



Coupon Redemption Policy

January 15, 2010

This policy explains the terms and conditions under which BLACKSMITH BRANDS will reimburse customers for coupon submissions. This policy applies to all retailers and distributors of BLACKSMITH BRANDS products and their agents. Only proper store redemption of our coupons, as stated on the face of the coupon, authorizes you to submit said coupons for reimbursement.

Redemption of our coupons indicates your (retailers and distributors of our products and their agents) acceptance and compliance with this redemption policy. Your failure to comply with any aspect of this policy may result in redemption privileges with BLACKSMITH BRANDS being permanently terminated with immediate effect.

Notwithstanding any course of dealings between us, no purchase order, invoice, retailer/distributor policy, supplier agreement or similar document shall be construed to modify any of the terms of this policy.

Coupon Redemption And Fees May Not Be Deducted From Payments For Invoices Due Us. All Requests For Payment Of Coupons And Fees Must Be Presented To Our Clearinghouse For Processing. Deductions Of This Nature Will Be Deemed Unauthorized And Invalid By BLACKSMITH BRANDS.

Redemption at the Store

- 1) Coupons are redeemable only by a consumer purchasing the product(s) indicated (including, but not limited to the brand, flavor, quantity, and size), prior to the expiration date of the coupon, with the face value of the coupon deducted from your selling price.
- 2) Coupons must be original and may not be reproduced, photocopied, trimmed or altered in any way.
- 3) Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group. BLACKSMITH BRANDS does not permit, and expressly prohibits the unauthorized distribution, collection, sale, or assignment of its coupons for any reason. Therefore, coupons are not to be used in swap boxes, coupon clubs, taped to product or placed on hooks near any of our products, gathered and distributed by any person or group, or otherwise used in any way except as described in Paragraph 1 above.



- 4) Coupons are void if taxed (other than sales tax), restricted, or prohibited by law.
- 5) The consumer must pay any applicable sales tax.
- 6) There is a limit of one coupon per purchase of the product and size(s) indicated.
- 7) Coupons are only redeemable by authorized dealers located in the United States, its territories, and at U.S. Military bases.

Processing Coupons for Payment

- 1) BLACKSMITH BRANDS will only accept properly redeemed and identified coupons directly from the retailer, through a retailer clearinghouse, or through a retailer-billing agent. Coupons from unauthorized intermediary agents will not be accepted. Only coupons received within six months of coupon expiration date will be honored.
- 2) All applicable Internal Revenue Service reporting requirements, including obtaining an appropriate taxpayer identification number, must be complied with.
- 3) **To redeem coupons for BLACKSMITH BRANDS**, send properly redeemed coupons to:

BLACKSMITH BRANDS
CMS Dept. #14832 One Fawcett Drive
Del Rio, TX 78840

Policy for Payment and Denials

- 1) You will be reimbursed only for the following three items:
 - A. Face value of coupons or, if the coupon calls for free merchandise, for your retail selling price (up to the coupon's stated maximum value). Coupon Doubling is specifically not authorized; plus
 - B. 8¢ for handling each coupon properly redeemed. This represents full and complete reimbursement of all administrative costs, including without limitation any special handling, invoice preparation, or other fees; plus
 - C. Reasonable actual out-of-pocket costs incurred for the physical transportation of the coupons to us or to our authorized agent. BLACKSMITH BRANDS will not



pay for any administrative or consolidation fees and, except as described in (ii) below. BLACKSMITH BRANDS will not pay any other up charges you or your agent may assess on or in lieu of such actual out-of-pocket expenses. The transportation costs will be reimbursed in either of the following means:

- 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 reasonable actual first class mail insured postage, as indicated on the package received. BLACKSMITH BRANDS will not pay for any express mail charges; or
- 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/M).

2) You will NOT be reimbursed for unreasonable postage or any additional unauthorized fees.

3) Nothing contained herein shall be construed as permitting or authorizing the unilateral reduction or adjustment of the amount otherwise due and payable under any invoice for goods sold by BLACKSMITH BRANDS to you. Credit adjustments not specifically authorized and approved in advance by BLACKSMITH BRANDS shall be considered to be an event of default.

4) BLACKSMITH BRANDS reserves the right to request evidence of proof-of-purchase to show that sufficient stock was purchased to cover coupons submitted and reserves the right to audit the coupon sorting and billing service of any retailer/distributor or any agent involved in the handling process.

5) Any lawsuit involving coupon processing or payment disputes shall be brought within 18 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 New York. Each party shall be responsible for its own attorneys' fees and costs.

6) If false or misleading verification information is provided to BLACKSMITH BRANDS or a certified clearinghouse, redemption privileges with BLACKSMITH BRANDS will be permanently terminated with immediate effect.

7) Each shipment of coupons will be considered as a whole, and BLACKSMITH BRANDS reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be redeemed improperly.



8) Failure to observe these terms and conditions for proper redemption may, at the option of BLACKSMITH BRANDS, void all coupons, submitted for reimbursement and all coupons may be retained as property by us without payment. BLACKSMITH BRANDS reserves the right to forward coupons, which we judge to be miss redeemed, to law enforcement agencies for their review and investigative purposes.

Other Information

1) The cash redemption value of each coupon is 1/100 of one cent.

2) Presentation of coupons for redemption other than as provided by this Coupon Redemption Policy shall be constituted as FRAUD.

3) Failure to observe these terms and conditions for proper redemption may, at the sole option of BLACKSMITH BRANDS, void all coupons submitted for reimbursement and all coupons may be retained as property of BLACKSMITH BRANDS, without payment. Failure to enforce any terms or conditions hereof shall not be deemed a waiver of BLACKSMITH BRAND'S rights.