

Revised Effective March 31, 2021



NATIONAL TOBACCO COMPANY, L.P.
COUPON REDEMPTION POLICY

Application and Scope of Policy

This coupon redemption policy (Policy) sets forth the terms and conditions under which National Tobacco Company, L.P. (“Company”) will reimburse retail customers (“Retailer(s)”) for coupon redemptions for its branded products (the “Products”). Unless stated otherwise herein, the Policy applies equally to all forms of applicable coupons (collectively “Coupons”), whether in the form of paper coupons (including “print-at-home” coupons) (“Paper Coupons”), or coupons available to customers through Company’s mobile applications (“Mobile Coupons”). Company is under no obligation to offer Coupons of any form. To the extent offered, Company may establish different processes and handling fees for different forms of Coupons.

Redemption of available Company Paper Coupons indicates the Retailer’s acceptance and binding agreement to comply with this Policy. Initial acceptance of the Policy for Mobile Coupons requires participation in the Mobile Coupon program discussed below. This Policy, including its terms relating to Mobile Coupons may be amended from time to time in Company’s sole discretion. Continued redemption of Company Coupons after amendment of this Policy indicates the Retailer’s acceptance and agreement to comply with the Policy as amended. It is Retailer’s responsibility to obtain updated copies of this Policy. No course of dealings, purchase order, invoice, Retailer policy or other document shall be construed to modify the terms of this Policy. The Policy is limited to the United States, including its territories and possessions and U.S. Military bases. This Policy is not applicable where prohibited by law.

Legal Requirements for Products

Retailers shall at all times comply with legal requirements to sell the Products, expressly including without limitation legal requirements to sell tobacco products exclusively to adult tobacco consumers, including verifying age of the purchaser as confirmed on a government-issued ID prior to purchase. Retailers must comply with age verification even where the consumer provides a Mobile Coupon obtained through an age-gated platform.

Mobile Coupon Program

Retailers shall have the opportunity to enroll in Company’s Mobile Coupon program (“Mobile Program”). Participation in the Mobile Program is contingent upon setting up an account in coordination with the Company’s representatives. Retailers will be asked to affirmatively indicate their acceptance to the terms of this Policy when setting up their Mobile Program account.

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Participating Retailers agree to accept valid Mobile Coupons offered through the Company's mobile platform (the "App"). The App contains a store locator function to assist consumers in locating Retailers who carry the Products and who are accepting Mobile Coupons. The App is an age-gated platform advertising the Products solely to adult tobacco consumers. Mobile Coupons presented by persons without proper age verification are not valid.

Company may terminate the Mobile Program at any time, without notice to Retailer, in which event Retailer shall be paid for Mobile Coupons redeemed in accordance with the Policy prior to the termination date.

Consumer Redemption

1. Coupons are redeemable only when a consumer buys the specific product(s) noted on the Coupon, including, but not limited to the brand, quantity, and size, with the face value of the Coupon deducted from the retail price.
2. All Coupons will contain the standard Manufacturer's coupon UPC.
3. Only one Coupon shall be honored for each item or designated combination of items purchased.
4. A Retailer will not be reimbursed for redeeming invalid coupons. Coupons that are not in compliance with this Policy are invalid.
5. Coupons must be redeemed on or before their stated expiration date. Mobile Coupons will not necessarily contain stated expiration dates as they are activated and inactivated through the App.
6. Coupons may not be reproduced or altered in any way by the consumer or Retailer. The Retailer may, where permitted by law, confiscate Paper Coupons or attempt peaceably to preserve an image, scan, or photograph of altered, reproduced, or otherwise invalid Coupons presented to a Retailer for redemption by a consumer on a mobile device. Any such Coupons or images thereof obtained by Retailer shall be provided to Company.
7. Coupons are non-assignable, and are void if transferred from their original recipient to any other person, firm, or group. Company does not permit the unauthorized distribution, collection, sale, or assignment of its Coupons for any reason. Coupons are not to be used in swap boxes, taped to product, gathered, and distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way except as described in this Policy.
8. Coupons are void if taxed, restricted, or prohibited by law.

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9. The Retailer retains responsibility to collect from the consumer and remit to the taxing authorities any applicable sales tax on the Products.
10. Coupons will be redeemed only at retail locations in the United States, or U.S. Military Bases.
11. Consumers must activate Mobile Coupons by making a selection on the App. Upon making this selection the App will start a timer on the consumer's mobile device which will count down the allotted time (in minutes and seconds) in which the consumer must complete the purchase and redemption of the Mobile Coupon. To be valid, the Mobile Coupon must display the correct store name and address, display a visible bar code image, and be redeemed prior to the completion of the timer countdown.

Coupon Processing

Paper Coupons

1. Company may accept properly-redeemed and identified Paper Coupons:
 - a. Directly from the Retailer;
 - b. Through an authorized retailer clearinghouse; or
 - c. Through an authorized retailer (or wholesaler) billing agent.
2. Coupons will not be accepted from any unauthorized agent.
3. Company reserves the right, upon notice, to deal directly with Retailer on all matters.
4. All applicable IRS reporting requirements, (i.e. taxpayer ID #), must be met.
5. Send properly redeemed Paper Coupons for the Products for redemption to:

National Tobacco Company, L.P.
P.O. Box 880028
El Paso, TX 88588-0028

Mobile Coupons

1. The App will receive and track the redemption of Mobile Coupons at the time of purchase.
2. Retailers will receive a monthly Coupon Redemption Summary included with their check telling them how many Mobile Coupons were redeemed in each store.
3. Retailers may elect to keep their own records to track Mobile Coupons redeemed each month.

