



AINSWORTH PET NUTRITION, LLC

COUPON REDEMPTION POLICY STATEMENT

Updated December, 2016

This Ainsworth Pet Nutrition, LLC (the “Company”) Coupon Redemption Policy Statement (the “Agreement”) outlines the terms and conditions governing the redemption of any Company coupons (paper, digital or otherwise) by its retailers or other customers (which may be referred to herein as “you” or “your”). This Agreement and policy may be modified at any time by the Company in the Company’s sole and absolute discretion. This Agreement shall be available for review upon written request. The current Agreement is set forth as follows:

YOUR PRESENTATION OF OUR COMPANY COUPONS FOR REDEMPTION INDICATES YOUR ACCEPTANCE AND COMPLIANCE WITH THIS 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.

Background:

This Agreement and its provisions apply to all Company owned product coupons. It is the intent of the Company to process paper or paperless coupon (hereinafter “coupon(s)” or “Coupon(s)”) reimbursements in the most efficient and cost effective way possible, and to ensure that we can continue to provide consumers the promotional incentive that such coupons offer. This Agreement and policy applies equally to paper Coupons presented for redemption, including “print-at-home” coupons (“Paper Coupons”), and to digital Coupons presented for redemption, including coupons which are downloaded to an individual consumer’s frequent shopper card or mobile device (“Digital Coupons”). For purposes of this Agreement and policy, Paper Coupons and Digital Coupons shall be included in the definition of “coupon(s)” and “Coupon(s)” herein.

A. Redemption of Coupons

- (1) Coupons are redeemable only by a consumer purchasing the specific product(s) indicated on the coupon (i.e. the specific brand, size and quantity indicated), and only in accordance with the terms set forth on the face of the coupon and in this Agreement. The face value of the coupon shall be deducted from the retail selling price. Only one coupon shall be honored for each item purchased. Multiple coupons (two or more, in any form, including using a Paper Coupon and a Digital Coupon together) may not be applied against the purchase of the same, single item.
- (2) You, as retailers, are to use reasonable care in accepting Company coupons. Retailers shall not accept (and the Company will not honor) coupons that have been reproduced,

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photocopied, mutilated, trimmed or altered in any way. It is your responsibility to ensure that your employees, managers and agents are aware of and act in compliance with this policy and Agreement. No coupon may be redeemed after the expiration date set forth on such coupon, and the Company will not honor expired coupons.

- (3) Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group prior to presentation for redemption. The Company does not permit the unauthorized distribution, collection, sale, or assignment of Company coupons for any reason. Coupons are not to be used in swap boxes, taped to product or gathered and distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way except as described in this Agreement.
- (4) Coupons are void if taxed, restricted or prohibited by law.
- (5) The consumer must pay any applicable sales tax when redeeming the coupons.
- (6) Coupons are redeemable only by dealers and/or retailers located in the United States of America, its territories and possessions, and on United States military bases.
- (7) The Company encourages retailers participating in Digital Coupon promotions to use industry standard formats for reading, writing and transmitting data and to implement industry standards for digital promotions to promote efficiency and strong controls for coupons.

B. Processing Coupons for Payment

- (1) Properly redeemed and identified coupons will be accepted only from the Company's authorized intermediaries or clearing houses. Coupons will not be honored if presented through unauthorized persons or companies. Coupons will be considered void when presented by an agency or broker not authorized by the Company.
- (2) All parties submitting coupons for redemption must comply with all applicable laws and regulations, including IRS reporting requirements, and must have an IRS taxpayer identification number.
- (3) The Company will only accept properly redeemed and identified coupons: (a) directly from the retailer; or (b) through an authorized (i) retailer clearinghouse, (ii) retailer-billing agent, or (iii) wholesaler-billing agent. The Company reserves the right to deal directly with all retailers on all matters pertaining to any coupon submission.

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(4) The Company will only accept coupon submissions that: (a) contain 100 or more coupons per invoice; or (b) contain less than 100 coupons per invoice, but are submitted no more than one time every two weeks.

