



E.&J. Gallo Winery

COUPON REDEMPTION POLICY

Updated 10/15/2015

This Coupon Redemption Policy (“Redemption Policy”) explains the terms and conditions under which E. & J. Gallo Winery (“Gallo”) will reimburse Retail Accounts (“Retailers”) for instant coupon offers on participating Gallo brands.

Retailer’s redemption of Gallo’s coupons constitutes Retailer’s acceptance and compliance with this Redemption Policy. Notwithstanding any course of dealings between Gallo and Retailer, no purchase order, invoice, Retailer-policy or similar document shall be constructed to modify any of the terms of this Redemption Policy.

A. Redemption at the Store:

1. Gallo coupons are redeemable only at a licensed Retailer’s place of business by a consumer of legal drinking age purchasing the specific brand(s) and quantity of product(s) stated on the coupon prior to the expiration date. The Retailer shall deduct the face value of the coupon from the retail selling price of the product(s).
2. Gallo coupons are void if taxed, restricted, or prohibited by law.
3. Only one Gallo coupon shall be honored for each item purchased. Gallo will not pay redemptions for double couponing by Retailer. Coupons redeemable for private, in-store brands of Retailer that cannot be redeemed at other Retailers are not eligible for redemption.
4. Gallo coupons are void and will not be redeemed by Gallo if reproduced, photocopied, mutilated, trimmed or altered, or misused in any way by Retailer. Gallo coupons are non-assignable and void if transferred from their original recipient to any other person, firm or group prior to store redemption. Gallo 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, gathered and distributed by any person or group for charitable fund-raising purposes, or otherwise used in coupon exchange programs or in any way except as described in section A.1, above. Gallo reserves the right to confiscate and forward any coupons classified as misredeemable to enforcement agencies for review.
5. Consumer is required to pay any applicable sales tax.
6. Gallo coupons will be redeemed only at retail locations located in the United States, its territories, and at U.S. Military bases, and where such coupons are not otherwise prohibited by law.

B. Processing Coupons for Payment:

1. Gallo will only accept properly redeemed and identified coupons directly from the Retailer or through a clearinghouse or billing agent authorized by the Retailer.
2. Retailer must comply with all applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number.
3. To redeem coupons collected by consumers for E. & J. Gallo Winery products, send properly redeemed coupons to:

Gallo Coupons, P. O. Box 880490, El Paso, TX 88588-0490

C. Policy for Payment and Denials:

1. Retailer will be reimbursed for the
 - a. Face value of the coupon, plus
 - b. \$.08 for handling each coupon, and
 - c. Reasonable out-of-pocket costs as shown below which are incurred for the physical transportation of the coupons to Gallo's clearinghouse.
 - i. Retailers who sort the coupons they have redeemed and submit them directly without the use of any third party agent, will be reimbursed for reasonable postage incurred, based on U.S. Postal rates for first class insured mail or actual shipping charges as indicated on the package received.
 - ii. Retailers using a clearinghouse or billing agent to ship coupons to any Gallo-appointed clearinghouse, will be reimbursed at rate of \$10.00 per thousand for the cost of transportation of such coupons.

Payments made by Gallo or Gallo's appointed clearinghouse to a retailer's designated clearinghouse or retailer's billing agent shall be deemed payment to such Retailer. No other payment will be made by Gallo to Retailer. Gallo **will not pay for any administrative or consolidation fees and, except as described in Section C. 1(c)(ii) above, Gallo will not pay any other upcharges that a Retailer or its agent may assess on or in lieu of such pass-through or out-of-pocket expenses.**

