



**American Italian Pasta Company ("AIPPC")
Coupon Redemption Policy Statement
August 9, 2004**

Producers of the World's
Finest Pasta

A New York Stock Exchange
Listed Company

This letter explains the terms and conditions under which AIPPC will reimburse customers for coupon submissions. Proper store redemption of our coupons authorizes you to submit coupons for reimbursement by AIPPC.

Your redemption of our coupons indicates your acceptance and compliance with this redemption policy ("agreement"). Notwithstanding any course of dealings between us, no purchase order, invoice, retailer-policy or similar document shall be construed to modify any of the terms of this agreement.

Redemption at the Store

1. Coupons are redeemable only by a consumer purchasing the specific product(s) stated on the coupon, including, but not limited to the brand, quantity and size with the face value of the coupon deducted from your retail price. Only one coupon shall be honored for each item purchased.
2. Coupons must be redeemed by the consumer on or before their expiration date.
3. Coupons may not be reproduced, photocopied, trimmed or altered in any way by the retailer.
4. Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group. AIPPC does not permit the unauthorized distribution, collection, sale or assignment of its coupons for any reason. Therefore, coupons are not to be used in swap boxes, taped to product or placed on hooks near AIPPC products, gathered and distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way except as described in section 1 above.
5. Coupons are void if taxed, restricted or prohibited by law.
6. The consumer is required to pay any applicable sales tax.
7. Coupons will be redeemed only at retail locations in the United States, its territories and at U.S. Military Bases.

Processing Coupons for Payment

1. AIPC will only accept properly redeemed and identified coupons: a) directly from the retailer, b) through an authorized retailer clearinghouse, or c) through an authorized retailer-billing agent. Coupons from unauthorized intermediary agents will not be accepted.
2. All applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number, must be complied with.
3. To redeem coupons for **Mueller's®**, **Ronco®**, **Luxury®**, **Globe®**, **R&F®**, **Anthony's®**, **Mrs. Grass®**, **Pennsylvania Dutch®**, **Martha Gooch®** and **Golden Grain®** send properly redeemed coupons to:

AIPC
PO Box. 880001
El Paso, TX 88588-0001

OR

NCH/AIPC
26-A Walter Jones
El Paso, TX 79906

Policy for Payment and Denials

1. You will be reimbursed for the following three items:
 - A) Face value of coupons or if the coupon calls for free merchandise, for your retail-selling price (up to the stated maximum value printed on the coupon) for all properly redeemable coupons presented to the manufacturer or manufacturer's agent no later than 6 months after their expiration date.
 - B) 8¢ for handling each coupon properly redeemed. An early 1990s independently conducted industry study identified that the 8¢ covers the following costs:
 - Front-end handling by the retailer
 - Store to headquarters accounting
 - Store occupancy
 - Sundry loss
 - Cost of funds
 - Coupon processing

This covers any special handling, invoice preparation or other fees.
 - C) Reasonable out-of-pocket costs incurred for the physical transportation of the coupons to us or to our authorized agent. **We will not pay for any administrative or consolidation fees and, except as described in (ii) below, we will not pay any other upcharges that you or your agent (if you use one) may assess on or in lieu of such pass-through/out-of-pocket expenses.**

The transportation costs will be reimbursed as follows:

- i) For retailers who sort the coupons they have redeemed and submit them directly without the use of any third party agent, you will be reimbursed for incurred reasonable postage (i.e. first class mail insured) or other shipping charges, as indicated on the package received.
 - ii) For those retailers that are using a clearinghouse or billing agent, we will reimburse you at a rate equal to \$5.00 per thousand of coupons redeemed (\$5.00/M).
2. You will **NOT** be reimbursed for unreasonable postage or any additional fees.
 3. Coupon reimbursement and coupon adjustments cannot be deducted from product invoices or purchase orders. Invoice deductions and deduction fees are not in compliance with AIPC's redemption policy.
 4. The manufacturer or manufacturer's agent actual count of coupons received will be final and shall govern their payments.
 5. All GMA guidelines are reflected, supported and adhered to in the processing of all coupons submitted by retailers or their agents.
 6. AIPC reserves the right to request evidence of proof of purchase to show that sufficient stock was purchased to justify the number of coupons submitted and reserves the right to audit the coupon sorting and billing service of any retailer or any agent involved in the handling process.
 7. Any lawsuit involving coupon processing or payment disputes shall be brought within 18 months of the original date of coupon payment or such claims shall be deemed extinguished. Any such lawsuit shall be filed and conducted in a state or federal court located in Kansas City, Missouri. Each party shall be responsible for its own attorneys' fees and costs.
 8. If false or misleading verification information is provided to AIPC or a certified clearinghouse, redemption privileges with AIPC may be permanently terminated.
 9. Each shipment of coupons will be considered as a whole and AIPC reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
 10. Failure to observe these terms and conditions for proper redemption may, at the option of AIPC, void all coupons submitted for reimbursement and all coupons may be retained as property of AIPC without payment. AIPC

reserves the right to forward coupons, which AIPC judges to be misredeemed, to law enforcement agencies for their review and investigative purposes.

Other Information

1. The cash redemption value of each coupon is 1/100 of one cent.
2. It is FRAUD to present coupons for redemption other than as provided by this agreement.
3. YOU AGREE THAT FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, AT THE SOLE OPTION OF AIPC, VOID ALL COUPONS SUBMITTED FOR REIMBURSEMENT AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF AIPC, WITHOUT PAYMENT. FAILURE TO ENFORCE ANY TERMS OR CONDITIONS HEREOF SHALL NOT BE DEEMED A WAIVER FOR THEM.

American Italian Pasta Company

