

## Update Bulletin

### IBM SurePOS Terminal Hardware Program for ISS45 and ScanMaster

April 30, 2008

StoreNext is pleased to add IBM SurePOS terminals as platforms for ScanMaster and ISS45 POS systems.



The new products and system packages are available Friday May 2. No current products are being discontinued.

Here are the Whys, Hows and Whens and Questions & Answers about this new program.

#### WHY?

StoreNext's marketing of SurePOS terminals extends a long-running Retailix/IBM relationship.

Dealers will benefit in several ways from the broadened product line.

- *Customers in our market are calling for hardware choices* – the IBM offerings bring dealers a premier product with the most-recognized brand in technology.
- *StoreNext's upcoming StorePoint convenience system program* – the SurePOS 500 line is an outstanding fit for C-stores and fuel kiosks.
- *Dealers need to bolster recurring revenue from maintenance* – IBM's warranty program leads the industry today and provides an ideal vehicle for POS dealers.
- *Lowest possible pricing with a powerful brand* – will help dealers expand the small-store market and compete profitably and effectively against white boxes.

#### HOW?

The new platforms are bundled with new complete-system ScanMaster and ISS45 Express and Espresso packages as well as in terminal packages.

Three terminal lines are available in these bundles:

- SurePOS 300 – aggressively priced and using a traditional grocery-format with separate components;
- SurePOS 500 – all-in-one terminal combining the system unit and a touch-screen offering the lowest cost for a touch-equipped terminal and shopper display;
- SurePOS 700 – high-end, multi-configuration terminal system.

New versions of ISS45 and ScanMaster will be released Friday, May 2 that support the IBM hardware, drivers and installation. These release versions are:

- ScanMaster 2.5.1-080
- ISS45 8.1.2.1-100, 8.1.3.0-060
- ISS45 7.1.2.1-060

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IBM terminals must ship with ISS45 or ScanMaster software in the program. StoreNext is not offering IBM terminals for hardware-only orders. IBM terminal order must include:

- A new ScanMaster or ISS45 POS system order, or Express/Esspresso system, or
- A hardware upgrade for an existing installed ScanMaster or ISS45 system. These upgrade orders must include at least one ISS45 or ScanMaster software product, such as a new software option or upgrade.

## WHO?

All StoreNext dealers of ISS45 or ScanMaster POS are eligible to sell these products.

StoreNext Order Entry will receive all orders.

StoreNext will support the overall POS systems, including installation guides for ISS45 and ScanMaster on the IBM terminals and technical bulletins as required.

Dealers will provide warranty and service to that dealer's own customers.

ScanSource will provide the logistics services for the StoreNext IBM program.

Invoices will come from StoreNext and receivables are to StoreNext. (Dealers are purchasing these items from StoreNext, not ScanSource.)

IBM will provide hardware support, hardware technical information and manuals to dealers, and provide warranty and out-of-warranty parts. All charges and payables for parts items will be directly with IBM.

## HOW MUCH?

The new IBM pricing and configurations and pricing will be provided Friday, May 2. Prices will be favorable to all dealers.

Shipping will typically be provided at no charge assuming ground transportation to the 48 contiguous states. A fee of \$.35 per \$100 (3.5%) will be assessed to cover insurance.

Warranty terms and pricing will follow current IBM warranty models for these products.

## WHEN?

Brochures and presentation materials will be available on the StoreNext Dealer Support Web site by Friday, May 2.

The formal Pricing and Configuration and reference bulletins will be released Friday, May 2.

The training programs and schedules will be released Friday, May 2.

ScanMaster and ISS45 Software releases that support the IBM hardware platforms will be released and posted Friday, May 2.

StoreNext technical documentation regarding the IBM terminals will also be available from the StoreNext Dealer Support Web site.

The configurations are available upon order. Lead times for the systems with IBM hardware packages will be five business days.

A StoreNext First Friday dealer call-in meeting will be hosted Friday, May 2 at 1:00 Central time to launch the program to StoreNext dealers. All dealers are strongly encouraged to attend to learn details of the program.



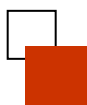
## QUESTIONS AND ANSWERS

### The Big Questions

- *Is StoreNext replacing Fujitsu terminals with IBM?* – StoreNext is adding the IBM SurePOS terminals to the product line and will continue selling the Fujitsu TeamPoS terminals.
- *Will some Fujitsu terminals or terminal programs be discontinued as a consequence of the program?* – No. StoreNext is not discontinuing any Fujitsu products, configurations or programs. It is adding IBM SurePOS terminals to the StoreNext product line.
- *Does the StoreNext IBM program include IBM ACE, SA or other POS software?* – No, it includes for the terminal hardware only.
- *Will there be low-priced small-store Espresso etc. packages of ScanMaster and ISS45 with IBM SurePOS hardware?* – Yes. These new configurations will be released on Friday May 2.
- *You mention a C-store program: can you provide some details?* – StoreNext plans to release a dealer-supportable version of Retailx StorePoint, which has been an extremely successful product in the C-store market. Customer trials are underway and StoreNext expects to ramp up participation with interested dealers over the coming months. StorePoint/SurePOS packages will be released as part of this program.
- *What about kiosks?* – IBM has an excellent line of kiosks and StoreNext is working to offer these products to StoreNext dealers.

