

U.S. Smokeless Tobacco Brands Inc.
Coupon Redemption Policy
Effective 05-19-2010

(Supersedes policy dated August 22, 2001)

U.S. Smokeless Tobacco Brands (“USSTB”) Coupons help Retailers grow their business by providing value to Adult Consumers who purchase USSTB Products. USSTB encourages Retailers to accept USSTB Coupons to help build brand and store loyalty. USSTB requires Retailers to abide by the Coupon Redemption Policy in acceptance and submission of USSTB Coupons.

Definitions:

Adult Consumer – A tobacco consumer of legal age to purchase USSTB Product in the state or locality in which the purchase occurs.

Excessive USSTB Coupon Redemption – Any redemption in excess of payment limits established based on the Retailer’s USSTB volume and the prevailing marketplace coupon redemption rate for the particular USSTB brand.

Payment Limit Determination – A decision reached by USSTB based on an analysis of the Retailer’s coupon redemption history and the current period coupon submission that the coupon reimbursement amount requested exceeds the prevailing marketplace coupon redemption rate for one or more particular USSTB brands.

USSTB Coupon – A document issued by USSTB that may be exchanged by an Adult Consumer for a discount on USSTB Products purchased at retail.

USSTB Product – Smokeless tobacco brands marketed and sold by USSTB and intended for resale in the United States domestic market or United States Military outlets.

USSTB Trade Policy – Policies that, in conjunction with trade programs offered by USSTB, including but not limited to, the USSTB Retail Program, govern the sale and distribution of USSTB Products.

Retailer – Store that accepts USSTB coupons for redemption pursuant to a face-to-face transaction with an Adult Consumer.

Sales Transaction Data – Electronic sales scan data or sales transaction detail (which includes coupons) reported on a spreadsheet or equivalent data file compiled from Retailer’s daily sales records.

Policy Elements:

1. Retailer's submission of coupons for redemption signifies acceptance of USSTB Coupon Redemption Policy.
2. USSTB Coupons are intended for Adult Consumers only.
3. Retailer may accept a USSTB Coupon only if presented in a face-to-face transaction with the Adult Consumer. Retailer may not accept USSTB Coupons for other than the USSTB Product specified on the face of the USSTB Coupon.
4. Retailer may accept only one USSTB Coupon per USSTB Product purchased, unless the USSTB Coupon terms indicate otherwise.
5. An Adult Consumer redeeming USSTB Coupons in connection with the purchase of USSTB Product is responsible for all applicable sales tax except in the case of redemption of a USSTB Coupon for a free USSTB Product.
6. Retailers suspended from eligibility from USSTB trade programs or eligibility for promotional offerings are ineligible for USSTB Coupon redemption of coupons submitted during any such suspension.
7. USSTB coupons are good only within, and only for USSTB Product manufactured and intended for sale in, the United States domestic market and U.S. Military outlets, except where restricted or prohibited by law.
8. USSTB reserves the right to reject any coupons submitted for reimbursement that USSTB determines, in its sole discretion, to have been assigned, transferred, reproduced, altered or improperly redeemed.
9. USSTB's count of USSTB Coupons received from Retailer shall be final and will govern the amount of payment made to Retailer.
10. Retailer may not deduct outstanding coupon reimbursements from any monies owed by retailer to USSTB.
11. Unless otherwise instructed by USSTB, Retailer may not accept USSTB Coupons submitted by Adult Consumers after the expiration date printed on the USSTB Coupon and USSTB will not reimburse USSTB Coupons submitted by Retailer later than four months after the USSTB Coupon expiration date.
12. The maximum reimbursement for which Retailers are eligible is the total of the USSTB Coupon face value, the specific handling fee stated on the USSTB

Coupon and postage. For a USSTB Coupon reflecting a free product offer, Retailers are eligible to be reimbursed the retail sale price including sales tax and specific handling fee stated on the USSTB Coupon. For a USSTB Coupon reflecting a USSTB Product for a specific promoted price offer, Retailers are eligible to be reimbursed the retail sale price including sales tax and specific handling fee stated on the USSTB Coupon, less the specific promoted price. **If the amount claimed for reimbursement in connection with a free USSTB Product offer or a specific promoted price offer is deemed by USSTB to be excessive based on prevailing market prices, USSTB will withhold the amount in excess of the prevailing market price from the Retailer's USSTB Coupon payment.** If the Retailer provides acceptable proof of USSTB Product sales price, USSTB will reimburse the Retailer for the amount withheld.

13. Postage will be reimbursed based on the current U.S. Postal Service Table or the current U.S. Postal Service Rate Chart and the weight of the package.

14. USSTB reserves the right to request and review information and documentation sufficient to verify Retailer's compliance with the USSTB Coupon Redemption Policy. Such information includes, but is not limited to, Retailer's purchases and sales associated with the respective USSTB Coupon transactions. Acceptable sales transaction data must list USSTB Product by

- Brand name and description of the USSTB brand sold
- Brand name and description of the USSTB Coupon
- Quantity and type of the unit (e.g. can, roll) sold
- Sale transaction quantity and dollar amount
- USSTB Coupon quantity and dollar amount

Retailers must retain at least the most current three (3) months of Sales Transaction Data. Any cost associated with collecting, maintaining or supplying the requested information and documentation, including postage, is the Retailer's responsibility.

15. USSTB reserves the right to hold payments to Retailers for excessive USSTB Coupon Redemption.

16. All Retailer claims submitted to USSTB for unpaid USSTB Coupon balances must be made within one year of the USSTB Coupon submission. Retailers may not submit claims to USSTB requesting payment for USSTB Coupons that USSTB has not paid as a result of the Retailer's violation of any USSTB Trade Policy or trade program.

17. Retailer must ensure that all personnel within the Retailer's organization comply with this USSTB Coupon Redemption Policy. Compliance failures of Retailer's personnel are attributable to the Retailer.

18. Failure to comply with the terms and conditions of this USSTB Coupon Redemption Policy, as determined by USSTB, in its sole discretion, may result in the rejection of all coupons submitted for payment and prohibition of Retailer's redemption of USSTB Coupons in the future.

19. USSTB may change or terminate this USSTB Coupon Redemption Policy at any time upon notice.

20. Retailer or its approved clearinghouse should send properly redeemed coupons to:

U.S. Smokeless Tobacco Brands (USSTB)
P.O. Box 880239
El Paso, TX 88588-0239

Questions concerning this policy or claims for payment should be directed to NCH Marketing Services. The toll free number is: (1-800-650-7411).