



**National Tobacco Co., L.P.**  
**COUPON REDEMPTION POLICY**  
**Effective August 1, 2006**

This coupon redemption policy (Policy) sets forth the terms and conditions under which National Tobacco Co., L.P.(NTC) will reimburse retail customers for coupon submissions. Proper store redemption of NTC coupons authorizes retailers to submit coupons for reimbursement by NTC.

Redemption of NTC coupons indicates acceptance and compliance with this Policy by the retailer. No purchase order, invoice, retailer policy or other document shall be construed to modify the terms of this Policy.

**CONSUMER REDEMPTION**

1. Coupons are redeemable only when a consumer buys the specific product(s) noted on the coupon, including, but not limited to the brand, quantity and size, with the face value of the coupon deducted from the retail price.
2. Only one coupon shall be honored for each item or designated combination of items purchased.
3. Coupons must be redeemed on or before their expiration date.
4. Coupons may not be reproduced or altered in any way by the consumer or retailer. NTC reserves the right to confiscate and forward any such coupons to an appropriate law enforcement agency for review.
5. Coupons are non-assignable, and are void if transferred from their original recipient to any other person, firm or group. NTC 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, 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.
6. Coupons are void if taxed, or prohibited by law.
7. The consumer must pay any applicable sales tax.
8. Coupons will be redeemed only at retail locations in the United States, or U.S. Military Bases.

## **COUPON PROCESSING**

1. NTC will only accept properly redeemed and identified coupons:
  - A) Directly from the retailer;
  - B) Through an authorized retailer clearinghouse; or
  - C) Through an authorized retailer billing agent.
  - D) Coupons from any unauthorized agent will not be accepted.
2. All applicable IRS reporting requirements, (i.e. taxpayer ID# must be met.
3. To redeem coupons for National Tobacco®, Select Tobacco Products® Stocker's® or North Atlantic Operating Company, Inc.® products, or other brands owned by National Tobacco, send properly redeemed coupons to:

National Tobacco Co., L.P.  
P. O. Box 880028  
El Paso, TX 88588-0028

## **PAYMENT AND DENIALS**

1. Reimbursement for all properly redeemed coupons presented to NTC within a timely manner will be made for the following three items: (What is timely)
  - A) Face value of coupons or, if the coupon calls for free merchandise, the retail selling price (up to the stated maximum value printed on the coupon).
  - B) 8¢ for handling each coupon properly redeemed will cover the following costs:
    - Front-end handling by the retailer
    - Store to headquarters accounting
    - Store occupancy
    - Sundry loss
    - Cost of funds
    - Coupon processing (including, but not limited to, any special handling, invoice preparation, or other fees)
  - C) Reasonable out-of-pocket costs incurred for the transportation of the coupons to NTC or to its authorized agent. NTC will not pay for any administrative or consolidation fees (except as described in (ii) below) or any other up charges assessed in addition to or in lieu of such pass-through/out-of-pocket expenses.

Transportation costs will be reimbursed as follows:

- i) For retailers that sort redeemed coupons and submit them directly to NTC, reimbursement will be made for actual postage (i.e. insured first-class mail) or shipping charges, as indicated on the package received.
  - ii) For retailers that use a clearinghouse or billing agent, NTC will reimburse at a rate equal to \$5.00 per thousand coupons redeemed (\$5.00/M).
2. Coupon reimbursement and coupon adjustments **CANNOT** be deducted from product invoices or purchase orders.
3. NTC's coupon agent's actual coupon count will be final and shall govern NTC's payment decisions.
4. NTC reserves the right to request evidence of proof of purchase to show that sufficient product from National Tobacco was purchased to justify the number of coupons submitted.
5. NTC reserves the right to audit the coupon sorting and billing service of any retailer or any agent involved in the handling process.
6. Each coupon submission must contain the retailer's identity. In the case of wholesalers and clearinghouses who submit on behalf of independent or chain retailers, the identity of the independent or chain retailer must accompany the actual coupons.
7. Any lawsuit involving coupon processing or payment disputes shall be brought within 12 months of the original date of coupon payment or such claims shall be deemed extinguished. Any such lawsuit shall be filed and conducted in a state or federal court located in Louisville, Jefferson County, Commonwealth of Kentucky. Each party shall be responsible for its own attorneys' fees and costs.
8. If false or misleading verification information is provided on a questionnaire to NTC or a certified clearinghouse, redemption privileges with NTC may be permanently terminated.
9. Each shipment of coupons may, at the option of NTC, be considered as a whole, and NTC reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.

## **OTHER INFORMATION**

1. The cash redemption value of each coupon is 1/20 of one cent.
2. It is FRAUD to present coupons for redemption other than as provided by this Redemption Policy.
3. **FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, AT THE SOLE OPTION OF NTC, VOID ALL COUPONS SUBMITTED BY A RETAILER FOR REIMBURSEMENT, AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF NTC, WITHOUT PAYMENT. NATIONAL TOBACCO RESERVES THE RIGHT TO FORWARD COUPONS THAT NTC CONSIDERS TO BE MISREDEEMED TO LAW ENFORCEMENT AGENCIES FOR THEIR REVIEW AND INVESTIGATION.**
4. Failure to enforce any terms or conditions of this Policy shall not be deemed a waiver of such terms or conditions.