Payment of Coupons

Reimbursement for all properly redeemed Coupons presented to Company will be made for the face value of the Coupons or, if the coupon calls for free merchandise, the retail selling price (up to the stated maximum value printed or displayed on the Coupon).

Mobile Coupons

1. Retailers will be mailed a check monthly for each month in which Mobile Coupons are redeemed for the monthly redemption amount.
2. Retailers must provide a mailing address, email address, and the check recipients' name to their representative upon signing up for the Mobile Program.

Paper Coupons

1. 8¢ for handling each Coupon properly redeemed will cover the following costs:
 - a. Front-end handling by the retailer;
 - b. Store to headquarters accounting;
 - c. Store occupancy;
 - d. Sundry loss;
 - e. Cost of funds; and
 - f. Coupon processing (including, but not limited to, any special handling, invoice preparation, or other fees).
2. Reasonable out-of-pocket costs incurred for the transportation of the coupons to Company or to its authorized agent will be reimbursed only for retailers that sort redeemed coupons and submit them directly to Company. Reimbursement will be made for actual postage (i.e. insured first-class mail) or shipping charges, as indicated on the package received.
3. Company will not pay for any administrative or consolidation fees or any other upcharges assessed in addition to or in lieu of such pass-through/out-of-pocket expenses; except, for retailers that use a clearinghouse or billing agent, Company will reimburse at a rate equal to \$5.00 per thousand coupons redeemed (\$5.00/M).

ADDITIONAL TERMS

1. Coupon reimbursement and coupon adjustments **CANNOT** be deducted from product invoices or purchase orders.
2. It is the Retailer's responsibility to ensure that employees, managers, and agents are aware of and comply with this Policy.
3. Paper Coupons must be subject to the same controls as Retailer maintains for its receipt of cash.

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4. Reimbursement will not be considered on Paper Coupon claims older than six months from the published expiration date printed on the face of the coupon.
5. Company shall be the final arbiter of payment decisions. Company's payment decisions shall be based on the actual count of the Company or that of its third-party agent. Mobile Coupons are tracked electronically through the App by a third-party service provider. Company is not responsible for errors made by third party agents or providers.
6. Company reserves the right to audit the Coupon sorting and billing service of any retailer or any agent involved in the handling process or any submissions under the Mobile Program. Company further reserves the right to request evidence of proof of purchase to show that sufficient Product was purchased to justify the number of Coupons submitted.
7. Each Coupon submission must contain the retailer's identity. In the case of wholesalers and clearinghouses who submit on behalf of independent or chain retailers, the identity of the independent or chain retailer must accompany the actual Coupons.
8. Any lawsuit involving Paper Coupon processing or payment disputes shall be brought within 12 months of the original date of payment for the Coupons or such claims shall be deemed extinguished. Any lawsuit involving Mobile Coupon processing or payment disputes shall be brought within sixty (60) days of payment for the Coupons or such claims shall be deemed extinguished. Any such lawsuits for any type of Coupons shall be filed and conducted in a state or federal court located in Louisville, Jefferson County, Commonwealth of Kentucky. Each party shall be responsible for its own attorneys' fees and costs.
9. Redemption privileges for Retailers may be permanently terminated upon notice to the Retailer if (i) false or misleading verification information is provided on a questionnaire or otherwise to Company or a certified clearinghouse; (ii) Company 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; (iii) Company determines in good faith that a Retailer has repeatedly failed or refused to comply with or otherwise disregarded this Policy; or (iv) Retailer or its agents or employees engages in any fraudulent activity in relations or transactions with Company, its agents and representatives, or its third party service providers.
10. Each shipment of Paper Coupons may, at the option of Company, be considered as a whole, and Company reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
11. The cash redemption value of each coupon is 1/20 of one cent.
12. It is FRAUD to present Coupons for redemption other than as provided by this Redemption Policy. Company reserves the right to deny reimbursement, retain and

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declare void any Coupons presented for redemption when there is evidence of error or fraud.

13. FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, AT THE SOLE OPTION OF COMPANY, VOID ALL COUPONS SUBMITTED BY A RETAILER FOR REIMBURSEMENT, AND ALL COUPONS MAY BE RETAINED AS PROPERTY OF COMPANY, WITHOUT PAYMENT. COMPANY RESERVES THE RIGHT TO FORWARD COUPONS THAT COMPANY CONSIDERS TO BE MISREDEEMED AND ANY EVIDENCE OF FRAUD PERTAINING TO COUPON REDEMPTION TO LAW ENFORCEMENT AGENCIES FOR THEIR REVIEW AND INVESTIGATION WHICH MAY RESULT IN CRIMINAL PROSECUTION.
14. This Policy is effective as of the date indicated above and supersedes all prior policies with respect to the redemption of Coupons.
15. Failure to enforce any terms or conditions of this Policy shall not be deemed a waiver of such terms or conditions.

For further information or questions, please call 1-800-579-0975.

All correspondence concerning this Policy should be sent to:

National Tobacco Company, L.P.
ATTN: Customer Service
5201 Interchange Way, Suite B
Louisville, KY 40229