

## Partner Bulletin

### StoreNext—UWG RBO Deal for ISS45 and ScanMaster

MB-ISS45-1203

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StoreNext and UWG have entered into a landmark new agreement where RBO will be sold and supported on both ISS45 and ScanMaster systems by StoreNext Dealers. UWG's intention is to promote RBO as the back-office solution of choice for both StoreNext and NCR PoS offerings throughout UWG's entire Western operations.



UWG has standardized on RBO as the single platform for system integration purposes, and this agreement will increase the level of involvement by UWG's Support and Professional Services staffs with the RBO product. This arrangement gives StoreNext Dealers clear access to ScanMaster store business as well as ISS45 stores for back office sales.

The new StoreNext Dealer/UWG arrangement will operate as follows:

1. The designated StoreNext Dealer for a particular region will sell RBO and the necessary RBO support to UWG Professional Services. Note that under this program, the standard UWG pricing for RBO to the end user has not changed and will apply in all cases.
2. The Dealer will bill UWG. UWG will bill the retailer for RBO and support.
3. The UWG Support Desk and Professional Services staff will be trained on RBO. For any such RBO installations occurring before the UWG Support Desk staff is trained:
  - Level 1 and 2 calls on RBO will go to the UWG Support Desk.
  - The UWG Support Desk will contact Retalix directly for Level 3/4 RBO support.
4. The StoreNext Dealer will do installation and training on RBO. In the future, UWG hopes to be trained sufficiently in order to offer this service.
5. To reduce selling obstacles for StoreNext Dealers, UWG will offer certain NCR dealers a \$500 credit for each RBO installation that accompanies an NCR PoS installation.

The benefits for StoreNext Dealers of the new UWG RBO program is obvious – UWG is now promoting RBO as the exclusive preferred back-office solution for all UWG's primary PoS offerings. For UWG, it provides the important benefit of back office standardization and the streamlining of integration into the stores. Grocers receive an outstanding product, complete support and better integration.

Naturally, an NCR dealer may attempt to push an alternate back-office solution. However, as part of their UWG status, these same dealers have already agreed *not* to market alternate solutions to UWG's preferred solutions – in this case RBO due to the fact that UWG has taken the position that RBO is the UWG preferred solution. UWG intends to leverage this preferred solution by offering the grocer greater support levels and integration with UWG systems than with all other back office systems.

The following pages provide details of the plan.

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## SALES AND COMMERCIAL ITEMS

- UWG agrees to provide the StoreNext Dealer with RBO sales support for all UWG Retailers including those with non-ISS45 PoS systems.
- UWG will receive a \$500 discount against list price for every RBO license sold to a UWG Retailer from the StoreNext Dealer. This discount is applied at time of the Dealer's invoice to UWG. StoreNext will fund this discount by crediting the \$500 to the Dealer on RBO invoices for the UWG systems.
- The StoreNext Dealer will rebate 2% of the net RBO license fees to UWG for installations where RBO is installed with ISS45.

## SUPPORT

- UWG agrees to become trained on the support of RBO and will have a StoreNext-certified support person for RBO.
- UWG will provide 1<sup>st</sup> and 2<sup>nd</sup> line RBO support for all UWG Retailers. UWG will direct 3<sup>rd</sup> line support requirements directly to RBO support at Retalix.
- UWG will invoice and collect full RBO support fees from UWG Retailers. StoreNext Dealers will invoice UWG annually for RBO support at list prices less a 45% discount. StoreNext Dealers will pay Retalix for RBO support, leaving the Dealer with a 35% margin on support.
  - For example, UWG invoices the end user for \$100. The invoices UWG for \$55. Retalix invoices the Dealer for \$20.
- The StoreNext Dealer will install and train the UWG Retailer.
- UWG may be asked to perform RBO Installations and training at \$95 per hour plus expenses. Prior to the first install UWG agrees to attend RBO certification training from StoreNext.

## ORDERING

- UWG will take the RBO order from the non-ISS45 UWG Retailer or may at UWG's option direct the StoreNext Dealer to do so.
- UWG will place any orders it receives from UWG Retailers to the assigned StoreNext Dealer for that StoreNext/UWG territory.
- The StoreNext Dealer will order all RBO products from StoreNext at standard dealer pricing and discounts. StoreNext will apply the UWG special \$500 discount at time of StoreNext invoicing to the Dealer, and the Dealer will pass this discount through to UWG.

## DELIVERY OF RBO

- UWG will co-ordinate installation and training schedules with the StoreNext Dealer and the UWG Retailer.
- StoreNext will deliver RBO and services to the StoreNext Dealer.
- Upon signed acceptance from the UWG Retailer, the StoreNext Dealer will invoice UWG for RBO licenses less 14% PVP discount and the RBO UWG \$500 discount.
- The StoreNext Dealer will perform installation and training and with signed acceptance from the UWG Retailer the StoreNext Dealer will invoice UWG for installation and

training services. There are no discounts on installation, training and professional services.

- Should UWG perform installation and training for the UWG Retailer, UWG will invoice the UWG Retailer directly for these services without StoreNext Dealer involvement or responsibility.
- Without regard to which party does the training and installation, UWG will invoice the UWG Retailer for all RBO fees including licenses, installation, training, services and support.
- UWG will pay StoreNext Dealer invoices within 30 days of invoice.

#### TERMS AND CONDITIONS

- This program is effective immediately and retroactive to March 1, 2004.
- The terms and conditions of the RBO Program are considered confidential by both StoreNext and UWG. Prior express written approval from both UWG and StoreNext is required for any announcement, discussion or publicity regarding this program beyond StoreNext Dealers and UWG or StoreNext employees.

RBO is the Preferred Vendor Program Back Office application for UWG Retailers. The equal commitment of both UWG and StoreNext and its Dealers to this program will result in this initiative being an industry innovation for the UWG Retailer marketplace.

To Your Success,



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*K.C. Potts*

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