



*For the way you live.™*

November 30, 2003

Re: Coupon Redemption Policy

To Our Valued Customers

In compliance with industry practice and in an effort to monitor and protect our promotional investment, Old Home Foods reviews all coupon submissions to ensure that the coupons are submitted in accordance with our Coupon Redemption Policy.

The attached Policy Statement describes the terms and conditions under which Old Home Foods will reimburse customers for coupon submissions. In redeeming our coupons, you are affirming your acceptance and agreement to comply with the Policy Statement.

The Coupon Redemption Policy Statement also outlines store redemption guidelines, payment processing procedures, and the terms of our reimbursement for items such as postage. The Policy Statement will be deemed in effect as of November 30, 2003.

If you have questions, please do not hesitate to contact Al Haeg at Old Home Foods. Thank you for your cooperation.

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**Old Home Foods, Inc.**

**OLD HOME FOODS, INC.**  
**COUPON REDEMPTION POLICY STATEMENT**

IN REDEEMING OLD HOME FOOD'S COUPONS, YOU ARE AFFIRMING YOUR ACCEPTANCE AND AGREEMENT TO COMPLY WITH THIS COUPON REDEMPTION POLICY STATEMENT (THE "POLICY STATEMENT"). NOTWITHSTANDING ANY COURSE OF DEALING BETWEEN US, NO PURCHASE ORDER, INVOICE, RETAIL POLICY OR OTHER DOCUMENT SHALL BE CONSTRUED TO MODIFY ANY OF THE TERMS OF THIS POLICY STATEMENT.

**Redemption at the Store**

1. Coupons are redeemable only by a consumer purchasing the specific brands and products(s) identified on the coupon (limited to the indicated quantity and size), with the face value of the coupon to be deducted from the retail price. Only one coupon may be honored for each item purchased.
2. Coupons may not be reproduced, photocopied, mutilated, trimmed or altered in any way by the retailer. Reproductions, photocopies, mutilated, trimmed, or altered coupons should not be accepted by the retailer.
3. Coupons are not assignable and shall be void if transferred from their original recipient to any other person, firm or group. Old Home 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, placed on or near Old Home Foods' products, gathered or distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way other than as described in Section 1 above.
4. Coupons shall be void if taxed, restricted, or prohibited by law.
5. The consumer is required to pay any applicable sales tax on the products purchased.
6. Coupons will be redeemable only at retail locations located in the United States, its territories and at U.S. Military bases.

**Processing of Coupons**

1. Old Home Foods will only accept properly redeemed and identified coupons. Coupons shall accepted only: (a) directly from the retailer, (b) through an authorized retailer clearinghouse; (c) from a retailer billing agent; or (d) from a wholesaler billing agent.
2. All applicable IRS reporting requirements, including the providing of an appropriate taxpayer identification number, must be complied with by any party delivering coupons

for redemption. Parties seeking to redeem coupons shall also provide any additional information requested by Old Home Foods.

3. To redeem coupons for Old Home Foods products, the properly redeemed coupons should be forwarded to:

Old Home Foods, Inc.	OR	NCH/Old Home Foods
P.O. Box 880248		26-A Walter Jones
El Paso, TX 88588-0248		El Paso, TX 79906

### **Policy for Payment**

1. Old Home Foods will reimburse for properly redeemed coupons as follows:
  - A. The redeeming party will receive the face value of the redeemed coupons, or if the coupon calls for free merchandise, the retail selling price of the product (up to the stated maximum value printed on the coupon);
  - B. Eight cents (8¢) shall be paid for handling each coupon properly redeemed to cover all coupon-related expenses (other than transportation costs), including:
    - Front-End Handling by the Retailer
    - Store to Headquarters Accounting
    - Store Occupancy
    - Sundry Loss
    - Cost of Funds
    - Coupon Processing
  - C. Reasonable out-of-pocket costs incurred for the physical transportation of the coupons to Old Home or to its authorized agent shall be reimbursed as provided below.

