

## **KAYSER-ROTH CORPORATION**

### **Official Coupon Policy: TERMS OF PROPER COUPON REDEMPTION**

This explains the terms and conditions under which Kayser-Roth Corporation (“KRC”) will reimburse its retail customers for coupon submissions. Proper store redemption of our coupons authorizes you to submit coupons for reimbursement to our coupon vendor processor, Nielsen Clearing House (“NCH”). Your redemption of coupons through our coupon vendor processor is contingent upon compliance with KRC requirements.

1. Coupons are redeemable only by a consumer purchasing the brand/size(s)/quantity(s) indicated thereon with the face value of the coupon deducted from the retail selling price. Only one coupon shall be honored for each item purchased. Stacking multiple KRC coupons (two or more, in any form including using a paper and digital coupon together) to purchase a single item is strictly prohibited. Coupons are not redeemable by an individual who is purchasing products for resale which may be evidenced by larger than normal quantities of coupons presented in a single or multiple transactions.
2. KRC reserves the right to withdraw and/or refuse payments for current coupon offers (paper or digital) due to fraud or errors, including but not limited to counterfeiting, unauthorized distribution, significant data errors, system security breaches, and typographical or other errors made by third-party providers of print-at-home, save to card and/or digital coupons.
3. Paper or digital coupons may not be reproduced, photo-copied, trimmed or altered in any way by the retailer.
4. KRC has recently partnered with a third party, to offer print-at-home coupons. Legitimate printable coupons are delivered using special software designed to print a properly rendered barcode on the coupon and limit the number of coupons printed. KRC will not accept coupons for redemption that do not scan properly at retail. Digital paperless coupons, known as “save to card” coupons will only be accepted when redeemed in accordance with standard industry guidelines.
5. The terms and conditions of coupon offers clearly set forth in the offer, and the intent of KRC, override any technical issues, conflicts, limitations or scanning problems in the bar code.
6. Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group. KRC does not permit the unauthorized distribution, collection, sale, auction, trade or assignment of its coupons for any reason. Therefore, coupons are not to be used in swap boxes, taped to product, placed on hooks near KRC products, gathered and

distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way except as described in #1 above.

7. The consumer must pay any sales tax charged in connection with the purchase of the product.

8. Coupons must not be accepted from the consumer after the stated expiration date. Invoices for paper coupons received by KRC more than three months (90 days) after the expiration date on the face of the coupon will not be honored. Invoices for digital coupons must be presented to KRC within 30 days after expiration of the coupons.

9. For paper coupons, including print at home coupons, KRC will deny reimbursement for any coupons which exhibit signs of misredemption, including, but not limited to: gang cuts, similar cuts and tears, evidence of tape, mint condition, uniform mix, sequential number patterns or excessive or larger than normal quantities of coupons in single or multiple transaction that would indicate the coupons were used to purchase product for resale and/or not for individual consumer use. KRC will notify and work with the Retailer to identify and eliminate any problems. Retailers who do not respond to repeated notification and do not demonstrate willingness to eliminate problem areas will be suspended from receiving reimbursement for KRC coupons.

10. For digital paperless coupons, KRC will deny reimbursement for coupons which exhibit signs of misredemption, including but not limited to: accuracy or quality issues in data files, excessive or unusual patterns of redemption, stacking or other use of multiple coupons (digital and paper) for a single purchase and excessive "make good" coupons or point of sale overrides.

11. KRC will, in its sole discretion, consider reimbursing the retailer for coupons misredeemed by third parties, when the retailer provides full cooperation to KRC in identifying and resolving the causes of such misredemption and, as appropriate, enabling criminal prosecution and/or civil litigation against such third parties.

12. The retailer must present to KRC, upon request, point of sale and/or product movement reports showing sufficient purchase of stock to cover coupons submitted for payment. Product purchases must support the amount of coupons submitted and if the amount of coupons submitted exceeds the normal industry redemption figures, KRC may request supporting data, typically transaction log data to verify actual consumer transactions for the period involved. KRC may also require independent verification of transaction data if available. KRC may deny reimbursement for coupons that are misredeemed (including, but not limited to, coupons that have been used to purchase products for resale).

13. Coupons not issued or authorized by KRC will not be paid and will be returned to the submitter.

14. KRC will reimburse the retailer for the face value of the coupon plus \$.08 handling. KRC does not pay fees or other related charges associated with the retailer's cost of accepting and

processing coupons. By accepting the coupon, the retailer agrees to the payment structure noted on KRC coupons.

15. KRC will not pay for any administrative or consolidation fees and will not pay any other upcharges that you, the retailer (or, if applicable, your agent) may assess on or in lieu of such pass-through/out-of-pocket expenses. No deductions can be made from KRC product invoices by the retailer or wholesaler for amounts related to coupon redemption. Such deductions are a violation of this policy. If such deductions are made, the retailer's or wholesaler's credit with KRC may be suspended, and/or shipments may be suspended until the amount is repaid.

16. KRC reserves the right to audit the coupon sorting and billing service of any agent involved in the handling process or to pay retailers directly for coupon submissions processed through an agent not holding our Certificate of Authority.

17. Disclosure of redemption data to a third party by a retailer or intermediary agent is prohibited.

18. KRC will reimburse paper coupon submissions for the face value of coupons (or, if a free coupon, the retail selling price shall not to exceed \$6.99) plus a \$.08 handling fee within 7 days from the date of receipt of invoice and coupons to NCH. Any inquiries for payment discrepancies should be made in writing within 120 days of the invoice date. KRC may establish different handling fees for different types of coupons.

19. Coupons are redeemable only in the USA, US Territories or US Military Commissaries.

20. Any lawsuit involving coupon payment disputes shall be brought within 12 months of the original date of notification or such claims shall be extinguished. Any such lawsuit shall be venued in a state or federal court located in Guilford County, North Carolina. Each party is responsible for its own attorney's fees and costs.

21. If false or misleading verification information is provided on a questionnaire to KRC, or to a certified clearinghouse, redemption privileges with KRC may be permanently terminated.

22. Each shipment of paper coupons will be considered as a whole and KRC reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed. Coupons submitted for reimbursement become the property of KRC.

23. Coupons are void where prohibited, taxed or otherwise restricted by law.

24. Failure to observe these terms and conditions for proper redemption may, at the option of KRC, void all coupons submitted for reimbursement and all coupons may be retained as property of KRC without payment. KRC reserves the right to forward coupons or coupon data files which KRC judges to be misredeemed to law enforcement authorities, for their review and investigative purposes.

25. Any use not consistent with these terms shall be treated as a material breach of this Agreement. Acceptance or redemption of any coupon shall not constitute a waiver of KRC's right to see enforcement of any portion of this Agreement. KRC reserves all of its rights and remedies in connection with any dispute over coupons submitted for redemption or these terms and conditions, up to and including cessation of business relationship.

26. Send properly redeemed coupons to:  
Kayser-Roth Corporation  
PO Box 880468  
El Paso, TX 88588-0468

Any questions or comments about this Coupon Policy should be addressed to:

Controller  
Kayser-Roth Corporation  
102 Corporate Center Blvd  
Greensboro, NC 27408