



## 2018 Product Guarantee Policy for Wholesale Partners

S&M Brands, Inc. (S&M Brands) remains committed to maintaining the highest quality American-made products. S&M Brands products will continue to be guaranteed at the wholesale level.

### Wholesaler Responsibility:

- Do not accept returns (out of date and/or damaged) from any retailer.
- Rotate product with each delivery (a copy of our product code dates is attached).
- Store cigarettes away from direct sunlight or heat source to maintain the proper moisture level.
- Maintain cigarettes in original boxes and packaging.
- Do not store cigarettes in damp or wet areas, near chemicals, or near items with strong odors.
- Do not store cigarettes in areas that might be susceptible to pest infestation.
- Repackage damaged cartons only using packaging material provided by S & M Brands.
- Wholesalers may request repack cartons with your product order.
- When the product is received back at the S & M Brands manufacturing facility, a credit will be issued to the wholesale partner. For those customers who submit payment via electronic funds transfer, this credit will likewise be submitted via electronic funds transfer within three (3) business days of the credit invoice date. Affidavits will also be issued for all product containing state/local tax stamps (or NC/SC tax paid product.)
- Only wholesalers that report to S & M Brands will have the benefit of this return policy.

Additionally, our 2018 policy will allow for a maximum of two (2) returns annually for *de minimis* quantities from our wholesale customers to allow cost recovery for product damaged unintentionally in the wholesale warehouse and any product that has become stale while at wholesale. There are no returns for (1) any product that has been shipped to retail customers, and (2) any product improperly stored or maintained while at wholesale.

Product that has been damaged by water, fire, infestation, improper storage, or the mishandling by customer is not covered by the product guarantee. S & M Brands, Inc.'s employees must have access to all facilities where stock is maintained. S & M Brands, Inc. reserves the right to refuse any returns outside of the policies stated above, or acquired in violation of federal, state, or local laws, or through fraudulent activities. S & M Brands, Inc. reserves the right to amend this policy at any time to add terms, alter terms, or to terminate any guarantee whatsoever.