



April 5, 2018

Subject **Fixture Reimbursement Program – Program Details**

Purpose This document contains important details regarding the Fixture Reimbursement Program (The “**Program**”). This document, along with the Terms & Conditions document, governs the Program.

Details The table below lists the topics covered in this document.

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Questions Please refer to insightsc3m.com (Merchandising tab) or call Madden Customer Service (855) 737-2751 with any questions regarding the Program.

Participation Steps Summary

Program Participation Steps

Steps to participate in the Program:

Participation Step	Summary
Step 1	Review Program materials on insightsc3m.com
Step 2	Request Eligibility and Agree to the Terms and Conditions Log in to insightsc3m.com and submit an Eligibility request. You are required to provide a valid email address and by requesting Eligibility you also agree to the terms and conditions of the program.
Step 3	Review Eligibility Results You will be notified whether or not your Eligibility request was accepted or denied. You can also log in to insightsc3m.com and review program status.
Step 4	Communicate Plan to Purchase If your request is accepted, you must use insightsc3m.com to communicate your purchase plan for each store within 60 days after receiving notice of Eligibility.
Step 5	Purchase New Approved Fixtures Only Fixtures on the Approved Fixtures List on insightsc3m.com are eligible for reimbursement.
Step 6	Install New Approved Fixtures insightsc3m.com supports Fixture resets with an interactive Fixture Look Tool.
Step 7	Submit Validation Request and Obtain Validation You must request validation through insightsc3m.com

Step 1: Review Program Materials

Insightsc3m.com Carefully review all Program materials prior to submitting a request for Eligibility.

The following documents are available on insightsc3m.com:

- Program Details
- Terms and Conditions
- Approved Fixtures List

Store-specific Eligibility Status and a Fixture Look Tool (see Steps 2 and 5 for more information) are also available on insightsc3m.com.

Step 2: Request Eligibility and Agree to the Terms and Conditions

Request Eligibility to Participate

If you would like your Store to be considered for Eligibility, you should log-in to insightsc3m.com and request Eligibility. Once your Eligibility request is reviewed, you will be notified whether your request is accepted or denied within five business days. You can also log-in to insightsc3m.com to review the results of your Eligibility request.

Note: You are responsible for providing a valid email address to receive Program status updates and changes to the Program.

Request to move or cancel Eligibility

See **Step 4** for more information on request to move or cancel Eligibility (Eligibility Change Request Process).

Program Terms and Conditions

By requesting Eligibility for the Program, you also agree to the Terms & Conditions of the Program.

Step 3: Review Eligibility Results

Eligibility Updates and Review Request

You will be notified of your Eligibility via email to the email address you provide.

If you are not granted Eligibility and feel that your Eligibility request was improperly denied, you should contact Madden Customer Service via phone and request your Eligibility be reviewed.

Examples of acceptable reasons for requesting Eligibility may include:

- Retail Program participation updates
- Ground-up construction/Natural Disaster/Store Remodel/Fixture Replacement (additional documentation and pictures may be required)

Madden Customer Service, on AGDC's behalf, reviews requests and updates Eligibility Status. All decisions are subject to our approval and may require you to provide additional information upon request. Any updates to Eligibility are posted on insightsc3m.com.

Eligible Linear Feet

Store-specific Eligibility Status and Maximum Eligible Linear Feet will be posted to insightsc3m.com.

A Store's Eligible Linear Feet is intended to augment or replace merchandising space on existing Fixtures in the store. It is provided as a single number of feet rather than separate numbers of feet for the cigarette, MST, cigar, and E-Vapor categories.

You are required to provide Retail Control Numbers to Madden Customer Service to gain access to Eligibility Information.

E-Vapor Linear Feet Eligibility

New for 2018, each Eligible Store will also be eligible to receive reimbursement for an additional two linear feet of Fixtures. For a Store to receive reimbursement for such additional installed Fixture space, the Store must merchandise Nu Mark Products at the top of the Fixture with a Nu Mark Fixture Header.

