



John Soules Foods, Inc. – Coupon Redemption Policy

John Soules Foods, Inc. (hereinafter “JSF”) desires to process coupon reimbursements in the most efficient and cost-effective way possible, thereby enabling JSF to continue to offer this popular benefit to consumers. To that end, JSF has established these terms and conditions for coupon redemption by which JSF will reimburse retailers or wholesalers (hereinafter “Customer”) for coupon submissions. If the Customer fully complies with these terms and conditions by following the steps below, then JSF will fully reimburse the Customer’s submissions. ***Submission of coupons by the Customer or its agent to JSF or our agent signifies acceptance of these terms and conditions set forth below and printed on coupons, which are incorporated into all JSF coupons by reference.***

Conditions of Authentic Redemption at the Store

1. Coupons are redeemable only by a consumer purchasing the JSF product(s) indicated and, if specified, purchasing the quantity and/or product size specified, and only in accordance with the terms set forth on the face of the coupon and in this redemption policy. Only one coupon may be redeemed for each purchase of the specified product(s).
2. Customers are to use reasonable care in accepting coupons. Coupons may not be reproduced, photocopied, trimmed or altered in any way. JSF may refuse reimbursement for any coupons which exhibit signs of misredemption, including, but not limited to: gang cut, similar cuts and tears, evidence of tape, mint condition, or sequential number patterns. We will notify and work with the Customer to identify and eliminate any problems. Customers who demonstrate a pattern of non-response to JSF’s notification, and who do not demonstrate willingness to eliminate problem areas may lose the right to participate in certain of JSF’s retail programs, including being suspended from receiving reimbursement for JSF coupons.
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. JSF 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 JSF products, gathered and distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way except as described in Condition 1 above.
4. Coupons are void if taxed, restricted, or prohibited by law.
5. The consumer must pay any applicable sales tax on the product being purchased.
6. Coupons are redeemable only at Customer locations within the United States, its territories and on U.S. Military bases.

Coupon Submission Requirements

John Soules Foods, Inc. will accept properly redeemed and identified coupons by one of three methods: 1) directly from the Customer; 2) through a Customer clearinghouse; or 3) through a Customer billing agent. Coupons from any other intermediary agents are unauthorized and will not be accepted. The Customer and its agents must comply with all applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number.

Send properly redeemed John Soules Foods, Inc. coupons to:

John Soules Foods, Inc.
P.O. Box 880039
El Paso, TX 88588-0039

Or

NCH/John Soules Foods, Inc.
26-A Walter Jones
El Paso, TX 79906

Terms of Payment for Coupons

1. JSF will reimburse coupon submissions for the face value of coupons (or, if a “free” coupon, the retail selling price up to the stated maximum noted on the coupon) plus a set “Customer Handling Fee*” of **up to 12 cents per coupon**. JSF has established a set Customer Handling Fee amount which will fully compensate the Customer and its agents for **all** associated costs, including all handling and transportation expenses of any kind. ***JSF 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 JSF retailers and their respective clearinghouses and for ease of reconciliation, when a retailer or clearinghouse generates an invoice that splits the amount up to 12 cents handling allowed by JSF into 8 cents handling and an additional amount up to 4 cents for shipping / postage, (or any combination of the two thereof), JSF will recognize the sum of the two (up to 12 cents) as the Customer Handling Fee. Regardless of the name applied to these charges (such as shipping, postage, transportation, miscellaneous), JSF’s offer is limited to payment of the Customer Handling Fee only.*** Payment will be made within 30 days from the date of receipt of invoice and coupons. Any inquiries regarding payment discrepancies should be made in writing to either of the addresses listed above within 30 days after the payment date. Any inquiries made after this 30 day period will be rejected by JSF for tardiness.
2. The Customer Handling Fee constitutes full and complete compensation to Customer and its agents for the customary and reasonable expenses incurred in processing the coupons from point of sale to redemption at JSF’s designated site. The Customer 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 JSF and are not to be passed through to JSF, nor will any other coupon-related fees of any kind whatsoever.
3. The Customer agrees not to take unauthorized deductions from JSF’s product invoices for any amounts relating directly or indirectly to coupon redemption. If such unauthorized deductions are made, JSF 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.
4. Upon request, the Customer must present to JSF store level scanning & redemption data, itemized invoices as well as product movement reports which show purchases of stock and coupon redemptions sufficient to cover coupons submitted for payment. Product purchase records may be requested to corroborate the number of coupons submitted, and if the amount of coupons submitted for payment exceeds typical redemption rates, JSF may request additional supporting data to verify actual customer transactions for the period involved. If the Customer refuses to provide the requested data described in this Paragraph, JSF in its sole discretion may refuse reimbursement of the coupon submissions in question.

Other Conditions

1. JSF reserves the right to audit the coupon sorting and billing service of any agent involved in the handling process or to pay Customers direct for coupon submissions processed through an agent.
2. This Agreement will be governed by the laws of the State of Texas Any lawsuit involving coupon payment disputes shall be brought within 12 months after the original date of notification or such claims shall be

extinguished. Customer consents to the exclusive jurisdiction for any such lawsuit in a state or federal court located in Smith County, Texas. Each party shall be responsible for its own legal fees and costs.

3. If false or misleading verification information is provided on a questionnaire to JSF, or a certified clearinghouse, redemption privileges with JSF may be terminated.
4. Each shipment of coupons will be considered as a whole and JSF reserves the right to refuse payment for an entire shipment if any portion of the shipment is determined to be improperly redeemed.
5. The Customer's failure to comply with these terms and conditions for proper redemption may, at the sole option of JSF, void all coupons submitted for reimbursement and all coupons may be retained as property of JSF without payment. JSF reserves the right to forward coupons, which JSF judges to be misredeemed, to law enforcement agencies for their review and investigative purposes. These remedies are in addition to any and all other remedies available to JSF, which are not limited to those appearing in this policy. Failure to enforce any terms or conditions hereof shall not be deemed a waiver of them.
6. The cash redemption value of each coupon is 1/100 of one cent.
7. This Policy is effective June 7, 2011. JSF reserves the right to modify or withdraw the terms of this policy at any time, and in its sole discretion.

The undersigned parties have executed this Agreement to be effective as of _____, _____

John Soules Foods, Inc.

By: _____

Print Name: _____

Title: _____

Customer Name: _____

By: _____

Print Name: _____

Title: _____

Dated: _____

* Customer Handling Fee covers all coupon-related costs, including the following:

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