, if not, the paid 8 camera licenses and the connected services will not function.
- Users can renew their subscription when there is 60 days (or less) of subscription time left of the system
- The first free 8 cameras will work upon yearly re-registration
- Since the subscription pack includes Milestone Care Plus, the usual Care Plus expiry workflow is triggered, allowing resellers to follow up on Essential customers whose Care Plus is about to expire.



Are there any changes to SKU numbers?

With this initiative some SKUs will be removed and replaced with others, please see table below for full overview:

Discontinued SKUs:

License ID	Product	License Type	MSRP (EURO)
XPESBL	XProtect Essential Base License (includes 2 Device Licenses and 1 year Care Plus)	Base License	79.00
XPESCL	XProtect Essential Device License	Device License	39.00
YXPESBL	One year Care Plus for XProtect Essential Base License	Care Plus	15.00
YXPESCL	One year Care Plus for XProtect Essential Device License	Care Plus	8.00

New XProtect Essential SKUs:

License ID	Product	License Type	MSRP
YXPESCLP	One year pack includes 8 additional Device Licenses and Care Plus for XProtect Essential	Device License	€ 399 \$ 399

How do I buy a subscription plan?

If you are an end-user, please contact a Milestone reseller for ordering. Click here to find your local authorized Milestone reseller <u>https://www.milestonesys.com/where-to-buy/</u>

If you are a reseller, please contact your Milestone distributor for ordering. Click here to find your local distributor: <u>https://www.milestonesys.com/where-to-buy/</u>

How do I renew my subscription plan?

For the time being, renewals need to be purchased as any other Milestone product or service, via our sales partners.

How do I upgrade from my free XProtect Essential to a more advanced Milestone product?

To upgrade to XProtect Express or XProtect Professional, you have to purchase the desired license and import it into the Management Application*. The product will unlock the additional features and adjust to the purchased camera count without having to re-install.

If upgrading to XProtect Expert of XProtect Corporate a full re-install will be necessary.

* If a new version of the VMS software has been released since the initial installation of XProtect Essential, an upgrade might be necessary before the new license can be used. When upgrading, import the new Software License Code file during the installation process to ensure all settings and recordings are kept correctly.

Existing Essential customers

Milestone acknowledge that there is a great customer base already running XProtect Essential. It is important to notice that these current XProtect Essential users will not be migrated to the new free Essential. The Essential they have today will be discontinued and thus they will not get access to new functionality in the future. It is very important that none of these customers are left behind, hence the following paths exists for existing XProtect Essential customers:



Systems with an active Care Plus agreement: Receive a free upgrade to XProtect Express

<u>System without an active Care Plus agreement:</u> Can buy a three years opt-in Care Plus agreement and upgrade for **free** to XProtect Express – please see further down for details on favourable campaign pricing on this opportunity for a limited period.



Will existing XProtect Essential end customers be able to expand their systems?

It depends on the version of their XProtect Essential product. According to Milestone's life cycle policy, add-on device licenses are not available for discontinued products, click here for more information and to check when your version is entering discontinuation: <u>https://www.milestonesys.com/support/product-lifecycle/</u>

XProtect Essential Campaign

What are the details of the campaign?

The campaign is targeted toward **existing** XProtect Essential customers **without** a valid Care Plus agreement and includes the following:

• Buy three years Care Plus opt 'in at 50% discount and receive:

- FREE upgrade to XProtect Express
- Three years of Connected services
- Three years of free VMS updates

The SKU to order for this campaign (the three-year Care Plus opt `in SKU) can be found in the limited available section on the Q4. 2016 pricelist.



Who is the campaign for?

The XProtect Essential campaign is available to all end customers running XProtect Essential.

Customers with older versions of Essential who buy the opt-in might be asked to upgrade their license to a newer version of Essential before they can upgrade to Express. Resellers can easily assist with the upgrade by using the Milestone Customer Dashboard.

During which period will the campaign run?

The campaign will run from October 10, 2016 until December 31, 2016.

What are the advantages of upgrading to XProtect Express?

Milestone recommends end customers to make use of the campaign and upgrade to XProtect Express due to the following reasons:

- Support for Milestone Interconnect[™] The new free version of XProtect Essential will not include support for Milestone Interconnect[™]. So upgrading to XProtect Express is a great way for customers with multiple locations to ensure that their remote sites can be connected to their XProtect[®] Corporate hub site.
- Access to new functionality Upgrading to XProtect Express will ensure that customers can take advantage of new product updates
- System expansion Since their current version of XProtect Essential will eventually be discontinued, customers who want to maintain the possibility of adding cameras to their system should migrate to XProtect Express
- **Support for third-party integrations** As the first level VMS that supports third-party integrations, XProtect Express enables customers to combine video with other business systems, such as access control or point of sale systems.

XProtect Express is affordable IP video management software (VMS) for smaller, single location companies. It's the ideal choice when you want to do a bit more than monitor and record video. XProtect Express supports third-party integrations, so you can link an access control or point-of-sale system to your video for a complete surveillance solution. It's the perfect match for retail shops, parking lots or office buildings with moderate security needs.

How to get an overview of existing Essential installations?

Milestone resellers obtains a quick overview of the Milestone products that they have sold via the Customer Dashboard (previously known as software registration site), which is part of My Milestone (accessed via Milestone's public website). If you have difficulties getting an overview, Milestone's partner and sales support team can help you.

How do I find out if my end customers have Care Plus coverage?

Milestone resellers can get an overview of their customers' Milestone products, and their respective Care coverage, via the Customer Dashboard. The Customer Dashboard is part of My Milestone, which is accessed via Milestone's public website.

How do I make use of the campaign?

<u>Licenses without Care Plus wanting to make use of the 50% discount on three-year Care Plus opt `in:</u> Our ordering system has been equipped to apply the campaign discount in the campaign period, so simply place the order as normal.

<u>Licenses with active Care Plus wanting to upgrade to XProtect Express for FREE</u>: Can be upgraded in Customer Dashboard without further involvement.



What are the commercial terms for this campaign?

The campaign offer follows the normal terms and conditions in Milestone's channel partner program, with respect to discount, margins and other commercial conditions.

How do I upgrade an existing XProtect Essential installation?

Run the latest XProtect installer and import the new XProtect Express or XProtect Professional license during installation.

How do I get in contact with Milestone's partner and sales support team?

You can easily get in contact with Milestone's partner and sales support team in your region via phone or email:

Region	Phone	Email
Americas	+1 503 350 1100	us-sales@milestone.us
Asia Pacific (APAC)	+65 6678 7678	APJSales@milestonesys.com
Europe (Middle East and Africa) (EMEA)	+45 88 300 684	purchase@milestonesys.com
Middle East and Africa (MEA)	+971 4 3641380	dxbsales@milestonesys.com