

Update Bulletin

StoreNext Dealer Program

March 11, 2005

With the addition of ScanMaster® to StoreNext's comprehensive product offering, it has become clear that StoreNext's current one-size-fits-all dealer program can be augmented to better accomplish our partners' business and growth requirements as well as StoreNext's own relationship and representation needs.

Several directions were discussed with the StoreNext Business Council, who offered additional suggestions to further improve the program. As you will see below, StoreNext has incorporated their advice, and is establishing new services to enable dealers to achieve their business, competitive and customer satisfaction goals.

The resulting additions to the StoreNext Dealer Program will take effect on April 1 and are designed to enhance business performance for both dealers and StoreNext. Your StoreNext representative will be working with you in the next few days to make sure that we understand your business objectives and how StoreNext can best work with you as your vendor and marketing partner. They will clarify how the program changes work for the benefit of your business, and where your company best fits within the program's added flexibility.

The StoreNext Dealer Program will now feature these important new components:

PROGRAM TIERS

Echelons within the new dealer program enable partners to qualify for various status levels based upon the dealer's chosen commitment to StoreNext's offerings, dedication and performance.

The dealership's program level will receive marketing recognition that dealers can use to promote their position and services. Dealers at the highest levels will also enjoy the greatest discounts across StoreNext's offerings. StoreNext's program further ensures that *all* StoreNext dealers – regardless of their level – have ample opportunity for profitability and growth, and that StoreNext offers the best business proposition of any POS vendor.

The new StoreNext dealership program levels will be:

- **Select Partners** – have passed StoreNext's certification for specific StoreNext offerings and are properly trained and staffed to provide high support and service levels on these products to their customers. StoreNext Select Dealers will normally enjoy territorial business representation and generous discounts, participation in StoreNext's co-op marketing program, eligibility for Centurion Club, and the opportunity to progress to the next tier of StoreNext representation.
- **Elite Partners** – have the same benefits as Select Partners, but will also provide a combination of high sales volumes, broad or complete active product representation across StoreNext's product lines and dedication to those StoreNext offerings. In exchange for this performance, Elite dealerships will enjoy greater discounts across StoreNext's product lines.

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- **Premier Partners** – are reserved for those partners with the very highest annual sales performance, complete product line representation and dedication to StoreNext's offerings. Premier Partnerships will naturally enjoy the greatest discounts from StoreNext in return for this high level of commitment and performance.

CO-OP MARKETING PROGRAM

StoreNext is adding a defined co-op marketing program for our dealer partners. StoreNext has budgeted this program starting in this calendar year (2005) – the program will provide the Dealer/StoreNext partnership with the benefits of aggressive “pull” marketing and brand-recognition programs designed to build business volume across many product lines.

Dealers are naturally the key element in this product acceleration program, and StoreNext will match qualified dealer marketing campaigns and expenses up to 4% of net dealer expenditures with StoreNext. Furthermore, StoreNext is gearing up to offer powerful new customized direct mail and other demand-creation services for dealers to help the dealers reach local wholesaler customers, independent grocers' association memberships, dealer lists and so forth.

Features of the co-op program include the following:

- The co-op program is available to all StoreNext dealers regardless of dealership status level.
- StoreNext will equally share the documented cost of defined marketing activities up to the partner's currently available co-op account balance.
- Co-op funds must typically be applied within two quarters after having been earned. That is, funds earned in Q1 must be spent by the end of Q3.

A special bulletin will be provided that details the new StoreNext co-op program, new marketing services and listing qualified marketing expenses.


TRAINING AND CERTIFICATION

StoreNext is implementing a broader education, training and product certification system with the new dealer program. Based on prior performance or qualification via StoreNext Education and Training programs, Dealers will be certified to represent, sell and service specific StoreNext product lines.

- Dealers will further be encouraged to establish cooperative relationships with neighboring dealers to represent or support those products for which the dealer is not currently certified.
- StoreNext will work with our partners so far as is practical to ensure the success of such arrangements.
- StoreNext will establish special “Refresher Courses” to enable partners to maintain the highest levels of support and service on the more complex systems such as ISS45, ScanMaster and RBO.

As you can now see, these changes to the StoreNext Dealer Program have as much to do with StoreNext shifting into a higher gear as about the program itself. This potent combination will enable StoreNext Partners to achieve the highest level of professional services and user satisfaction, powerful growth and competitive success with StoreNext systems.

To Your Success,



Antero van Severker