

## Talking Points for Progressive Customers 7-8

**Talking:** Christopher Sebes

**Dissemination:** Telephone

**Contacts to be Called:** Please amend/update call matrix as appropriate.

### Talking Points

- It is in the best interest of Progressive's customers and employees for our company to be acquired and the products and employees to be merged into a newer, stronger company.
- SIVA Corporation is interested in acquiring our company. There may be other suitors, however.
- If SIVA is the buyer, what this acquisition means to you is:
  - The combined company will be on a strong financial footing
    - SIVA is funded by a group of private investors with a combined net worth of more than \$3.5 billion
    - Post-acquisition, SIVA will have raised more than \$15 million in funding since December 2002.
  - The goal is to achieve a smooth integration of Progressive and SIVA, without disruption to employees and customers.
    - SIVA intends continue to sell, support, and continue development of the full line of Progressive products, including the IRIS and SMART point-of-sale applications.
    - SIVA intends to retain Progressive's employees, including a full customer service group
    - SIVA intends to continue to operate an office in Charlotte, North Carolina.
    - Current Progressive customers will be able to migrate to the next generation *iSIVA* technology suite if/when they chose to do so. Migration will not be required and no products are targeted for end-of-life.
- If SIVA is the buyer, what this acquisition means to the company is:
  - Upon the completion of the acquisition, the combined company will be the third-largest POS vendor to the U.S. restaurant industry in terms of installed customer base.
  - The combined company's offering will include three distinct POS products that cover the technology spectrum, increasing potential market share for the business:

- *iSIVA*, which is built on next generation web technologies;
  - IRIS, one of the most widely installed Windows-based POS systems for QSR and fast-casual; and
  - SMART, the only DOS-era application that has been continuously maintained and enhanced.
- The company will offer an extended set of premium applications that work with all three applications, including SIVA's IntelliKitchen, EventAlert, and POS2 handheld order entry.
- We can not announce Progressive's potential sale until formal legal arrangements are completed on July 19<sup>th</sup>. Until that time, please treat our discussion today as highly confidential and do not discuss it with any other third party.

[date]

[name]

[address]

[address]

Dear [first name]:

It was a pleasure talking to you today. As I'm sure you could tell I am very excited by the upcoming merger, and am convinced that the combination of Progressive Software and SIVA is going to not only widen the range of products to which you have access, but also deepen our ability to continue our long term support of all our applications. I am also delighted that our financial situation has been resolved in so positive a manner, and that you, together with the rest of our valued customers, will no longer need to be concerned about our long term viability.

I have enclosed two copies of the assignment agreement we discussed, which I have executed. Please sign and return one copy, keeping the other for your records. It is important that we receive the agreement by Friday, July 23<sup>rd</sup> so I would be grateful if you could send them via FedEx using our account number 1241-3209-6.

I look forward to continuing to work closely with you while Jim and I ensure that our combined company is the leading provider of real-world restaurant technology.

Warmest personal regards,

Christopher Sebes  
President and Chief Executive Officer

# Talking Points for Acquisition Announcement 7-19

Call Contacts: See spreadsheet

Initiation: **Wait for confirmation that the deal has been completed**

## Talking Points

- SIVA Corporation has entered into an agreement to purchase Progressive Software.
- The combined company will be on a strong financial footing
  - SIVA is funded by a group of private investors with a combined net worth of more than \$3.5 billion
- The goal is to achieve a smooth integration of Progressive and SIVA, without disruption to employees, customers or resellers.
  - SIVA intends continue to sell, support, and continue development of the full line of Progressive products, including the IRIS and SMART point-of-sale applications.
  - SIVA intends to retain Progressive's employees, including a full customer service group
  - SIVA intends to continue to operate an office in Charlotte, North Carolina.
  - Current Progressive customers will be able to migrate to the next generation *iSIVA* technology suite if/when they chose to do so. Migration will not be required and no products are targeted for end-of-life.
- Upon the completion of the acquisition, the combined company will be the third-largest POS vendor to the U.S. restaurant industry in terms of installed customer base and the only major foodservice POS vendor that does not sell proprietary hardware.
- The combined company's offering will include three distinct POS products that cover the technology spectrum, increasing potential market share for the business:
  - *iSIVA*, which is built on next generation web technologies;
  - IRIS, one of the most widely installed Windows-based POS systems for QSR and fast-casual; and

- SMART, the only DOS-era application that has been continuously maintained and enhanced with the functionality restaurant operators want and need.
- The company will offer an extended set of premium applications that work with all three applications, including SIVA's IntelliKitchen, EventAlert, and POS2 handheld order entry and Progressive's eSign, eRewards, eIntelligence, Visual Dashboard, etc.

#### **Additional Points for Resellers**

- We will honor all current agreements, including exclusive territories for SIVA and Progressive products.
- We will give those dealers interested in representing the full range of the combined companies' solution the opportunity to be certified to do so—if it does not cause channel conflict.

## **Written Statement**

SIVA Corporation is pleased to announce that, as of July 19, 2004, the company has entered into an agreement to buy Progressive Software. Since 2000, SIVA has met customer needs for quality restaurant technology. Our acquisition of Progressive Software is the next step in this process.

The combined company will represent more than 13,000 installations, immediately making it the third largest POS vendor to the U.S. foodservice industry in terms of installed customer base. In addition, SIVA will be the only restaurant technology vendor to offer operators a spectrum of technology choices—including next generation, Windows, and DOS product lines—that allows them to evolve their technology strategies over time.

The acquisition is scheduled to close in August. We look forward to incorporating our employees, products and customers into one company.