



# White Castle<sup>®</sup>

DISTRIBUTING LLC

## **COUPON REDEMPTION POLICY STATEMENT**

Effective April 1, 2003

This letter explains the terms and conditions under which White Castle Distributing LLC ("White Castle") will reimburse customers for coupon submissions. Proper store redemption of our coupons authorizes you to submit coupons for reimbursement by White Castle.

**YOUR REDEMPTION OF OUR COUPONS INDICATES YOUR ACCEPTANCE AND COMPLIANCE WITH THIS REDEMPTION POLICY (THE "AGREEMENT"). NOTWITHSTANDING ANY COURSE OF DEALINGS BETWEEN US, NO PURCHASE ORDER, INVOICE, RETAILER-POLICY OR SIMILAR DOCUMENT SHALL BE CONSTRUED TO MODIFY ANY OF THE TERMS OF THIS AGREEMENT.**

### **Redemption at the Store**

1. Coupons are redeemable only by a consumer purchasing the specific brands and product(s) stated on the coupon, prior to the expiration date, with the face value of the coupon deducted from your retail price. Only one coupon shall be honored for each item purchased.
2. Coupons may not be reproduced, photocopied, mutilated, trimmed or altered in any way by the retailer.
3. Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group. White Castle 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 White Castle products, 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.
4. Coupons are void if taxed, restricted, or prohibited by law.
5. The consumer is required to pay any applicable sales tax.
6. Coupons will be redeemed only at retail locations located in the United States, its territories and at U.S. Military bases.

### **Processing Coupons for Payment**

7. White Castle will only accept properly redeemed and identified coupons: (a) directly from the retailer, or through authorized (b) retailer clearinghouse, (c) retailer-billing agent, or (c) wholesaler-billing agent. Coupons from unauthorized intermediary agents will not be accepted.

8. All applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number must be complied with.
9. To redeem coupons for White Castle, send properly redeemed coupons to:

White Castle Distributing LLC  
P.O. Box 880018  
El Paso, TX 88588-0018

OR

NCH/White Castle Distributing LLC  
26-A Walter Jones  
El Paso, TX 79906

### **Policy for Payment and Denials**

10. You will be reimbursed for the following three (3) items:
  - A) Face value of coupons or if the coupon calls for free merchandise, for your retail-selling price (up to the stated maximum value printed on the coupon); plus
  - B) \$0.08 for handling each coupon properly redeemed; plus
  - C) Reasonable out-of-pocket costs incurred for the physical transportation of the coupons to us or to our authorized agent. **We will not pay for any administrative or consolidation fees and, except as described in (ii) below, we will not pay any other upcharges that you or your agent (if you use one) may assess on or in lieu of such pass-through/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, you will be reimbursed for incurred reasonable postage (i.e. first class mail insured) or other shipping charges, as indicated on the package received.
    - ii) For those retailers that are using a clearinghouse or billing agent, we will reimburse you at a rate equal to \$5.00 per thousand of coupons redeemed (**\$5.00/M**).
11. White Castle's actual count of coupons received will be final and shall govern their payment.
12. The retailer shall include with each coupon shipment an invoice with the retailer's store name and address, showing quantities and values of coupons submitted for redemption. Payment generally will be issued 30 days after receipt of coupons by White Castle or its agents (although White Castle does not guaranty payment within any particular time frame). If the retailer uses an agent to process coupons, White Castle gives no assurance of payment for coupons that are mishandled by the retailer's agent. If the retailer's agent fails to properly submit coupons, the retailer must look solely to the agent for payment. In no event will payment be issued to retailers who do not maintain a physical address.
13. **Coupon reimbursements and coupon adjustments cannot be deducted from product invoices or purchase orders. Invoice deductions and deduction fees are not in compliance with White Castle's redemption policy.**
14. White Castle reserves the right to request evidence of proof of purchase to show 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.
15. You and White Castle shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the

controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and the response shall include (i) a statement of each party's position and summary of arguments supporting that position, and (ii) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within thirty (30) days after delivery of the disputing party's notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

If the dispute has not been resolved by negotiation within forty-five (45) days of the disputing party's notice, the parties shall endeavor to settle the dispute by mediation under the rules then existing at the Columbus, Franklin County, Ohio Alternative Dispute Resolution Center (ADR). Unless otherwise agreed, the parties will select a mediator in accordance with the rules then existing at the ADR, or in the absence of any such, the director of the ADR shall select one (1) at random from the membership of the local attorneys licensed to practice in that jurisdiction. You and White Castle shall pay your own fees associated with the mediation. The cost of the mediator will be split equally between you and White Castle. Unless a settlement is mutually agreed to in writing, neither party shall be bound by the discussion or outcome of the mediation. If the dispute has not been resolved by non-binding means as provided herein within ninety (90) days of the initiation of such procedure, either party may initiate arbitration upon ten (10) days written notice to the other party; provided, however, that if one party has requested the other to participate in a non-binding procedure and the other has failed to participate, the requesting party may initiate arbitration before expiration of the above period.

Binding arbitration shall be conducted by the National Arbitration Forum, under the Code of Procedure then in effect. Any award of the arbitrator(s) may be entered as a judgment in any court having jurisdiction. In the event a court having jurisdiction finds any portion of this agreement unenforceable, that portion shall not be effective and the remainder of the agreement shall remain effective. Information may be obtained and claims may be filed at any office of the National Arbitration Forum, [www.arbitration-forum.com](http://www.arbitration-forum.com), or at P.O. Box 50191, Minneapolis, MN 55405. This Agreement shall be governed by and interpreted under the Federal Arbitration Act, 9 U.S.C. Sections 1-16 ("FAA"). The arbitrator shall follow existing substantive law to the extent consistent with the FAA and applicable statutes of limitations and shall honor any claims or privilege recognized by law. If any party requests so, the arbitrator shall write an opinion containing the reasons for the award. No claim submitted to arbitration is heard by a jury and no claim may be brought as a class action or as a private attorney general. Any arbitration hearing will take place within the Franklin County, Ohio federal judicial district.

16. If false or misleading verification information is provided on a questionnaire to White Castle, or a certified clearinghouse, redemption privileges with White Castle may be permanently terminated.
17. Each shipment of coupons will be considered as a whole and White Castle reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
18. Failure to observe these terms and conditions for proper redemption may, at the option of White Castle, void all coupons, submitted for reimbursement and all coupons may be retained as property of White Castle without payment. White Castle reserves the right to forward coupons, which White Castle judges to be misredeemed, to law enforcement agencies for their review and investigative purposes.

**Miscellaneous Terms**

19. The cash redemption value of each coupon is 1/100 of one cent.
20. It is FRAUD to present coupons for redemption other than as provided by this Agreement.
21. YOU AGREE THAT FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY AT THE SOLE OPTION OF WHITE CASTLE VOID ALL COUPONS SUBMITTED FOR REIMBURSEMENT AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF WHITE CASTLE, WITHOUT PAYMENT. THE EXERCISE OR WAIVER, IN WHOLE OR IN PART, OF ANY RIGHT, REMEDY OR DUTY PROVIDED FOR IN THIS AGREEMENT WILL NOT CONSTITUTE THE WAIVER OF ANY PRIOR, CONCURRENT OR SUBSEQUENT RIGHT, REMEDY OR DUTY UNDER THIS AGREEMENT.
22. White Castle may revise this Coupon Redemption Policy Statement in its sole discretion and without prior notice.

**WHITE CASTLE DISTRIBUTING LLC**