

## Med Foods, Inc

### Agreement: Terms for Proper Coupon Redemption Effective: 6/8/2012

Your submission of coupons for redemption signifies your compliance with the terms and conditions set forth below. These terms and conditions are incorporated by reference into all Med Foods, Inc. coupons. Each submission of coupons to Med Foods, Inc. creates a binding enforceable Agreement (the "Agreement") to honor the following terms and conditions. It is the retailer's responsibility to ensure its employees are aware of and in compliance with this Policy. YOUR ACCEPTANCE AND REDEMPTION OF MED FOODS, INC. COUPONS CONSTITUTE A BINDING AGREEMENT TO HONOR THE FOLLOWING COUPON REQUIREMENTS:

1. Coupons are redeemable only when consumers purchase the brands / product/flavors/ sizes / quantities indicated, prior to the expiration date, and retailers subtract the face value from the retail price of a Med Foods, Inc. product. Multiple Med Foods, Inc. coupons (two or more) may not be applied against the purchase of the same item. Coupons are not authorized to be used when the consumer is purchasing products for resale.
2. Coupons may not be reproduced, photo-copied, trimmed, or altered in any way.
3. Only one coupon may be redeemed against the purchase of a product or products such as in the case of multiple purchase requirements as specified on the coupon.
4. The consumer is required to pay any sales tax charged in connection with the purchase of the product.
5. Coupons must not be accepted from a consumer after the stated expiration date. Only coupons received by Med Foods, Inc. within six months (180 days) of the expiration date on the face of the coupon will be honored.
6. Med Foods, Inc. will only accept properly redeemed and identified coupons: (a) directly from the retailer, or through authorized (b) retailer clearinghouse, (c) retailer-billing agent, or (d) wholesaler-billing agent, or (e) through a holder of our Certificate of Authority. Electronic clearing or any other exceptions to our standard process require prior written approval of Med Foods. Med Foods, Inc. reserves the right to deal directly with all retailers on all matters pertaining to any coupon submission. Med Foods, Inc. reserves the right to audit the coupon sorting and billing service of any agent involved in the handling process. Submission by unauthorized intermediary agents will not be accepted. Disclosure of redemption data to a third party by a retailer or intermediary party is prohibited.
7. For each properly redeemed coupon, Med Foods, Inc. will reimburse the following items:
  - A) Face value of coupons or in the case of a free goods coupon, a limit will be communicated to Med Foods, Inc.'s agent that represents the maximum reimbursement value of the coupon based on a representative market value. This maximum limit will also be printed on the coupon adjacent to the retail price box. If you do not write a price in the retail price box, an average market price will be used as the coupon, value, which is less than the maximum reimbursement value.
  - B) 8¢ for handling each coupon properly redeemed; plus
  - C) Postage will be reimbursed at current uninsured rates. First Class U.S. postal rates will apply for shipments less than or equal to 13 ounces and United Parcel Service ground rates will apply for shipments which exceed 13 ounces. Overnight or special handling rate packaging or delivery charges will not be reimbursed by Med Foods, Inc. Med Foods, Inc. will not reimburse for insurance costs. All clearinghouse fees and other costs are negotiated between the retailer and the clearinghouse and are covered by our handling fee.

- D) No other service fees, fines or penalties will be allowed.
8. Med Foods, Inc. reserves the right to request evidence of proof of purchase and reserves the right to audit the coupon sorting and billing service of any retailer or any agent involved in the handling process. This includes, but is not limited to itemized invoices, product movement reports and other supporting data to verify actual customer transactions.
  9. No deductions can be made from Med Foods, Inc. product invoices by the retailer or wholesaler for amounts related to coupon redemption for any reason whatever. Such deductions for either whole or partial payment amounts will not be accepted by Med Foods, Inc. and will be added back to the retailer's next invoice for immediate payment. If such deductions are made, the retailer's or wholesaler's credit with Med Foods, Inc. may be suspended, or shipments may be suspended until the amount is repaid. Failure to observe this requirement could result in a claim of unfair price discrimination and subject the parties to legal action and retailer to revocation of its right to redeem our coupons and/or its position as an authorized retailer of our products.
  10. Med Foods, Inc. reserves the right to deny reimbursement, retain, mark, and declare void any coupons presented for redemption that are:
    - A. In mint/mass cut condition
    - B. Submitted in a uniform mix
    - C. Not supported by the retailer with sufficient stock to cover the number and types of coupons submitted
    - D. Submitted by a retailer whose address or business operations cannot be verified
    - E. Out of distribution area.
    - F. Have any other indications of misredemption
    - G. Not in accordance with this Policy
  11. Med Foods, Inc. reserves the right to forward any such coupons to law enforcement authorities or The Coupon Information Center (CIC) for review. Coupons, including store coupons, that were not issued or authorized by Med Foods, Inc. will not be paid and will be returned to the submitter as "Foreigns."
  12. Coupons are not authorized to be used when the consumer is purchasing products for resale. Med Foods, Inc. reserves its right not to honor redemption of any such Coupon at any time it discovers such use.
  13. Coupons are good only in the fifty United States, Puerto Rico, the District of Columbia, its territories and possessions and in US military installations worldwide including A.P.O.'s, and F.P.O.'s or as otherwise restricted on the coupon.
  14. The terms and conditions of coupon offers, which are printed on the coupon, clearly set forth the offer and the intent of the manufactures and override any technical issues, conflicts or scanning problems in the bar code.
  15. Coupons are void where prohibited, taxed, or otherwise restricted by law. The cash redemption value of each coupon is 1/100 cent.
  16. Manufacturer's (or its agent's) actual count of coupons received will be final and shall govern the payment of coupons under this Policy.
  17. Any legal action against Med Foods, Inc. arising from a Coupon submission must be commenced within one (1) year of the date the Coupon submission is received or such claims shall be extinguished. Any such lawsuit shall be venued in a state or federal court located in Houston, Texas. The Agreement should be governed and construed in accordance with the laws of the State of Texas without reference to its choice-of-law principles.