### Dealers and Requirements

- *IBM already has quite a channel operation. How is the StoreNext program going to fit in?* – The new program inaugurates a new Industry Solution Reseller (“ISR”) program at IBM, under which all StoreNext dealers can resell IBM products under the StoreNext/Retailx designation as a POS Solution Provider and IBM Remarketer.
- *In the past I had to be an IBM Business Partner; do I still have to sign up?* – All StoreNext dealers, regardless of any previous IBM status, can resell the StoreNext IBM terminal packages under the StoreNext program. StoreNext has completed all the paperwork with IBM up-front on behalf of the dealers to meet the requirements of the IBM ISR program.
- *Why does there need to be ScanMaster or ISS45 software as part of the order?* – Under IBM’s ISR program, StoreNext’s value-add is the POS software. StoreNext is making no attempt to compete for IBM hardware business other than when packaged with ISS45 and ScanMaster POS and is not authorized as a general distributor of hardware-only systems.
- *What if it’s just a hardware refresh for an existing ISS45 or ScanMaster store?* – This is within the spirit of IBM’s ISR program. But to also meet the *letter* of that program, StoreNext is required to sell at least one ISS45 or ScanMaster software item with the hardware order.
- *What if my customer doesn’t need any new options?* – StoreNext has created an “ISS45 IBM Option” and “ScanMaster IBM Option” at a very low price. These options provide the required IBM hardware operability and orderable software option in cases where no other ISS45 or ScanMaster options are required by the customer.
- *If I order Connected Payments or Connected Services with the IBM hardware, does this meet IBM’s ISS45 or ScanMaster software requirement?* – Yes.



- *If I'm already an IBM Business Partner for other products, can I buy new IBM hardware for non-StoreNext POS software and install it with ISS45 and ScanMaster?* – According to IBM, this is not permissible.

### Pricing and Administration

- *What kind of IBM packages will be configured?* – StoreNext is releasing full-terminal packages for the SurePOS 300, 500 and 700 that include a selection of system units, cash drawers, displays and printers. Other pieces and parts for options, mounting hardware, etc. will also be available à la carte. StoreNext does not make any pretense of providing the entire IBM product line, all options, variations, etc.
- *How will the pricing compare with pricing currently available – for example, the IBM Express bundles on the Web?* – Favorably. StoreNext's ISS45 and ScanMaster IBM packages are grocery-focused and therefore different than IBM's general packages, but once you've keyed all the puts and takes into your calculator, you'll be pleased with the results.
- *Will printers, displays and so forth be offered separately?* – To minimize price while avoiding conflict with existing channels and pricing, all the primary components need to be bundled. Some options will be available.
- *What kind of scanner/scales and payment terminals can accompany the IBM SurePOS terminals?* – Payment terminals and scanner/scales are not included in StoreNext's IBM packages. StoreNext will continue to market the Datalogic (PSC) scanner/scales and Hypercom payment terminals.
- *Will StoreNext offer IBM terminal start-up kits for dealer labs and demonstrations at special prices?* – Yes, and these will be published along with the rest of the packages.
- *What about shipping charges?* – Ground shipping for the IBM terminals will normally be provided at no charge to the 48 contiguous states. A fee of \$.35 per \$100 (3.5%) will be added to cover insurance.
- *What are the hardware lead times?* – These packages will normally ship within five business days of order acceptance.
- *Really. Five days you say.* – Yes. ScanSource is providing the logistics for this program, and StoreNext orders will ship directly from ScanSource to the dealer.

### After the Sale

- *Will StoreNext support people have IBM terminal hardware to help resolve issues?* – Yes, IBM SurePOS terminals of all types are being provided to StoreNext support, development Q/A, and certification staff in all sites, including remote locations.
- *You mention a special IBM warranty program for dealers?* – Yes. During the warranty period dealers receive parts at no charge and are paid for conducting service calls. Once the warranty period has passed, dealers receive significant parts discounts to maintain the hardware. Extended warranties may also be available. The program will be fully explained in the IBM Program Reference Bulletin.
- *Normally you need to be an official IBM Business Partner to buy anything, including parts, from IBM. Has this suddenly changed?* – "Suddenly" and "IBM" are words not normally used in the same sentence. However, under the new StoreNext program, IBM's service operation will work with StoreNext ISR dealers in the same way as if those dealers were IBM Business Partners.

