



JELLY BELLY CANDY COMPANY

Confectioners of Excellence Since 1898



Jelly Belly Candy Company Agreement: Terms for Proper Coupon Redemption Effective: June 1, 2009

Jelly Belly Candy Company (hereinafter "Jelly Belly") desires to process coupon reimbursements in the most efficient and cost-effective way possible, thereby enabling Jelly Belly to continue to offer this popular benefit to consumers. To that end, Jelly Belly has established these terms and conditions for coupon redemption by which Jelly Belly will reimburse retailers or wholesalers (hereinafter "Customer") for coupon submissions. **Your submission of coupons for redemption signifies your compliance with the terms and conditions set forth below and printed on coupons, which are incorporated into all Jelly Belly Candy Company ("Jelly Belly") coupons by reference.** Each submission of coupons to Jelly Belly creates a binding enforceable Agreement (the "Agreement") to honor the following terms and conditions. It is the retailer's responsibility to ensure its employees are aware of and in compliance with this Policy. YOUR ACCEPTANCE AND REDEMPTION OF JELLY BELLY USA COUPONS CONSTITUTE A BINDING AGREEMENT TO HONOR THE FOLLOWING COUPON REQUIREMENTS:

1. Coupons are redeemable only when consumers purchase the brands/products/flavors/sizes/quantities indicated, prior to the expiration date, and retailers subtract the face value from the retail price of a Jelly Belly product. Multiple Jelly Belly coupons (two or more) may not be applied against the purchase of the same item. Coupons are not authorized to be used when the consumer is purchasing products for resale.
2. Coupons may not be reproduced, photo-copied, trimmed, or altered in any way.
3. Only one coupon may be redeemed against the purchase of a product or products such as in the case of multiple purchase requirements as specified on the coupon.
4. The consumer is required to pay any sales tax charged in connection with the purchase of the product.
5. Coupons must not be accepted from a consumer after the stated expiration date. Only coupons received by Jelly Belly within six months (180 days) of the expiration date on the face of the coupon will be honored.
6. Jelly Belly 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, or (e) through a holder of our Certificate of Authority. Electronic clearing or any other exceptions to our standard process require prior written agreement. Jelly Belly reserves the right to deal directly with all retailers on all matters pertaining to any coupon submission. Jelly Belly reserves the right to audit the coupon sorting and billing service of any agent involved in the handling process. Submission by unauthorized intermediary agents will not be accepted. Disclosure of redemption data to a third party by a retailer or intermediary party is prohibited.
7. For each properly redeemed coupon, Jelly Belly will reimburse the following items:
 - A) Face value of coupons or if the coupon calls for free merchandise, a limit will be communicated to Jelly Belly's agent that represents the maximum reimbursement value of the coupon based on a representative market value. This maximum limit will also be printed on the coupon adjacent to the retail price box. If you do not write a price in the retail price box, an average market price will be used as the coupon value, which is less than the maximum reimbursement value.

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- B) A Handling Fee of up to ***\$0.17 cents per coupon. Jelly Belly will not pay any additional fees or costs, irrespective of how they are computed, billed or designated. However, due to system limitations on the part of Jelly Belly retailers and their respective clearinghouses and for ease of reconciliation, when a retailer or clearinghouse generates an invoice that splits the up to \$0.08 cents handling allowed by Jelly Belly into 8 cents handling and up to an additional \$0.09 cents for shipping / postage, (or any combination of the two thereof), Jelly Belly will recognize the sum of the two (up to \$0.17 cents) as the Handling Fee. Regardless of the name applied to these charges (such as shipping, postage, miscellaneous), Jelly Belly's offer is limited to payment of the Handling Fee only.***
- C) The Customer Handling Fee constitutes full and complete compensation to Customer and its agents for the customary and reasonable expenses incurred, up to \$0.17 cents per coupon, in processing the coupons from point of sale to redemption at Jelly Belly's designated site. The Handling Fee takes into account the total costs 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 Jelly Belly and are not to be passed through to Jelly Belly.**
- D) No other administrative, consolidation, or service fees, fines or penalties will be allowed.
8. Jelly Belly reserves the right to request evidence of proof of purchase and reserves the right to audit the coupon sorting and billing service of any retailer or any agent involved in the handling process. This includes, but is not limited to itemized invoices, product movement reports and other supporting data to verify actual customer transactions.
9. The Customer agrees not to take unauthorized deductions from Jelly Belly product invoices for amounts related directly or indirectly to coupon redemption for any reason whatsoever. Such deductions for either whole or partial payment amounts will not be accepted by Jelly Belly and will be added back to the retailer's next invoice for immediate payment. If such deductions are made, the retailer's or wholesaler's credit with Jelly Belly may be suspended, or shipments may be suspended until the amount is repaid. Failure to observe this requirement could result in a claim of unfair price discrimination and subject the parties to legal action and retailer to revocation of its right to redeem our coupons and/or its position as an authorized retailer of our products.
10. Jelly Belly reserves the right to deny reimbursement, retain, mark, and declare void any coupons presented for redemption that are:
- A. In mint/mass cut condition
 - B. Submitted in a uniform mix
 - C. Not supported by the retailer with sufficient stock to cover the number and types of coupons submitted
 - D. Submitted by a retailer whose address or business operations cannot be verified
 - E. Out of distribution area
 - F. Have any other indications of misredemption
 - G. Not in accordance with this Policy
11. Jelly Belly reserves the right to forward any such coupons to law enforcement authorities for review. Coupons, including store coupons, that were not issued or authorized by Jelly Belly will not be paid and will be returned to the submitter as "Foreign."

