

AINSWORTH PET NUTRITION

COUPON REDEMPTION POLICY STATEMENT

YOUR PRESENTATION OF OUR COUPONS FOR REDEMPTION INDICATES YOUR ACCEPTANCE AND COMPLIANCE WITH THIS REDEMPTION POLICY STATEMENT (the “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.

Background:

This Agreement and its provisions apply to all Ainsworth Pet Nutrition (“Company”) owned product coupons, which includes, but is not limited to, the following brands: DAD’S Pet Care, Back to Basics, Better Than Ears, Enhance, Guilt Free Treats, Kibble Select Complete, Rachael Ray Nutrish, Veterinarian Formulate Complete and The Source.

It is the intent of the Company to process paper or paperless coupon (“coupon(s)”) reimbursements in the most efficient and cost effective way possible, and to ensure that we can continue to provide consumers the promotional incentive that such coupons offer.

A. Redemption at the Store

- (1) Coupons are redeemable only by a consumer purchasing the specific product(s) indicated on the coupon (i.e. the specific brand, size and quantity indicated), and only in accordance with the terms set forth on the face of the coupon and in this Agreement. The face value of the coupon shall be deducted from the retail selling price. Only one coupon shall be honored for each item purchased.
- (2) Retailers are to use reasonable care in accepting Company coupons. Retailers shall not accept (and the Company will not honor) coupons that have been reproduced, photocopied, mutilated, trimmed or altered in any way.
- (3) Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group prior to presentation for redemption. The Company does not permit the unauthorized distribution, collection, sale, or assignment of Company coupons for any reason. Coupons are not to be used in swap boxes, taped to product or gathered and distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way except as described in this Agreement.
- (4) Coupons are void if taxed, restricted or prohibited by law.
- (5) The consumer must pay any applicable sales tax when redeeming the coupons.

- (6) Coupons are redeemable only by dealers/retailers located in the U.S., its territories, and on U.S. military bases.

B. Processing Coupons for Payment

- (1) Properly redeemed and identified coupons will be accepted only from the Company's authorized intermediaries or clearing houses. Coupons will not be honored if presented through unauthorized persons or companies. Coupons will be considered void when presented by an agency or broker not authorized by the Company.
- (2) All parties submitting coupons for redemption must comply with all applicable laws and regulations, including IRS reporting requirements, and must have an IRS taxpayer identification number.
- (3) The Company will only accept properly redeemed and identified coupons: (a) directly from the retailer; or (b) through an authorized (i) retailer clearinghouse, (ii) retailer-billing agent, or (iii) wholesaler-billing agent.
- (4) The Company will only accept coupon submissions that: (a) contain 100 or more coupons per invoice; or (b) contain less than 100 coupons per invoice, but are submitted no more than one time every two weeks.
- (5) To redeem Company coupons, send properly redeemed coupons to:

Ainsworth Pet Nutrition
P.O. Box 880152
El Paso, TX 88588-0152

OR

NCH / Ainsworth Pet Nutrition
26-A Walter Jones
El Paso, TX 77906

C. Policy for Payment and Denials

- (1) Upon acceptance of properly redeemed Company coupons, you will be reimbursed for the following amounts:
- (a) Face value of coupons or, if the coupon calls for free merchandise, for the retail selling price of that specific merchandise item (up to the stated cap amount as indicated on the coupon), plus
- (b) \$.13 per coupon "Customer Handling Fee" for each coupon properly redeemed*. The Company has developed a set cost per coupon above face value of \$.13 per coupon referred to as the "Customer Handling Fee" in order to fully compensate the Customer and their agents for all associated costs, including all handling and transportation expenses of any kind. **The Company will not pay any additional fees or costs related to postage, shipping or transportation fees associated with the coupon or its handling.** Due to system limitations and for ease of reconciliation, the \$.13 per coupon Customer Handling Fee will be computed in the following manner when a retailer or

their clearinghouse submits an invoice for payment and settlement: \$.08 per coupon handling fee plus a supplemental handling fee of \$.05 (billed as shipping/postage) per coupon for a total of \$.13 per coupon Customer Handling Fee. The Company will not pay any additional deduction fees or costs related to postage, shipping, transportation, and/or miscellaneous fees.

