

CHATTEM, INC. COUPON REDEMPTION POLICY



This Coupon Policy establishes all terms and conditions under which Chattem, Inc. will reimburse customers for their coupon submissions. Proper store redemption of our coupons authorizes you to submit coupons for reimbursement. This Coupon Redemption Policy may be modified at any time at Chattem, Inc.'s sole discretion.

Your redemption of our coupons indicates your acceptance and compliance with this Chattem, Inc. Coupon Redemption Policy as outlined below. Notwithstanding any course of dealings between us, no purchase order, invoice, retailer policy or similar document shall be construed to modify any of the terms and conditions of this Coupon Redemption Policy, except for an agreement distributed by Chattem, Inc. as an update to this Coupon Redemption Policy.

Redemption at the Store

1. Coupons are redeemable only by a consumer 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. Only one Chattem distributed coupon shall be honored for each item purchased.
2. Coupons may not be reproduced, photocopied, trimmed or altered in any way. Chattem, Inc. may refuse reimbursement for any coupons which exhibit signs of misredemption, including, but not limited to: counterfeiting, gang cut, similar cuts and tears, evidence of tape, mint condition, or sequential number patterns.
3. Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group. Chattem does not permit the unauthorized distribution, collection, sale, or assignment of its coupons for any reason. Therefore, coupons are not to be used in swap boxes, taped to product or placed on hooks near Chattem products, gathered and distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way except as described in Section 1 above.
4. Chattem will not support offers that include the term *free* or net the retail price as free to the consumer.
5. Chattem will not support coupon and/or rebate offers that are part of a feature promotion that exceeds a 30% discount off of the everyday retail price.
6. Coupons are void if taxed, restricted, or prohibited by law.
7. The consumer is required to pay any applicable sales tax.
8. Coupons must not be accepted from a consumer after the stated expiration date.

9. Coupons are only redeemable by authorized retailers located in the U.S., including Military Commissaries. Chattem, Inc. will not honor coupons submitted by retailers for products purchased from sources outside of Chattem, Inc.'s normal channels of distribution. Coupons redeemed on salvaged, damaged, close-out or diverted product will not be honored.

10. Digital Coupons (coupons defined as paperless) will be issued and reimbursed in accordance with the existing redemption policy of Chattem, Inc. Redemptions will be managed through our centralized redemption process with NCH Marketing Services, our exclusive Manufacturing Redemption Agent. Direct submissions from individual retailers, especially in the paperless environment (due to individual technology and communication requirements) is not scalable or efficient long term and will not be accepted.

Processing Coupons for Payment

1. Chattem will only accept properly redeemed and identified coupons: (a) directly from the retailer, or (b) through authorized (i) retailer clearinghouse, (ii) retailer-billing agent, or (iii) wholesaler-billing agent. Coupons from unauthorized intermediary agents will not be accepted.

2. All applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number, must be complied with.

3. To redeem coupons for Chattem, Inc., send properly redeemed coupons to:

Chattem, Inc. 1050
NCH Marketing Services
P.O. Box 880001
El Paso, TX 88588-0001

Policy for Payment and Denials

1. You will be reimbursed for the following three (3) items:

a. Face value of coupon calls for free merchandise, for your retail selling price (up to the stated maximum value printed on the coupon); plus:

b. \$.08 for handling each coupon property redeemed; plus:

c. Reasonable out-of-pocket costs incurred for the physical transportation of the coupons to us or to our authorized agent. We will not pay for any administrative or consolidation fees and except as described in (ii) below, we will not pay for any upcharges that you or your agent (if you use one) may assess on or in lieu of such pass-through/out-of-pocket expenses. The transportation costs will be reimbursed as follows:

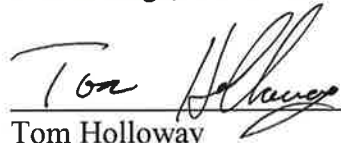
- i. For retailers who sort the coupons they have redeemed and submit them directly without the use of any third party agent, you will be reimbursed for incurred reasonable postage (i.e. first class mail).
 - ii. For those retailers that are using a clearinghouse or billing agent, we will reimburse you at a rate up to or equal to \$10.00 per thousand of coupons redeemed (\$10/M).
2. Retailers shall not take unauthorized deductions from Chattem, Inc.'s product invoices for any amounts relating directly or indirectly to coupon redemption. If such unauthorized deductions are made, Chattem, Inc. reserves the option to take action, including but not limited to, suspending shipments and/or credit to the retailer and/or reducing the retailer's promotional funding to offset any and all unauthorized coupon related deduction balances.
3. On request, retailers must provide Chattem, Inc. with legitimate proof-of-purchase documentation of sufficient stock items to justify the number of coupons presented for payment. Failure to provide Chattem, Inc. with legitimate proof-of-purchase will deem all coupons null and void and payment for such coupons will be withheld. Handwritten invoices or invoices from salvaged merchandise suppliers or diverters will not be honored as legitimate proof-of-purchase. Chattem, Inc. reserves the right to audit the coupon sorting and billing service of any retailer or any agent involved in the handling process.
4. In the event a retailer payment is withheld, the retailer must appeal the decision of Chattem, Inc. within 180 days of the date of notification. Retailers should contact Customer Relations at 1-(800) 833-7096. Appeals received after 180 days will not be considered.
5. [Applicable Jurisdiction] (A) 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 Tennessee. Each party shall be responsible for its own attorneys' fees and costs.
6. If false or misleading verification information is provided on a questionnaire to Chattem, Inc. or a certified clearinghouse, redemption privileges with Chattem may be permanently terminated.
7. Each shipment of coupons will be considered as a whole and Chattem, Inc. reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.
8. Failure to observe the terms and conditions of this Policy may, at the option of Chattem, Inc. void all coupons submitted for reimbursement and all coupons may be

retained as property of Chattem, Inc. without payment. Chattem, Inc. reserves the right to forward coupons, which Chattem judges to be misredeemed, to law enforcement agencies for their review and investigative purposes.

Miscellaneous Terms

1. The cash redemption value of each coupon is 1/100 of one cent.
2. It is FRAUD to present coupons for redemption other than as provided by this Policy.
3. THE EXERCISE OR WAIVER, IN WHOLE OR IN PART OF ANY RIGHT, REMEDY OR DUTY PROVIDED FOR IN THIS POLICY WILL NOT CONSTITUTE THE WAIVER OF ANY PRIOR, CONCURRENT OR SUBSEQUENT RIGHT, REMEDY OR DUTY UNDER THIS POLICY.

Chattem, Inc.
1715 West 38th Street
Chattanooga, TN 37409



Tom Holloway
Head Sales & Trade Management