

Hostess Brands



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IBC Sales Corporation¹ Coupon Redemption Policy Statement

YOUR REDEMPTION OF OUR COUPONS INDICATES YOUR ACCEPTANCE AND COMPLIANCE WITH THIS REDEMPTION POLICY (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.

It is the intent of IBC Sales Corporation to process coupon reimbursements in the most efficient and cost effective way possible, to ensure that we can continue to provide consumers the promotional incentive that coupons offer.

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 redemption policy. The face value of the coupon should 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 coupons. Retailers shall not accept 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 store redemption. Coupons are not to be used in swap boxes, taped to product, gathered and distributed by any other person or group for charitable fund raising purposes, or other 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 must pay any applicable sales tax.
- 6) Coupons are redeemable only by dealers/retailers located in the U.S., its territories, and on U.S. military bases.

Processing Coupons for Payment

¹ IBC Sales Corporation is a wholly-owned subsidiary of Hostess Brands, Inc.

- 7) Properly redeemed and identified coupons will be accepted only from IBC Sales Corporation 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 IBC Sales Corporation.
- 8) 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.
- 9) IBC Sales Corporation will only accept properly redeemed and identified coupons received directly from an authorized: (a) retailer; (b) retailer clearinghouse; (c) retailer-billing agent, or (d) wholesaler-billing agent.
- 10) To redeem coupons for IBC Sales Corporation, send properly redeemed coupons to:

IBC Sales Corporation		NCH/ IBC Sales Corporation
P.O. Box 880234	OR	26-A Walter Jones
El Paso, TX 88588-0234		El Paso, TX 77906

Policy for Payment and Denials

- 11) 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 (up to the stated cap amount), plus
 - B. \$0.13 (Thirteen Cents) per coupon “Customer Handling Fee” for each coupon properly redeemed.*
 IBC Sales Corporation has developed a fixed cost per coupon above face value of \$0.13 (Thirteen Cents) per coupon referred to by IBC Sales Corporation as “Customer Handling Fee” to fully compensate the Customer and their agents for all associated costs, including all handling and transportation expenses of any kind. **IBC Sales Corporation will not pay any additional fees or cost related to postage, shipping or transportation fees.** Due to system limitations and for ease of reconciliation, the \$0.13 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: a \$.08 per coupon handling fee plus a supplemental handling fee of \$.05 (billed as shipping/postage) per coupon to arrive at the \$.13 per coupon Customer Handling Fee. IBC Sales Corporation 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 IBC Sales Corporation’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 IBC Sales Corporation. As a result, IBC Sales Corporation will not pay such additional fees.
- 12) The Customer agrees not to take unauthorized deductions from IBC Sales Corporation product invoices for any amounts relating, directly or indirectly, to coupon redemption. If such authorized deductions are made, IBC Sales Corporation reserves the right 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.

- 12) IBC Sales Corporation 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 claim or lawsuit involving coupon processing or payment disputes shall be brought within 18 (eighteen) months of the original date of coupon payment or such claims shall be deemed extinguished and waived. Any claim or lawsuit shall be filed and conducted in a state or federal court located in Dallas County, Texas. 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 IBC Sales Corporation or its certified clearinghouse or other agent, redemption privileges with IBC Sales Corporation may be terminated.
- 15) Each shipment of coupons will be considered as a whole and IBC Sales Corporation reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
- 16) It is FRAUD to present coupons for redemption other than as provided by this Redemption Policy.
- 17) FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, AT THE SOLE OPTION OF IBC SALES CORPORATION VOID ALL COUPONS SUBMITTED FOR REIMBURSEMENT AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF IBC SALES CORPORATION, WITHOUT PAYMENT. FAILURE TO ENFORCE ANY TERMS OR CONDITIONS HEREOF SHALL NOT BE DEEMED A WAIVER, EXCEPT IN THE CASE OF CLAIMS WAIVED AFTER 18 (EIGHTEEN MONTHS) AS REFERENCED IN PARAGRAPH 13 ABOVE..
- 18) IBC Sales Corporation may revise this Coupon Redemption Policy Statement at any time and in its sole discretion.

Effective Date: October 4, 2010

*The (?) 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