



Hormel Foods Corporation
Coupon Redemption Policy

This policy establishes all terms and conditions applicable to redemption, processing, payment and other matters relating to Hormel Foods Corporation coupons. It states our commitments and your responsibilities for the efficient and fair reimbursement of coupons. This policy applies to the following Hormel Foods Corporation subsidiaries, affiliates, and joint ventures: Century Foods International; Clougherty Packing, LLC; Hormel Foods Sales, LLC; Jennie-O Turkey Store Sales, LLC; Lloyd's Barbeque Company, LLC; MegaMex Foods, LLC; Melting Pot Foods, LLC; and Stagg Foods, LLC.

Hormel Foods Corporation, for itself and on behalf of its subsidiaries, affiliates, and joint ventures listed above, will reimburse legitimate retail sellers of Hormel Foods products for face value of cents-off coupons plus eight cents for coupon handling costs, as well as established postage fees. Your acceptance and redemption of Hormel Foods coupons constitutes a binding agreement and signifies your agreement to honor the following coupon redemption policy requirements.

Redemption at the Store

1. Coupons are redeemable only by a consumer purchasing the specific brands, product(s), quantity and sizes stated on the coupon, with the face value of the coupon deducted from your retail price. Only one coupon shall be redeemed for each item purchased.
2. Coupons may not be reproduced, photocopied, mutilated, trimmed or altered in any way by the retailer.
3. Coupons are nonassignable and are void if transferred from their original recipient to any other person, firm or group. Hormel Foods 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 Hormel Foods 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.
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. Hormel Foods will only accept properly redeemed and identified coupons directly from the retailer or through an authorized retailer clearinghouse, retailer-billing agent, or wholesaler-billing agent. Coupons from any other sources will not be honored. Hormel Foods reserves the right to deal directly with all retailers on all matters pertaining to any coupon submission.

8. All applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number, must be complied with.

9. To redeem coupons for Hormel Foods, send properly redeemed coupons to:

Hormel Foods
PO Box 880444
El Paso, TX 88588-0444

OR

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

Any questions concerning claims for payment, please contact NCH Retailer Relations at 1-800-833-7096 or www.nchmarketing.com

Any questions regarding this policy should be sent in writing to:

Hormel Foods Corporation e-mail: redemptionpolicy@hormel.com
1 Hormel Place
Austin, MN 55912-3680
Attn: Coupon Redemption Manager

Policy for Payment and Denials

10. You will be reimbursed only for the following three (3) items:

10.1 Face value of properly redeemed coupons or, if the coupon calls for free merchandise, for your retail-selling price (up to the stated maximum value printed on the coupon)

10.2 **8¢ (\$.08)** for handling each properly redeemed coupon

10.3 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.

Transportation costs will be reimbursed as follows:

- i) Retailers who sort the coupons they have redeemed and submit them directly without the use of any third party agent will be reimbursed for incurred reasonable postage (i.e. first class mail insured) or other shipping charges, as indicated on the package received.
- ii) Retailers who use a clearinghouse or billing agent will be reimbursed at our established rate of nine dollars per thousand coupons redeemed **(\$9/M)**.

The above three items (10.1-10.3) represent the only amounts for which retailers will be reimbursed. Retailers agree not to deduct or attempt to collect any additional amounts from Hormel Foods in any way. Any attempted deduction or collection, and any associated deduction or collection fee, constitutes breach of this agreement and will not be accepted.

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 Hormel Foods redemption policy.

12. Hormel Foods reserves the right to request proof of purchase to show sufficient stock was purchased to justify the number of coupons submitted. Upon request, you must produce satisfactory evidence of your purchase. Hormel Foods reserves the right

to audit the coupon sorting and billing service of any retailer or agent involved in the handling process.

13. Hormel Foods and our agent make every effort to make payment within thirty days from receipt of a coupon submission and invoice. The eight cents handling fee covers any and all costs associated with this time period.

14. If variances occur between your coupon invoice and our payment, an explanation will be enclosed with the payment. You have six months to inquire about a variance. Lack of inquiry within six months of any variance constitutes your agreement with the adjustment. Appeals made more than six months from the date of payment will not be considered by Hormel Foods.

General Terms

15. Any lawsuit involving coupon processing or payment disputes shall be brought within six months of the original date of notification by Hormel Foods of such dispute to the retailer, clearinghouse or agent or such claims shall be deemed extinguished. Any such lawsuit shall be governed by Minnesota law and shall be filed and conducted in a state or federal court located in Minnesota. Each party shall be responsible for its own attorneys' fees and costs.

16. If false or misleading verification information is provided on a questionnaire to Hormel Foods or a certified clearinghouse, redemption privileges with Hormel Foods may be permanently terminated.

17. Each shipment of coupons will be considered as a whole and Hormel Foods reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.

18. Failure to observe these terms and conditions for proper redemption may, at the option of Hormel Foods, void all coupons submitted for reimbursement and all coupons may be retained as property of Hormel Foods without payment. Hormel Foods reserves the right to forward coupons, which Hormel Foods judges to be misredeemed, to law enforcement agencies for their review and investigative purposes.

19. The cash redemption value of each coupon is 1/40 of one cent.

20. It is FRAUD to present coupons for redemption other than as provided by this agreement.

21. The exercise or waiver, in whole or in part, of any right, remedy or breach under this agreement shall not constitute the exercise or waiver of any other right, remedy or breach under this agreement.

22. The express terms of this agreement shall not be varied by any course of dealing, performance or usage of trade. Any different, conflicting or additional terms in any invoice, purchase order, or other document provided by the retailer, clearinghouse or agent are hereby expressly rejected.

HORMEL FOODS CORPORATION

Updated: 02/01/10