18. In the event a retailer payment is denied, the retailer may appeal within six (6) months of the date of the notification of the denial. Appeals received at the address indicated in paragraph 20 below after six (6) months will not be considered.
19. Coupons are non-assignable and are void if transferred from, sold, traded, or auctioned by their original recipient to any other person, firm or group. Med Foods, Inc. does not permit the unauthorized distribution, collection, sale or assignment of its coupons for any reason. Med Foods, Inc. coupons are not to be used in swap boxes, taped to product or otherwise made available to consumers outside their intended means of distribution. Coupons may not be gathered and distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way.
20. No Post Audits shall be maintainable against Med Foods, Inc. if conducted more than six months following the date on which the Coupon submission is received.
21. Electronic clearing or any other exceptions to our standard process require prior written agreement
22. If false or misleading verification information is provided on a questionnaire or other means to Med Foods, Inc., or a certified clearinghouse, redemption privileges with Med Foods, Inc. may be permanently terminated. Any retailer who fails to submit a questionnaire to our redemption agent after two attempts are made to secure this information will be denied payment for any and all coupons submitted.
23. Each shipment of coupons will be considered as a whole and Med Foods, Inc. reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be properly redeemed.
24. All GMA guidelines, and CIC Voluntary Best Practices when applicable, are reflected, supported and adhered to in the processing for all coupons submitted by a retailer or their agent.
25. Coupons submitted for reimbursement become the property of Med Foods, Inc.
26. Under no circumstances will payments be issued to Post Office Boxes unless it is associated with an actual retail site.
27. Retailers who are out of business, do not sell Med Foods, Inc. products, or have been convicted of any criminal offense associated with manufacturers' promotions will not be reimbursed for any coupons submitted.
28. Manufacturer guarantees that payment will be mailed within thirty days from receipt of a coupon submission and invoice by our agent. If a variance occurs between your coupon invoice and our payment, it will be explained.
29. Advertising and promotions developed and/or disseminated by the third parties and containing coupons for Med Foods, Inc. products must be approved by Med Foods, Inc. or will be treated as void.
30. **Any use not consistent with these terms shall be treated as a material breach of this Agreement and may constitute fraud or violate other laws. Any such Coupons submitted for redemption shall be void and will not be honored. Submission of Coupons not legitimately redeemed could also result in prosecution. Acceptance or redemption of any coupon shall not constitute a waiver of Med Foods, Inc.'s right to seek enforcement of any portion of this Coupon Redemption Policy Agreement. Med Foods Inc. may, in its sole discretion, withhold payment until such time as the retailer or its agent complies with these terms and conditions. Med Foods, Inc. 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 business interruption.**

For redemption, send properly redeemed coupons to:

Med Foods, Inc.  
Dept. 19521  
One Fawcett Dr.  
Del Rio, TX 78840

If you have any questions regarding the above Coupon Redemption Policy Agreement, write to:

Margi Modesto  
Med Foods, Inc.  
10700 North Freeway  
Suite 800  
Houston, TX 77037  
Phone - (281) 931-4577

#### Coupon Policy Redemption Agreement

If you are aware of a situation possibly involving coupon fraud, you are urged to contact either a local law enforcement agency or the Coupon Information Center at (703) 684-5307.