

SARGENTO FOODS INC. Coupon Redemption Policy Effective Date January 1, 2013

Sargento Foods Inc. ("Sargento") will reimburse retailers for coupons submitted in accordance with the terms and conditions of this Coupon Redemption Policy (this "Policy"). A retailer shall not directly or indirectly submit coupons to Sargento for reimbursement except in accordance with this Policy. <u>A retailer's acceptance of Sargento's coupons or submission of Sargento's coupon for redemption constitutes the retailer's binding agreement to comply with this Policy. Retailer shall ensure that all of its employees, agents and contractors are bound by and comply with this Policy. This Policy constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, course of dealings and arrangements between the parties with respect to Sargento's coupons. Any additional or different terms or conditions in any purchase orders, quotations, invoices, licenses or other communications, whether or not such terms or conditions materially alter this Policy, shall (a) be deemed objected to by Sargento without need for further notice of objection, (b) be of no force or effect and (c) not, in any circumstance, be binding on Sargento unless expressly accepted by Sargento in writing. No course of dealings between the parties shall in any way terminate, amend, modify or supplement this Policy.</u>

Redemption at the Store:

- 1. Coupons are redeemable only at retail locations in the 50 United States of America, Puerto Rico, and at U.S. Military Bases.
- 2. Coupons are redeemable only by retail consumers purchasing the specific brand(s), product(s), quantity and size stated on the coupon, with the face value of the coupon deducted from the retailer's retail price. 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. Only one coupon shall be honored for each item purchased. No coupon can be used in conjunction with other coupons. The terms and conditions of coupon offers clearly set forth the offer and the intent of Sargento and override any technical issues, conflicts, limitations or scanning problems in the bar code.
- 3. Coupons must be redeemed by the consumer on or before their expiration dates.
- 4. The consumer is required to pay any and all applicable sales and other taxes.
- 5. Coupons are void: (a) where prohibited, taxed, licensed or restricted by law; (b) when they are or appear to be reproduced, photocopied, mutilated, trimmed or altered in any way; (c) when they are or appear to be similarly torn or cut, in mint condition or sequentially numbered; (d) when bartered, exchanged, sold, assigned or transferred from or by their original recipient to any person, firm or group; (e) which exhibit excessive or larger than normal quantities of coupons in single or multiple transactions that would indicate the coupons were used to purchase products for resale and not for individual consumer use; or (f) misused in any other way. For digital coupons, Sargento 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 or redemption, use of multiple coupons (digital and paper) for a single purchase and excessive "make good" coupons or point of sale overrides.
- 6. Coupons are non-assignable. Sargento does not permit the unauthorized barter, exchange, distribution, collection, sale, assignment, or transfer of coupons for any reason. Coupons are not to be used in swap boxes, taped to product or placed on hooks near Sargento products or gathered and distributed by any person or group for charitable fund-raising purposes.

Processing Coupons for Payment:

- 7. Sargento will accept properly redeemed and identified coupons: (a) directly from the retailer or (b) through (i) authorized retailer clearinghouse, (ii) authorized retailer billing agent or (iii) authorized wholesaler-billing agent. Retailers and/or intermediary agents may qualify for participation in Sargento digital coupon promotions with written agreement by Sargento. Requirements include, but are not limited to (w) consistently high quality coupon submissions, (x) ability to meet industry standard data transmittal requirements, (y) ability to provide point of sale data and (z) acceptance of digital coupon requirements and terms. Sargento 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 coupon promotions to promote efficiency and strong controls.
- 8. The retailer and its agents shall comply with all applicable Internal Revenue Service reporting requirements and shall obtain appropriate taxpayer identification numbers.
- 9. To redeem coupons for Sargento, the retailer shall send properly redeemed coupons to:

Sargento Foods Inc.	OR	NCH/ Sargento Foods Inc.
P. O. Box 880727		26-A Walter Jones
El Paso, TX 88588-0727		El Paso, TX 79906

Policy for Payments and Denials:

- 10. Retailers will be reimbursed for the following three items:
 - (a) Face value of each properly redeemed coupon or, if the coupon calls for "free" merchandise, for the retailer's retail selling price (up to the stated maximum value specified on the coupon);
 - (b) 8 cents for handling/processing of each properly redeemed coupon, which fully covers all costs associated with handling/processing coupons, including but not limited to: (i) front end handling by the retailer, (ii) store headquarter accounting, (iii) store occupancy, (iv) sundry loss, (v) cost of funds and (vi) coupon processing, special handling, invoice preparation and process, deduction or other fees.
 - (c) For physical transportation/mailing, at a rate that covers the reasonable out-of-pocket transportation costs. <u>Sargento will not pay for any administrative or consolidation fees and,</u> <u>except as provided in section 10(c)(ii) below, Sargento will not pay any other upcharges or</u> <u>margins that a retailer or any agent assesses on or in lieu of such expenses.</u>
 - (i) For retailers who sort and submit directly, reimbursement is for reasonable postage indicated on the package received subject to section 10 of this Policy.
 - (ii) Retailers using a clearinghouse or billing agent will be reimbursed at a rate of \$5.00 per thousand of coupons redeemed (\$5.00/1000).
- 11. The above three items represent the only amounts for which retailers will be reimbursed. Thus, the maximum amount that a retailer using a clearinghouse or a billing agent will be reimbursed for a properly redeemed coupon is the face value (or other amount determined under 10 (a) above) plus 8.0 cents for handling/processing plus 0.5 cents for transportation. Retailers agree not to attempt to collect or deduct any additional amounts in any way. Any such attempt to collect or deduct (and any collection/deduction fee associated therewith) constitutes a breach of this Policy and will not be accepted by Sargento.
- 12. In-ad coupons, unlike manufacturer coupons, allow a retailer to control placement, distribution and timing. In-ads are intended to be discounts on consumer purchases during a specific promotion period for a specific retailer. Retailers plan in-ad coupons in their primary advertising vehicle (<u>e.g.</u>, newspaper, insert, store circular or direct mail circular) in cooperation with a manufacturer.
 - (a) Sargento will reimburse retailer for rightful redemption costs only, as set forth in sections 10 and 11 above. Retailer will pay all other advertising costs associated with the in-ad.