Step 4: Communicate Plan to Purchase

Update Purchase Plan within 60 Days

Once you received notice of Eligibility for participation in the Program, you must indicate a purchase plan for each Eligible Store within 60 days.

You can view the following information on insightsc3m.com:

- Maximum Eligible Linear Feet
- Purchase Plan deadline
- Validation request deadline

Within 60 days after receiving notice of Eligibility, you must indicate the planned purchase date of new Fixtures and the planned manufacturer of your new Fixtures on insightsc3m.com for each Eligible Store.

Eligibility Termination

If you receive Eligibility but do not communicate a Plan to Purchase within 60 days after receiving notice of Eligibility, we reserve the right to terminate your Eligibility due to inactive participation in the Program.

Also, keep in mind that Program resources are limited and may be depleted. In this case,

remaining Eligible Stores that have not communicated their Plan to Purchase will no longer be eligible. These Stores may be eligible to participate in the Program in the future.

**Eligibility
Change Request
Process**

If you wish to move or cancel eligibility of an Eligible Store, you must call Madden Customer Service and submit your request.

Note:

If you request to move or cancel Eligibility of an Eligible Store, that Store may be eligible to participate in the Program in the future; however we do not guarantee future eligibility.

Step 5: Purchase New Approved Fixtures

**Purchase New
Approved
Fixtures**

You are responsible for ordering and purchasing New Approved Fixtures, and arranging for their installation.

Neither we nor our designees, including Madden Customer Service, are involved in or responsible for ordering, purchasing, or installing any New Approved Fixture.

**Approved
Fixtures**

The Approved Fixtures list is available on insightsc3m.com.

A New Approved Fixture must contain a Fixture Header, Fixture Body, and must be on the New Approved Fixtures list available on insightsc3m.com.

Approved Fixture under The Program, does not imply assurances of safety, design or functionality of such Fixture.

Note: Items such as Overhead Pack Merchandisers (**OPMs**) and under counter units may be available for purchase from various Fixture manufacturers, but are not considered New Approved Fixtures.

**Fixture
Approval
Process**

If you wish to be reimbursed for any Fixture that is not on the Approved Fixture list, the Fixture's manufacturer must satisfactorily complete the Fixture Approval Process.

Full details are provided to the Fixture manufacturer when they call Market Technologies Inc. at (231) 547-6090 to initiate the Fixture Approval Process.

A Fixture is added to the Approved Fixtures list and updated on insightsc3m.com at AGDC's discretion.

Note: You may not be reimbursed for a Fixture purchased and submitted for Validation until the manufacturer's Fixture is included on the Approved Fixtures list.

Important Things to Keep in Mind

Here are few things to keep in mind when purchasing a new fixture:

- Prior to finalizing a Fixture order, you should consider any space constraints (e.g., low ceilings or power boxes) and any other issues that may prevent a Fixture from being properly installed in your store.
 - You should confirm the actual width of the Fixture with the manufacturer (for example, a 2' wide Fixture may actually measure 2'1" wide). Reimbursement Payments are issued only on any Linear Footage increments of 12 inches.
 - You are responsible for determining the level of service provided by the Approved Fixture manufacturer, including any warranties, repair and replacement services the manufacturer may offer.
 - If you participate in a Retail Program, you must ensure that any Fixture you purchase meets the minimum Retail Program requirements (e.g., minimum width or ability to meet merchandising requirements). You are subject to Retail Program non-performance if you are unable to meet Retail Program requirements.
 - You are responsible for ordering the correct Fixture Header sizes for each category to meet Retail Program merchandising requirements. For example, when you order a 6' Fixture and use 4' for cigarettes and 2' for MST, you must order a 4' Fixture Header and a 2' Fixture Header so that the appropriate header graphics fit above each category. The Fixture Look tool can assist in identifying the appropriate header configurations. See "**Fixture Look Tool**" in Step 6 for more information.
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Step 6: Install New Approved Fixtures

Arrange Fixture Installation

You are responsible for arranging the installation of any Fixture you purchase and for ensuring the Fixture installation conforms to the manufacturer's standards. Options for installation include:

- The Fixture manufacturer performs installation or assists you in arranging installation;
- An independent installer performs installation; or
- You perform installation.