Old Home Foods will not pay for any administrative or consolidation fees and, except as described in (ii) below, Old Home Foods will not pay any other upcharges that a redeeming party or its agent (if one is used) may assess on or in lieu of a pass-through of out-of-pocket expenses. The transportation costs will be reimbursed as follows:

- i. For retailers who sort the coupons they have redeemed and submit them directly without the use of any third party agent, the retailer will be reimbursed for incurred reasonable postage expense (i.e. first class mail insured) or other shipping charges as indicated on the package received. No charges for premium overnight or second day delivery will be reimbursed.

- ii. For those retailers that are using a clearinghouse or billing agent, Old Home Foods will reimburse the retailer at a rate equal to \$5.00 per thousand coupons redeemed (\$5/1000).
2. Coupon reimbursements and coupon adjustments may **NOT** be deducted from product invoices or purchase orders.
3. Old Home Foods reserves the right to require evidence of proof-of-purchase to substantiate 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. If Old Home Foods requests such an audit, it shall have the right to withhold reimbursement for coupons submitted by the particular retailer or agent pending completion of the audit.
4. Each shipment of coupons will be considered as a whole and Old Home Foods reserves the right to refuse payment on an entire shipment of coupons, if any portion of the shipment is found to include improperly redeemed coupons or otherwise defective submittals.
5. Failure to observe these terms and conditions for proper redemption may, in the reasonable discretion of Old Home Foods, cause all coupons submitted for or on behalf of the particular retailer or agent to be voided. Under such circumstances, the coupons may be retained as the property of Old Home Foods without payment. Old Home Foods reserves the right to forward any coupons which Old Home Foods reasonably determines to be misredeemed, along with related information, to law enforcement agencies for review and investigative purposes.
6. If a retailer payment or any portion thereof is withheld, delayed or denied, the retailer may appeal the decision in writing to Old Home Foods within six (6) months of the date of notification by Old Home Foods or its agent. If the retailer fails to appeal any such decision within this timeframe, Old Home Foods' determination shall be final and binding upon the retailer. Any legal action on behalf of a retailer or its agent involving coupon processing or payment disputes must be commenced within eighteen (18) months of the date Old Home Foods provides its first notice to the retailer or agent as the dispute. In the absence of the timely commencement of such a legal action, any such claims, demands or disputes shall be deemed extinguished.

### **Miscellaneous Terms**

1. The cash redemption value of each coupon shall be 1/20<sup>th</sup> of one cent.
2. It is acknowledged that presenting coupons for redemption other than in accordance with this Policy Statement may constitute illegal conduct and Old Home Foods reserves the right to exercise all legal remedies available to it under such circumstances.

3. ANY ENTITY SEEKING TO REDEEM COUPONS AGREES THAT FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, AT THE SOLE OPTION OF OLD HOME FOODS, VOID ALL COUPONS SUBMITTED FOR REIMBURSEMENT AND ALL SUCH COUPONS MAY BE RETAINED AS PROPERTY OF OLD HOME FOODS WITHOUT PAYMENT. THE EXERCISE OR WAIVER, IN WHOLE OR IN PART, OF ANY RIGHT, REMEDY OR DUTY PROVIDED FOR IN THIS POLICY STATEMENT WILL NOT CONSTITUTE THE WAIVER OF ANY PRIOR, CONCURRENT OR SUBSEQUENT RIGHT, REMEDY OR DUTY CREATED UNDER THIS POLICY STATEMENT.
4. If any retailer or agent disputes or requires clarification of any of the terms or conditions of this Policy Statement, it shall be the obligation of such retailer or agent to provide written notice as to such dispute or request for clarification to Old Home Foods. In the absence of such a notice, it will be assumed that all retailers and their agents fully understand, acknowledge and agree to the terms of this Policy Statement.

**OLD HOME FOODS, INC.**