

MASTERCARD COUPON REDEMPTION POLICY

Effective As of January 1, 2004

YOUR REDEMPTION OF COUPONS ISSUED BY MASTERCARD INTERNATIONAL AND/OR ITS AFFILIATES (“MASTERCARD”) (a “MasterCard Coupon”) AND/OR YOUR SUBMISSION OF MASTERCARD COUPONS TO MASTERCARD OR ITS AUTHORIZED AGENT FOR PAYMENT, INDICATES YOUR ACCEPTANCE OF, AND AGREEMENT TO COMPLY WITH, THE TERMS AND CONDITIONS OF THIS MASTERCARD COUPON REDEMPTION POLICY (AS UPDATED BY MASTERCARD FROM TIME TO TIME).

NOTWITHSTANDING ANY PRIOR CONDUCT OF BUSINESS OR COURSE OF DEALING BETWEEN US, THE TERMS AND CONDITIONS SET FORTH IN THIS MASTERCARD COUPON REDEMPTION POLICY SHALL GOVERN ALL FURTHER MASTERCARD COUPON REDEMPTION TRANSACTIONS BETWEEN US. NO PURCHASE ORDER, INVOICE, CONFIRMATION OR SIMILAR DOCUMENT SHALL BE CONSTRUED TO MODIFY ANY OF THE TERMS OF THIS POLICY UNLESS SPECIFICALLY AGREED BY MASTERCARD IN WRITING. MASTERCARD’S WAIVER, IN WHOLE OR IN PART, OF ANY RIGHT OR REMEDY PROVIDED FOR IN THIS POLICY MUST BE IN WRITING TO BE EFFECTIVE.

A. Consumer Redemption of MasterCard Coupons at a Retail, Merchant or Service Provider Location

1. MasterCard Coupons shall be redeemable only by a consumer making the minimum-stated purchase of the specific brand(s), products(s), item(s) or service(s) (individually and collectively, “Items”) referenced on the coupon, which such purchase shall take place at anytime before or on the expiration date stated on such the coupon, with a valid, current MasterCard-branded payment card issued by a MasterCard member financial institution. MasterCard’s obligations respecting coupon redemption shall be subject to compliance with any size, quantity, location, or other eligibility condition or limitation stated on the coupon, with the face value of the Coupon to be deducted from the consumer’s total purchase, or the applicable inducement of the particular Coupon otherwise implemented or applied. Only one Coupon shall be honored and redeemed for any Item purchased, subject to the limitations referenced on the Coupon. Redemption shall not include any redemption, or relief to a consumer of, any applicable tax obligation, including without limitation, sales tax.

2. MasterCard Coupons may not be reproduced, photocopied, mutilated, trimmed or altered in any way by any consumer, merchant, retailer, service provider or other redeeming party. Reproduction or other alteration will render the affected MasterCard Coupon void, and will relieve MasterCard of any payment responsibility for that Coupon.

3. MasterCard Coupons are also void if and where taxed, restricted, or prohibited by law.

B. Processing MasterCard Coupons for Payment

4. MasterCard will only accept responsibility to pay for properly redeemed and identified MasterCard Coupons. MasterCard Coupons must be presented for payment directly from the applicable merchant, retailer, or service provider, or through such authorized clearinghouse or billing agent as the applicable merchant, retailer or service provider may specify to MasterCard in writing.

5. As set forth above, MasterCard Coupons must be redeemed at anytime on or before the expiration date thereof. Notwithstanding the foregoing, retailers/merchants/service providers shall, in their sole discretion, elect to honor MasterCard Coupons after the expiration date thereof (“Expired Coupons”); provided, however, that MasterCard shall have no obligation hereunder to pay for any such Expired Coupons.

6. MasterCard’s reimbursement of all MasterCard Coupons shall be solely based on the coupon count provided by its designated clearing house (“Clearing House”). Further, in the event of any discrepancy in connection with the number of redeemed MasterCard Coupons, the count of the Clearing House shall be final and binding on all parties.

7. In the event redeemed MasterCard Coupons are submitted to the Clearing House by the retailer/merchant/service provider but received by the Clearing House on a date that is more than six months later than the expiration date of such MasterCard Coupons, MasterCard shall have no obligation hereunder to pay for any such MasterCard Coupons.

8. To commence the payment process for properly redeemed MasterCard Coupons, unless otherwise mutually agreed with MasterCard, MasterCard Coupons should be sent to:

MasterCard Coupon Redemption
PO Box 880476
El Paso, TX 88588-0476

9. MasterCard reserves the right to request certifications or other evidence of proof of purchase, or proof of use of MasterCard card for such purchase, to justify the number of MasterCard Coupons submitted for payment, including, but not limited to, the number of MasterCard card transactions, and the date and volume of each such transaction, allocated on a “by location” basis. By submitting a summarizing redemption report or a set of MasterCard Coupons for processing, a retailer, merchant or service provider agrees to fully cooperate with any such request, and to provide documentation appropriate to evidence proper redemption in accordance with the Coupon terms, to MasterCard’s reasonable satisfaction. MasterCard shall also have the right to audit the Coupon redemption, handling, sorting and billing process and service of any retailer, merchant or service provider (or their third party clearinghouse or agent) requesting payment.