It is your responsibility to decide which independent installer to use, if any, and what services you wish your installer to perform (i.e., deliver Fixture, set up Fixture, label Fixture and place product in Fixture).

Merchandising Fixture(s)

You are responsible for ensuring Fixtures are set in accordance with applicable Retail Program merchandising requirements. AGDC Representatives are not responsible for performing any post-installation merchandising or resets.

Here are few things to help you merchandise your Fixtures:

- You should use a Plan-o-gram (**POG**) for any space contracted under an Altria

Tobacco Operating Company Retail Program (**Contracted Space**) during installation.

- We also recommend, labeling the Fixture in accordance with the POG using the labels provided in the POS kit.
- Address scenarios involving changes to Retail Program participation with your AGDC Representative. Your AGDC Representative may instruct you on changes that need to be made after the installation, to comply with Retail Program requirements.
- Contact your AGDC representative for more information regarding placement of Nu Mark products

As a reminder, if the applicable merchandising requirements are not met, you are subject to Retail Program non-performance, and you are responsible for resetting the Fixture.

Point of Sale (POS) Kit

The following materials can be obtained by calling Madden Customer Service:

- flip sign frames
- header graphics
- spring load labels

Step 7: Submit Validation Request and Obtain Validation

Request Validation

Once a New Approved Fixture is installed, you must obtain Validation to confirm the actual linear footage installed in an Eligible Store. Validation is required before the Reimbursement Payment can be processed.

You must request Validation of New Approved Fixtures on insightsc3m.com.

Once requested, our third-party service provider visits the Store within four weeks to complete Validation. Store validation visits occur between the hours of 7am and 7pm.

Validation is performed at no cost to you.

Validation Process

Our third-party service provider will need access to the Fixture area to complete the Validation. You must permit the third-party service provider to collect information related to any New Approved Fixture.

To determine whether or not a Fixture is New, the third-party service provider must see the manufacturer's tag on the Fixture. Our third-party service providers will take pictures of the New Approved Fixture and tag.

If the tag is not on the New Approved Fixture, you must provide proof of purchase upon request (acceptable forms include bill of sale, invoice, receipt, bill of lading, or communication from a chain's headquarters noting the date of delivery to Store).

The third-party service provider does not review compliance of Retail Program merchandising requirements. Your AGDC Representative will address any Retail Program

non-performances separately.

Validation Status

Validation status is posted on insightsc3m.com.

Validation Failures

In the event that an Eligible Store does not pass Validation or if our third-party service provider is not permitted to complete Validation, you may request an additional Validation. **A \$75 fee will be deducted from the Reimbursement Payment for a second or any subsequent Validation of that store.**

If the Eligible Store does not pass Validation as the result of a lack of proof of purchase (tag, invoice, bill of lading, bill of sale, receipt, or communication from a chain's headquarters noting the date of delivery to Store), Madden Customer Service will notify you.

You may submit an invoice provided directly by the fixture manufacturer, to Madden Customer Service via fax or email within 14 days after the notification without requiring another Validation.

Program Reimbursement

Reimbursement Payment

To receive Reimbursement Payment for an Eligible Store, you must successfully meet all of the criteria outlined in Program Participation Steps 1-7.

If you meet all the criteria, you will be reimbursed the applicable Reimbursement Payment Rate for the Validated Linear Feet on New Approved Fixtures up to the maximum Eligible Linear Feet assigned to your Store by us.

We will issue your Reimbursement Payment for an Eligible Store within six weeks after we receive confirmation that you have:

- Met the Terms & Conditions Requirement,
- Communicated the Eligible Store's Plan to Purchase, and
- Met the Validation Requirement with respect to the Eligible Store.

Payment details are available on insightsc3m.com.

Note: We will not issue a Reimbursement Payment to an Eligible Store that is suspended for any violation of an Altria Tobacco Operating Company's Trade Policy.