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12. Coupons are not authorized to be used when the consumer is purchasing products for resale. Jelly Belly reserves its right not to honor redemption of any such coupon at any time it discovers such use.
13. Coupons are good only in the fifty (50) United States, Puerto Rico, the District of Columbia, its territories and possessions and in US military installations worldwide including A.P.O.'s, and F.P.O.'s or as otherwise restricted on the coupon.
14. The terms and conditions of coupon offers, which are printed on the coupon, clearly set forth the offer and the intent of the manufacturer and override any technical issues, conflicts or scanning problems in the bar code.
15. Coupons are void where prohibited, taxed, or otherwise restricted by law. The cash redemption value of each coupon is 1/20 of one cent.
16. Manufacturer's (or its agent's) actual count of coupons received will be final and shall govern the payment of coupons under this Policy.
17. In the event a retailer payment is denied, the retailer may appeal within six (6) months of the date of the notification of the denial. Appeals received at the address indicated at the end of this agreement after six (6) months will not be considered.
18. In submitting coupons for redemption, retailers agree that any and all disputes arising out of or connected with, directly or indirectly, the redemption of, processing of or payment for Jelly Belly coupons, or arising out of or connected with this Agreement, shall be commenced within one (1) year of the original date the Coupon submission is received by Jelly Belly or such claims shall be extinguished. Any such claim shall be filed and adjudicated in a state or federal district court located in the State of Illinois and shall be governed by the substantive laws of the State of Illinois.
19. Coupons are non-assignable and are void if transferred from, sold, traded, or auctioned by their original recipient to any other person, firm or group. Jelly Belly does not permit the unauthorized distribution, collection, sale or assignment of its coupons for any reason. Jelly Belly coupons are not to be used in swap boxes, taped to product(s) or otherwise made available to consumers outside their intended means of distribution. Coupons may not be 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.
20. No Post Audits shall be maintainable against Jelly Belly if conducted more than six (6) months following the date on which the Coupon submission is received.
21. Electronic clearing or any other exceptions to our standard process require prior written agreement.
22. If false or misleading verification information is provided on a questionnaire or by other means to Jelly Belly, or a certified clearinghouse, redemption privileges with Jelly Belly may be permanently terminated. Any retailer who fails to submit a questionnaire to our redemption agent after two attempts are made to secure this information will be denied payment for any and all coupons submitted.
23. Each shipment of coupons will be considered as a whole and Jelly Belly reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
24. Coupons submitted for reimbursement become the property of Jelly Belly.

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25. Under no circumstances will payments be issued to Post Office Boxes unless it is associated with an actual retail site.
26. Retailers who are out of business, do not sell Jelly Belly products, or have been convicted of any criminal offense associated with manufacturers' promotions will not be reimbursed for any coupons submitted.
27. Advertising and promotions developed and/or disseminated by the third parties and containing coupons for Jelly Belly products must be approved by Jelly Belly or will be treated as void.
28. **Any use not consistent with these terms shall be treated as a material breach of this Agreement and may constitute fraud or violate other laws. Any such coupons submitted for redemption shall be void and will not be honored. Submission of coupons not legitimately redeemed could also result in prosecution. Acceptance or redemption of any coupon shall not constitute a waiver of Jelly Belly's right to seek enforcement of any portion of this Coupon Redemption Policy Agreement. Jelly Belly may, in its sole discretion, withhold payment until such time as the retailer or its agent complies with these terms and conditions. Jelly Belly reserves all of its rights and remedies in connection with any dispute over coupons submitted for redemption or these terms and conditions, up to and including business interruption.**

For redemption, send properly redeemed coupons to:

Jelly Belly Candy Company
P.O. Box 880180
El Paso, TX 88588-0180

If you have any questions regarding the above Coupon Redemption Policy Agreement, write to:

Jelly Belly Candy Company
One Jelly Belly Lane
Fairfield, CA 94533

Thank You,

Jelly Belly Candy Company
Coupon Policy Redemption Agreement

If you are aware of a situation possibly involving coupon fraud, you are urged to contact either a local law enforcement agency or the Coupon Information Center at (703) 684-5307.