10. If false or misleading verification information is provided by a retailer, merchant or service provider on a report, summary, questionnaire or other document provided to MasterCard, to its authorized agent, or to a certified clearinghouse, then MasterCard shall have no responsibility for payment respecting any Coupons purported to be reflected in such information. In addition, such retailer, merchant, or service provider’s Coupon privileges with MasterCard may be permanently terminated.

11. All applicable IRS reporting requirements, including applicable taxpayer identification number requirements, must be complied with by the retailer, merchant or service provider.

12. Each summary of redemption and any shipment of MasterCard Coupons submitted for payment processing will be considered as a whole and MasterCard reserves the right to refuse payment for an entire report or shipment if any portion of the report or shipment is found to be improperly redeemed.

13. MasterCard Coupon reimbursements and Coupon-related adjustments, deductions, credits or off-sets (“Deductions”) are NOT permitted to be deducted from any other invoices, payment card bills, or other obligations which may be owed to MasterCard and/or its issuing financial institutions, for any reason. Such Deductions and Deduction-related fees are expressly NOT permitted under any circumstance without MasterCard’s express, prior written approval.

C. Terms and Conditions of Payment

14. Unless otherwise specifically agreed with MasterCard in writing, an applicable merchant, retailer, or service provider will be reimbursed for the following three (3) items in connection with each MasterCard Coupon routed to MasterCard for payment.

i) Retailers/merchants/service providers that sort the MasterCard Coupons they have redeemed and submit them directly without the use of any clearinghouse or other third party agent (including without limitation, a billing agent), will be reimbursed for:

- (a) the face value of the MasterCard Coupon (or if the Coupon calls for free merchandise or services, for the normal, retail selling price of such merchandise or services (up to the stated maximum value printed on the Coupon)); **plus**
- (b) A total of Eight Cents (8¢) for handling each MasterCard Coupon properly redeemed. Handling includes front-end handling by the retailer/merchant/service provider, any applicable headquarters accounting, any store or place of business occupancy, sundry loss, cost of funds and coupon processing costs (including without limitation, any special handling, invoice preparation or other fees); **plus**
- (c) incurred reasonable postage (i.e. first class mail insured) or other shipping charges to MasterCard or its authorized agent, as such charges are indicated on the package received. Reimbursement of such actual postage or other shipping costs will be MasterCard's sole and exclusive responsibility and liability respecting transportation. In no event will MasterCard be responsible for any administrative, handling or consolidation fees and except as described herein, MasterCard will not pay any other up-charges or fees whatsoever that may be assessed on or in lieu of such actual postage or other shipping charges.

ii) Retailers/merchants/service providers that are using a third party clearinghouse or billing agent, will be reimbursed for (a) and (b) above, plus an amount equal to Six Dollars and Fifty Cents per Thousand (\$6.50/1,000) MasterCard Coupons mailed, shipped or otherwise presented to MasterCard or its authorized agent for payment

15. The cash redemption value of each MasterCard Coupon shall be 1/20 of one cent.

D. Remedies and Recourse.

16. IT IS FRAUD TO REDEEM MASTERCARD COUPONS OR TO SUBMIT A REDEMPTION REPORT OR REDEEMED MASTERCARD COUPONS TO MASTERCARD OR ITS AUTHORIZED AGENT FOR PAYMENT IN A MANNER OTHER THAN IN STRICT ACCORDANCE WITH THIS MASTERCARD COUPON REDEMPTION POLICY.

17. Without limitation of any other legal right or remedy which may be available, failure to observe the terms of this Policy, and all applicable terms and conditions for proper MasterCard Coupon redemption and processing, may void all MasterCard Coupons reported or submitted for payment and any submitted Coupons may be retained as property of MasterCard without payment. MasterCard reserves the right to forward any redemption report or Coupons which MasterCard judges to be mis- or fraudulently redeemed, to law enforcement agencies for their review and further investigation.

18. Any lawsuit involving MasterCard Coupon processing or payment disputes shall be commenced by any applicable retailer, merchant or service provider within twelve (12) months of the original date of the MasterCard Coupons and/or report was presented to MasterCard for payment, as the case may be) or such claims shall be deemed forever waived and 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.

19. In no event will MasterCard be liable or responsible to any applicable retailer, merchant or service provider for incidental, special, indirect or consequential damages (including without limitation lost sales or profit, economic loss, or damage to goodwill or reputation) in connection with the offering, redemption, or processing for payment of MasterCard Coupons, irrespective of the form of the action commenced, and irrespective of whether MasterCard has been previously advised of the likelihood of such damages. In no event will MasterCard's total, aggregate liability for direct damages sustained by any such applicable retailer, merchant or service provider in connection with such MasterCard Coupons exceed One Thousand Dollars (\$1,000) in the context of any given claim or instance arising in connection with the same series of events.

Questions respecting this MasterCard Coupon Redemption Policy should be referred to:

MasterCard International, Incorporated
2000 Purchase Street
Purchase, NY 10577-2509
Phone: _____