Reimbursement Payment Rates

The Reimbursement Payment Rates for Approved Fixture are as follows:

Type of Approved Fixture	Reimbursement Payment Rate
All Approved Non-Lit Fixtures	\$100 per linear foot

All Approved Lit Fixtures (preferred look)	\$150 per linear foot
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The Reimbursement Payment Rates are subject to change.

Examples

The following examples show Reimbursement Payment for an Eligible Store based on various Validated Linear Feet and Eligible Linear Feet scenarios:

Scenario	Reimbursement Payment Impact
Validated Linear Feet = Eligible Linear Feet	Reimbursed for Validated Linear Feet
Validated Linear Feet > Eligible Linear Feet	Reimbursed for the Eligible Linear Feet
Validated Linear Feet < Eligible Linear Feet	Reimbursed for Validated Linear Feet. Any remainder is not transferrable for future use

The following examples show Reimbursement Payment calculation:

Eligible Linear Feet	Validated Linear Feet	Type of New Approved Fixture	Reimbursement Payment
10 feet	12 feet (6' cigarettes, 4' MST, 2' cigars)	Approved Non-Lit Fixtures	\$1,000 (\$100 x 10 feet)
10 feet	10 feet (6' cigarettes, 4' MST)	Approved Lit Fixtures	\$1,500 (\$150 x 10 feet)

Request Eligibility Review

Overview

Program Eligibility Information is available on insightsc3m.com.

If your Store(s) is denied eligibility after submitting a request on insightsc3m.com, the Store's Eligibility may be reviewed (i.e., Store may be made eligible), for the following scenarios:

- Store was previously eligible for the Program but did not participate;
- Store with new Retail Control Number:
 - Store with no tobacco product sales history (i.e., new ground-up)

construction); or

- Store with prior tobacco product sales history (i.e., change of ownership or acquisition);
- Store undergoing a major remodel;
- Store with a change in Altria Tobacco Operating Company retail program participation;
- Stores with an Existing Fixture affected by a natural disaster or damage;
- Stores with other business need deemed appropriate by AGDC for participation in the Program; or
- Chains wishing to transfer Eligibility among Stores

Note: Not all Eligibility review requests are approved.

Eligibility Review Request

If your request for Eligibility was denied, and you would like to request a review, please contact Madden Customer Service at (855) 737-2751 and provide the Retail Control Number of your Store and any other information requested by Madden Customer Service.

Madden Customer Service will inform you of our decision within a reasonable timeframe and, if applicable, your Store's Eligibility Information will be updated on insightsc3m.com.

No Tobacco Product Sales History

A Store with no tobacco product sales history includes new retail locations being constructed from the ground-up in a location that has not previously sold tobacco products, and existing retail locations that have not previously sold tobacco products. We will confirm that the physical location of your Store has no previous tobacco product sales history.

Eligible Linear Feet for stores with no tobacco product sales history is based on:

- The average independent store volume in the local market (for independent stores);
 - The average store volume for the stores within the chain; or
 - At a minimum of 12 Linear Feet per Eligible Store.
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Prior Tobacco Product Sales History

A Store with prior tobacco product history is an existing retail location with a new RC # due to a change of ownership or acquisition (the Store location may have previous Altria Tobacco Operating Company provided fixture history or Altria Tobacco Operating Company product volume).

Program eligibility, Program participation, and Altria Tobacco Operating Company volume product history for the previous Retail Control Number/store location is considered when determining Eligibility and Eligible Linear Feet.

Major Remodel

A Store undergoing a major remodel is an existing retail location that has expanded its primary structure or has chosen to remodel the interior layout in such a way that physically affects the tobacco category platform.

In order to be considered a store undergoing a major remodel, the Store must meet one or more of the following criteria:

- Expansion of primary structure affects the tobacco category merchandising area;
- Significant physical transformation of a store's layout or appearance affects the tobacco category merchandising area, requiring significant capital investment and time to complete; or
- Total demolition of existing building and rebuild of new structure in close proximity.