2. Gallo coupon reimbursements and coupon adjustments may not be deducted from the payment of any invoices for the product owed to Gallo's distributors. Reimbursement of the redemption of Gallo coupons will only be made by Gallo or its authorized clearinghouse.
3. Only coupons received by Gallo from the Retailer within 90 days of the coupon expiration will be honored. Retailers will not be reimbursed for coupons submitted after the 90 day grace period. All requested reimbursements that are denied for any reason, including but not limited to count shortages, will be noted on the Electronic Payment Reconciliation, which is sent with the payment for Retailers utilizing clearinghouses, or on the Written Reconciliation, which is included on all physical checks mailed to Retailers.
4. Only claims submitted by Retailers within 90 days of the invoice original submission will be honored for adjustments to such claim. Questions regarding payments should be directed to Gallo's clearinghouse at the number noted at the end of this document.
5. Gallo 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.
6. Retailer agrees that all claims or disputes Retailer may have against or with Gallo arising from or related to this Redemption Policy or the subject matter hereof, including but not limited to the enforceability of this arbitration, shall be resolved 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. 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 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 California federal judicial district.
7. If false or misleading verification information is provided on a questionnaire to Gallo, or a certified clearinghouse, redemption privileges with Gallo may be permanently terminated.
8. Each shipment of coupons will be considered as a whole and Gallo reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
9. Failure to observe these terms and conditions for proper redemption may, at the option of Gallo, void all coupons, submitted for reimbursement and all coupons may be retained as property of Gallo without payment. Gallo reserves the right to forward coupons, which Gallo judges to be misredeemed, to law enforcement agencies for their review and investigative purposes.

D. Miscellaneous Terms:

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 Agreement.
3. FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, AT THE SOLE OPTION OF GALLO, VOID ALL COUPONS SUBMITTED BY RETAILER FOR REDEMPTION AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF GALLO, WITHOUT PAYMENT. SUCH USE MAY CONSTITUTE VIOLATION OF U.S. MAIL FRAUD STATUTES AND COULD RESULT IN CRIMINAL PROSECUTION. GALLO'S FAILURE TO ENFORCE ANY TERMS OR CONDITIONS OF THIS POLICY IS NOT A WAIVER OF THOSE OR ANY OTHER TERMS. THE EXERCISE OR WAIVER, IN WHOLE OR IN PART, OF ANY RIGHT, REMEDY OR DUTY PROVIDED FOR BY THIS AGREEMENT WILL NOT CONSTITUTE THE WAIVER OF ANY PRIOR, CONCURRENT OR SUBSEQUENT RIGHT, REMEDY OR DUTY UNDER

THIS AGREEMENT.

4. IF GALLO REDEMPTION CLEARINGHOUSE (A) DETERMINES IN GOOD FAITH THAT A RETAILER HAS REPEATEDLY FAILED OR REFUSED TO COMPLY WITH OR OTHERWISE DISREGARDED THIS POLICY, (B) HAS FALSIFIED INFORMATION SUPPLIED TO GALLO'S REDEMPTION CLEARINGHOUSE, OR (C) RECEIVES INFORMATION FROM STATE OR FEDERAL GOVERNMENT AUTHORITIES THAT SUFFICIENT EVIDENCE EXISTS TO BRING CRIMINAL CHARGES AGAINST A RETAILER FOR CONDUCT RELATING TO COUPON REDEMPTION PRACTICES, THEN SUCH RETAILER'S REDEMPTION RIGHTS MAY BE PERMANENTLY TERMINATED BY GALLO.
5. It is Retailer's responsibility to ensure all personnel within its organization comply with this Redemption Policy.

This Redemption Policy comprises the entire agreement relating to this matter and there shall be no modifications to this Redemption Policy unless made in writing by Gallo. This Policy is effective immediately. This Policy continues in effect until terminated in writing by Gallo. Retailer hereby certifies that it will redeem coupons during the designated redemption period. Failure to adhere to the terms and conditions of this Redemption Policy will relieve Gallo of any of the obligations hereunder. The Redemption Policy is subject to revision at any time without notice.

For questions concerning this Redemption Policy or claims for payment, please call Gallo's clearinghouse, NCH Marketing, Inc., at phone (800) 833-7096.