- (c) The Customer Handling Fee mentioned above constitutes full and complete compensation to the Customer and its agent for the customary and reasonable expenses incurred in processing the coupon from point of sale to redemption at the Company's designated site. The Customer Handling Fee takes into account the total cost of coupon handling by the Customer and its agent, including postage, shipping, and transportation, when reasonable and efficient coupon processing methods are utilized by Customer and agent. Other expenses, such as clearinghouse charges and handling fees, are costs negotiated between Customer and its clearinghouse or agent, and are not the responsibility of the Company and, therefore, the fees involved will not be passed to the Company.
- (2) The Customer agrees not to take unauthorized deductions from the Company product invoices for any amounts relating, directly or indirectly, to coupon redemption. If such authorized deductions are made, the Company reserves the option to take action, including but not limited to, suspending shipments/credit to the Customer and/or a reduction in the Customer's promotional funding to offset any and all unauthorized coupon-related deduction balances.
- (3) The Company 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.
- (4) You and the Company agree that all disputes between them, or arising from the relationship between them, and all disputes arising from or related to this Agreement, including the scope of this arbitration provision, shall be resolved solely by binding arbitration by the National Arbitration Forum, under the Code of Procedure then in effect. Any award of the arbitrators(s) may be entered as a judgment in any court having jurisdiction. In the event a court having jurisdiction finds any portion of this Agreement unenforceable, that portion shall not be effective and the remainder of the Agreement shall remain effective. Information may be obtained and claims may be filed at any office of the National Arbitration Forum, www.arbitration-forum.com, or at P.O. Box 50191, Minneapolis, MN 55405. This Agreement shall be governed by and interpreted under the Federal Arbitration Act, 9 U.S.C. Sections 1-16 ("FAA"). The arbitration shall follow existing substantive law of the Commonwealth of Pennsylvania to the extent consistent with the FAA and applicable statutes of limitations and shall honor any claims or privilege recognized by law. If any party requests so, the arbitrator shall write an opinion containing the reasons for the award. No claim submitted to arbitration is heard by a jury and no claim may be brought as a class action or as a private attorney general action. Any arbitration hearing will take place in Crawford County, Pennsylvania.

- (5) If false or misleading verification information is provided on a questionnaire submitted to the Company or certified clearinghouse, redemption privileges with the Company may be permanently terminated.
- (6) Each shipment of coupons will be considered as a whole and the Company reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
- (7) It is FRAUD to present coupons for redemption other than as provided by this Agreement.
- (8) FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, AT THE SOLE OPTION OF THE COMPANY, VOID ALL COUPONS SUBMITTED FOR REIMBURSEMENT AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF THE COMPANY, WITHOUT PAYMENT. FAILURE TO ENFORCE ANY TERMS OR CONDITIONS HEREOF SHALL NOT BE DEEMED A WAIVER FOR THEM.
- (9) The Company reserves the right to modify and revise this Agreement at any time and from time to time, in its sole and absolute discretion.
- (10) The cash redemption value of each coupon is 1/100th of one cent.
- (11) THE EXERCISE OR WAIVER, IN WHOLE OR IN PART, OF ANY RIGHT, REMEDY OR DUTY PROVIDED FOR IN THIS AGREEMENT WILL NOT CONSTITUTE THE WAIVER OF ANY PRIOR, CONCURRENT OR SUBSEQUENT RIGHT, REMEDY OR DUTY UNDER THIS AGREEMENT.

Effective Date: September 23rd, 2010

*The \$.13 Customer Handling Fee reimbursement covers the following costs:

- Front-end handling by the retailer
- Store to headquarters accounting
- Store occupancy
- Sundry loss
- Cost of funds
- Coupon processing
- Any other special handling, invoice preparation or other fees