Additionally, you are required to submit:

- A written summary of the major remodel work being done in the Store to Customer Service¹
- A 'before remodel' photograph of the Store and tobacco category area (or a 'during remodel' photograph if the work has already started), or other similar information as determined by us¹

1. Madden Customer Service provides details on the format and content required.

If a Store's Eligibility is changed due to a major remodel, we must verify completion of the major remodel before the Store receives the Reimbursement Payment. **We reserve the right to withhold Reimbursement Payment if the remodel is later determined not to have met the criteria noted above.**

- The verification can be completed via an in-store visit by a third-party verification company designated by us; or
- The verification can be completed by you submitting a set of photographs, or other similar information, to Madden Customer Service that demonstrates a major remodel was actually performed (i.e., a "before remodel" and "after remodel" photograph, or a "during remodel" photograph of the Store and tobacco category area).

Change in Retail Program Participation

A Store with a change in Altria Tobacco Operating Company retail program participation is:

- A Store that is not currently signed to an Altria Tobacco Operating Company retail program on a fixture plan; or
- a Store that does not currently have a fixture platform, but intends to participate in an Altria Tobacco Operating Company retail program on a fixture plan once Fixtures are purchased.

A valid Altria Tobacco Operating Company fixture plan agreement must be executed at

the time of Reimbursement Payment. Your AGDC Representative should sign your account to the applicable fixture plan agreement(s) once you order, install and merchandise a Fixture according to the applicable Fixture Plan.

Natural Disaster

A Store with an Existing Fixture affected by a natural disaster is an existing retail location where a Fixture that was previously provided by an Altria Tobacco Operating Company has been compromised or destroyed by a natural disaster (i.e., hurricanes, tornado, flooding, and earthquakes).

Existing Fixture means any Fixture, Under-counter Unit or OPM in the Store that was previously provided by or on behalf of an Altria Tobacco Operating Company.

We may require verification of the natural disaster (photo documentation or in-store visit) prior to changing your Store's Eligibility.

Damaged Existing Fixtures

A Store with a damaged Existing Fixture is a Store with a damaged Fixture that was previously provided by an Altria Tobacco Operating Company, which creates a safety concern and our third-party installer is unable to stabilize the Fixture.

Madden Customer Service will determine if you qualify for Repair Program support or other action rather than a change to eligibility.

A verification of the damage (photo documentation or in-store visit) is required prior to a change in your Store's Eligibility.

Stores with a Business Need

A Store with a business need that does not align with one of the above scenarios may request an Eligibility change.

Please keep in mind, not all Eligibility change requests are approved.

Chain Flexibility Process

The Chain flexibility process allows Chain Retailers to request Eligibility transfers among Stores within the Chain.

Example:

We designate Chain Store #1, # 2 and #3 as eligible for the Program.
However, due to business need, Retailer would rather have Store #4, #5, and #7 become eligible for the Program.

Chain Flexibility Process - Requirements

Consideration is given to a Chain's request to transfer Eligibility to Stores that are not currently eligible, provided the following requirements are met:

- Each Store must meet certain qualification criteria as determined by us;
- The total linear feet for the requested Stores (the sum of the Eligible Linear Feet for

each individual Store) does not exceed the original total Eligible Linear Feet for the original Eligible Stores in the Chain;

- The linear feet requested for each Store to be transferred does not exceed the linear feet for which it would otherwise be eligible; and
- If a requested Store received Fixture resources from us within the past two years, a written explanation of the business need must be provided.

Madden Customer Service can provide more details for each of the above requirements. Madden Customer Service may also assist the chain determine if their request aligns with the above requirements.

Defined Terms

“Altria Tobacco Operating Companies” - Philip Morris USA Inc., U.S. Smokeless Tobacco Company LLC, John Middleton Co. and Nu Mark LLC.

“Approved Fixture” - a particular Fixture model, a portion of the cost of which is reimbursable under the Program, as determined by AGDC.

“Approved Lit Fixture” - an Approved Fixture with a Header, supplied directly by the fixture manufacturer, that is capable of being illuminated and a portion of the cost of which is reimbursable under the Program, as determined by AGDC.