- (b) Retailer's in-ad coupons must include the following elements in order for Sargento to reimburse any redemption costs:
 - Correct brand name/size
 - Retailer name
 - The statement "Void if copied, transferred, purchased or sold"
 - Offer Number
 - Retailer Value
 - Coupon Value or Feature Price
 - Expiration date
- (c) For in-ad coupons, retailer agrees:
 - (i) To use only one primary vehicle to distribute in-ad coupons.
 - (ii) If using an in-store flyer, to use the flyer as retailer's only vehicle for promoting Sargento products to the consumer unless retailer has obtained Sargento's prior written approval.
 - (iii) To distribute, print and circulate in-ad coupons only as authorized by the terms and conditions of the in-ad program.
 - (iv) Not to distribute the coupons, or make the coupons available, in any other manner whatsoever, including, without limitation, at point of sale (shelf or display), at checkout stands, in pads or in any clipped or printed (other than the in-ad) presentation.
 - (v) To indemnify, defend and hold Sargento harmless from all costs arising from failure to distribute, print or circulate in-ad coupons as provided herein.
 - (vi) To purchase product to support the in-ad event from a Sargento sales representative in the same geographical area where the in-ad event is available.
 - (vii) Not to alter coupon copy without Sargento's prior written approval.
 - (viii) To safeguard Sargento's in-ad coupon artwork while in retailer's possession, custody or control, and to indemnify, defend and hold Sargento harmless from any loss or damage that may result from such failure to safeguard.
 - (ix) Not to include any competitive products in retailer's in-ad.
- 13. Sargento's actual count of coupons received will be final and shall govern payment.
- 14. Sargento reserves the right to deny reimbursement, retain and declare void any coupons presented for redemption if, in its reasonable discretion, such coupons are not properly submitted, including, without limitation, if: (a) coupons are submitted for reimbursement in violation of this Policy; (b) there is insufficient stock to cover the number and type of coupons submitted; (c) there is an inability to verify the retailer's address or business operations; (d) there are suspicious circumstances; or (e) there are any other irregularities. Sargento reserves the right to forward submitted coupons to law enforcement agencies or the postal authorities for their review and investigation.
- 15. Any payments related to coupon reimbursements or coupon adjustments may not be deducted from payments of Sargento invoices. Any deductions from a Sargento invoice for payments related to coupon submissions are expressly prohibited by this Policy.
- 16. Coupons must be presented by the retailer, any retailer's agent approved by Sargento or Sargento's agent. Sargento reserves the right to deal directly with retailers on all matters pertaining to any coupon submission and to audit the coupon sorting and billing service of any agent involved in the coupon process.
- 17. Sargento reserves the right to request evidence of proof of purchase to show that sufficient stock was purchased within the last 90 days 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.

Sargento may, in its sole discretion, void all coupons submitted in the event of any failure to comply with any such request.

- 18. If a retailer payment or any portion thereof is withheld, delayed or denied, the retailer must appeal this action in writing to Sargento within 6 months of the date of notification by Sargento or its agent. If the retailer fails to appeal any such action within such 6-month period, such action shall be final and binding upon the retailer. Any lawsuit involving coupon processing or payment disputes shall be brought within 12 months of the original date of coupon payment or such claims shall be deemed extinguished. Any such lawsuit shall be filed and conducted in a state or federal court located in the Eastern District of Wisconsin. Each party shall be responsible for its own fees and costs, including, without limitation, attorneys' fees. The substantive laws of the State of Wisconsin shall govern this Policy.
- 19. Redeeming coupons in violation of the terms and conditions of the coupon offer or this Policy is improper, could constitute fraud, and could result in criminal prosecution. All federal, state, and local laws, rules, and regulations apply to the submission and redemption of coupons by the retailer and its approved agents.
- 20. Each shipment of coupons will be considered as a whole and Sargento reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be in violation of this Policy.
- 21. 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 Sargento or its agent (although Sargento does not guaranty payment within any particular time frame). If the retailer uses an agent to process coupons, Sargento 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.
- 22. If any retailer fails to observe this Policy, Sargento may, at its sole option, void all coupons submitted for reimbursement by such retailer and all unpaid coupons may be retained as property of Sargento. Sargento may, at its sole option, suspend or permanently terminate redemption privileges for any party that provides false or misleading information to Sargento or Sargento's agent.

Miscellaneous:

- 23. The cash redemption value of each coupon is 1/100 of one cent.
- 24. Failure to enforce any term or condition of this Policy shall not be deemed a waiver of such term or condition or any other term or condition by Sargento.
- 25. Sargento reserves the right, in its sole discretion and without prior notice to any party, to modify, supplement, revise, or eliminate any of the terms and conditions of this Policy. Any such modification, supplement, revision or elimination shall be effective on the date adopted by Sargento.

If you have any questions regarding payment of coupons submitted, call:

NCH Marketing Services 1-800-833-7096 8:00AM to 4:30PM Central Time Monday through Friday

Alternatively, write to:

NCH Marketing Services 155 Pfingsten Rd. Suite 200 Deerfield, IL 60015

If you have any questions regarding this policy, write to:

Sargento Foods Inc. Attn: Marketing Dept. One Persnickety Place Plymouth, WI 53073