(5) To redeem Company coupons, send properly redeemed coupons to:

Ainsworth Pet Nutrition, LLC 1226
NCH Marketing Services
P.O. Box 880001
El Paso, TX 88588-0001

C. Policy for Payment and Denials

- (1) Upon acceptance of properly redeemed Company coupons, you will be reimbursed for the following amounts only:
- (a) Face value of coupons or, if the coupon calls for free merchandise, for the retail selling price of that specific merchandise item (up to the stated cap and maximum amount as stated on the coupon), plus
 - (b) \$0.08 (eight cents) per coupon for handling each coupon properly redeemed. The \$0.08 covers the following costs: front-end handling by the retailer; store to headquarters accounting; store occupancy; sundry loss; cost of funds; and coupon processing, which covers any special handling, invoice preparation, or other fees; plus
 - (c) Reasonable out-of-pocket costs incurred for the physical transportation of the coupons to the Company or its authorized agent. 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 reasonable shipping charges, as indicated on the package received; or (ii) for retailers who use a clearinghouse or billing agent, you will be reimbursed at a rate equal to \$5.00 per thousand of coupons redeemed (\$5.00/M).
- (2) The Company will not pay for any administrative or consolidation fees and, except as set forth in the preceding paragraph 1(c)(ii) above, the Company will not pay for any upcharges that you or your agent (if you use one) may assess on or in lieu of such pass-through/out-of-pocket expenses, including any other or additional fees or costs related to postage, processing, shipping or transportation fees associated with the coupon or its

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handling or processing in accordance with this policy and Agreement. The fees agreed to be paid by the Company in this Agreement constitutes full and complete compensation to you and your agents (if you use one) for the customary and reasonable expenses incurred.

- (3) Coupon claimed amounts, reimbursements and coupon adjustments cannot be deducted from product invoices or purchase orders, and no unauthorized deductions may be taken from the Company product invoices or purchase orders for any amounts relating, directly or indirectly, to coupon redemption. Invoice deductions and deduction fees are not in compliance with the Company's policy and this Agreement and any attempt to take such deductions may, at the sole option of the Company, void all coupons submitted for reimbursement. Additionally, if any such deductions are made or attempted, the Company reserves the right and option to take further actions, including but not limited to, suspending shipments/credit and/or a reduction in promotional funding to offset any and all unauthorized coupon-related deduction balances.
- (4) You agree to only submit coupons for the Company products that you are authorized to sell. Submissions of coupons other than those authorized by the Company will be denied and will not be authorized for deductions or redemption.
- (5) The Company 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. Any failure to comply may void all coupons submitted.
- (6) You and the Company agree that all disputes between us, or arising from the relationship between us, and all disputes arising from or related to this Agreement, including the scope of this arbitration provision, shall be resolved solely by binding arbitration by the National Arbitration Forum, under the Code of Procedure then in effect. Any award of the arbitrators(s) may be entered as a judgment in any court having jurisdiction. Each party shall be responsible for its own witness fees, attorneys' fees and costs, and the parties shall equitably share the costs of the arbitrator and the arbitration hearing. 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, 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 arbitration shall follow existing substantive law of the Commonwealth of Pennsylvania to the extent consistent with the FAA and applicable statutes of limitations and shall honor any claims

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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 action. Any arbitration hearing will take place in Crawford County, Pennsylvania.

- (7) Disclosure of redemption data to a third party by a retailer or intermediary party is prohibited.
- (8) If false or misleading verification information is provided on a questionnaire submitted to the Company or certified clearinghouse, redemption privileges with the Company may be permanently terminated.
- (9) Each shipment of coupons will be considered as a whole and the Company reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
- (10) Retailers must submit Coupons for reimbursement within six (6) months of the expiration date of the Coupon. Failure to do so shall render the Coupons void.
- (11) It is FRAUD to present coupons for redemption other than as provided by this Agreement.
- (12) FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, AT THE SOLE OPTION OF THE COMPANY (AND WITHOUT LIMITATION TO ANY OTHER REMEDY THAT MAY BE AVAILABLE TO COMPANY), VOID ALL COUPONS SUBMITTED FOR REIMBURSEMENT AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF THE COMPANY, WITHOUT PAYMENT. FAILURE TO ENFORCE ANY TERMS OR CONDITIONS HEREOF SHALL NOT BE DEEMED A WAIVER FOR THEM. THE COMPANY RESERVES THE RIGHT TO FORWARD COUPONS WHICH THE COMPANY JUDGES TO BE MISREDEEMED TO LAW ENFORCEMENT AGENCIES FOR THEIR REVIEW AND INVESTIGATIVE PURPOSES.
- (13) This policy and Agreement is effective as of the date indicated below and supersedes all prior Company policies with respect to the redemption of Coupons. The Company reserves the right to modify and revise this Agreement at any time and from time to time, in its sole and absolute discretion. It is the responsibility of the retailer to obtain updated copies of this policy and Agreement.
- (14) The cash redemption value of each coupon is 1/100th of one cent.

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- (15) 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.

For questions concerning this policy and Agreement or concerning claims for payment of coupons submitted, please call NCH Marketing Services, Inc. at 1-800-833-7096

Effective Date: December 31, 2016

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