“Approved Non-Lit Fixture” - an Approved Fixture with a Header that does not have the capability of being illuminated and a portion of the cost of which is reimbursable under the Program, as determined by AGDC.

“Chain” - three or more retail stores that share common legal ownership or business management

“Contracted Space”- space contracted under an Altria Tobacco Operating Company Retail Program.

“Eligibility” – eligibility for participation in the Program

“Eligibility Information” - a Store’s Eligibility Status.

“Eligibility Status” - a Store’s designation as an Eligible Store or as an ineligible Store.

“Eligible Linear Feet” - the maximum reimbursable Horizontal linear footage of new Approved Fixtures designated for an Eligible Store by AGDC.

“Eligible Store” - a Store that is qualified to participate in the Program, as determined by AGDC.

“Existing Fixture” - any Fixture, Under-counter Unit or OPM in a Store that was previously provided by or on behalf of an Altria Tobacco Operating Company.

“Fixture” - a stationary merchandising unit, except for displays or OPMs, in which cigarettes, MST or Cigars are presented in open view to adult tobacco consumers and merchandised at the top of such stationary merchandising unit. A Fixture consists of a Header and a Fixture Body.

“Fixture Approval Process” - the steps a Fixture manufacturer must follow to have a Fixture considered to be an Approved Fixture.

“Fixture Body” - the part of a Fixture with the capacity to merchandise cigarette packs, cartons, or promotional product; MST cans, rolls or promotional product, or cigar sticks, packs, or promotional product for retail sale to adult tobacco consumers.

“Fixture Header” - either (i) the part of a Fixture that is attached to the top of the Fixture Body and which contains one or more signs, or (ii) one or more signs placed directly above a Fixture Body.

“Fixture Look Tool” - a web-based plan-o-gram resource provided by AGDC.

“Fixture Support Materials” - components of Fixtures such as replacement header pieces and/or replacement shelving.

“Linear Footage” - the horizontal width of one or more Fixtures in a Store.

“Major Remodel” - an existing Store that has expanded the primary structure or has chosen to remodel the interior layout which physically affects the Fixture category platform. This would include all locations where the existing retail account has chosen to knock down an existing building and build a new structure in proximity to the old location.

“New” with respect to a Fixture, means a Fixture that is less than one year old. Age of a Fixture is determined by AGDC.

“New Ground Up Construction” - a new retail location being built from the ground up with no previous retail account number, address, volume, or Fixture history existing for the location. New construction at an existing retail location does not constitute a ground up construction.

“OPM” - overhead pack merchandiser.

“Program” - AGDC’s Fixture Reimbursement Program.

“Reimbursement Payment” - an amount paid to you with respect to an Eligible Store that is equal to the applicable Reimbursement Payment Rate multiplied by the lesser of the Store’s Validated Linear Feet or Eligible Linear Feet.

“Reimbursement Payment Rate” - the payment per linear foot of New Approved Fixtures to be paid by AGDC to you with respect to an Eligible Store after you satisfy the Terms & Conditions Requirement and the Validation Requirement.

“Retail Program” - any of the PM USA Retail Leaders Program, USSTC Retail Program, JMC Retail Program, or Nu Mark Retail Program.

“Retail Program Agreement” - any then-current agreement governing a Retail Program.

“Retailer” - the party identified on the Terms & Conditions document.

“Store” - any premises in which Retailer engages in the retail sale of tobacco products

“Terms & Conditions” or “T&Cs” - the Terms & Conditions of the Program.

“Terms & Conditions Requirement” a requirement that you agree to the Terms & Conditions.

“Validated Linear Feet” - the Linear Footage of New Approved Fixtures purchased and installed and used to display cigarettes, cigars, MST or e-vapor in an Eligible Store, as

determined by AGDC.

“Validation” - the confirmation of installation of New Approved Fixtures in an Eligible Store as determined by AGDC’s third-party service provider.

“Validation Requirement” - the requirement that you obtain Validation no later than the date designated by AGDC.
