



Gary Pinkowski
Vice President, US Sales
Infant & Baby

Gerber Products Company
A Novartis Company
200 Kimball Drive
Parsippany, NJ 07054-0622

Tel: 973 503 7440
Fax: 973 503 8416

GERBER PRODUCTS COMPANY

Re: Coupon Redemption Policy

To Our Valued Trading Partners:

As standard industry practice and in an effort to monitor and protect our promotional investments, Gerber Products Company reviews all coupon submissions to ensure that all coupons are submitted in accordance with our Coupon Redemption Policy.

The attached document explains the terms and conditions under which Gerber Products Company will reimburse our customers for coupon submissions. Proper store redemption of our coupons authorizes you to submit coupons for reimbursement to Gerber Products Company. Your redemption of our coupons indicates your acceptance and compliance with our Coupon Redemption Policy as stated.

Our Coupon Redemption Policy outlines store redemption guidelines, payment processing procedures, and the terms of our reimbursement including our postage rate. The new policy will be in effect and enforced as of **August 1, 2003**.

We ask your cooperation and understanding in our efforts to maximize the effectiveness of our coupon program, along with fair and consistent administration of our coupon policy with all customers, class of trades and coupon processing agents. If you have questions, please contact Dan Nathanson at (973) 503-7955.

Sincerely,

Gary Pinkowski
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GERBER PRODUCTS COMPANY COUPON REDEMPTION POLICY

YOUR REDEMPTION OF GERBER COUPONS INDICATES YOUR ACCEPTANCE AND COMPLIANCE WITH THIS REDEMPTION POLICY (THE "AGREEMENT"). NOTWITHSTANDING ANY COURSE OF DEALINGS BETWEEN US, NO PURCHASE ORDER, INVOICE, RETAIL-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 brands and product(s) stated on the coupon, (limited to the 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 may not be reproduced, photocopied, mutilated, trimmed or altered in any way by the retailer.
3. Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group. Gerber 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 Gerber 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.
4. Coupons are void if taxed, restricted, or prohibited by law.
5. The consumer is required to pay any applicable sales tax on the products purchased.
6. Coupons will be redeemed only at retail locations located in the United States, its territories and at U.S. Military bases.

Processing Coupons for Payment

7. Gerber will only accept properly redeemed and identified coupons: (a) directly from the retailer, or through authorized (b) retailer clearinghouse, (c) retailer-billing agent, or (d) wholesaler-billing agent.
8. All applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number must be complied with.



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9. To redeem coupons for Gerber Products Company, send properly redeemed coupons to:

Gerber Products Company
P.O. Box 880517
El Paso, TX 880517

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

Policy for Payment and Denials

10. You will be reimbursed for the following three (3) 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); plus

B) 8¢ for handling of each coupon properly redeemed to cover your expenses such as:

- Front-End Handling by the retailer
- Store to Headquarters Accounting
- Store Occupancy
- Sundry Loss
- Cost of Funds
- Coupon Processing

C) Reasonable out-of-pocket costs incurred for the physical transportation of the coupons to Gerber 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 coupon 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. No premium overnight or 2nd day charges will be accepted.
- 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 (\$5/1,000).

11. Coupon reimbursements and coupon adjustments **CANNOT** be deducted from product invoices or purchase orders. Invoice deductions and deduction fees are not in compliance with Gerber's redemption policy and will **NOT** be accepted by Gerber.

12. Gerber 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.

13. 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



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lawsuit shall be filed and conducted in a state or federal court located in New Jersey. Each party shall be responsible for its own attorneys' fees and costs.

14. If false or misleading verification information is provided on a questionnaire to Gerber, or a certified clearinghouse, redemption privileges with Gerber may be permanently terminated at Gerber's sole discretion.
15. Each shipment of coupons will be considered as a whole and Gerber reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
16. Failure to observe these terms and conditions for proper redemption may, at the option of Gerber, void all coupons submitted for reimbursement and all coupons may be retained as property of Gerber without payment. Gerber reserves the right to forward coupons, which Gerber judges to be misredeemed, to law enforcement agencies for their review and investigative purposes.

Miscellaneous Terms

17. The cash redemption value of each coupon is 1/20 of one cent.
18. It is FRAUD to present coupons for redemption other than as provided by this Agreement.
19. YOU AGREE THAT FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY AT THE SOLE OPTION OF GERBER VOID ALL COUPONS SUBMITTED FOR REIMBURSEMENT AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF GERBER WITHOUT PAYMENT. THE EXERCISE OF 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.

Gerber Products Company