

RETAIL MASTERS AGREEMENT — LR

Territory		Retailer Name	
Call		Street Address - Line 1	
Indep:	SPACE #	Street Address - Line 2	
Chain:	K.A. #	City, State, Zip	

Effective Date of Agreement

<input type="checkbox"/> New Account	<input type="checkbox"/> Old Account - New Plan
<input type="checkbox"/> Reinstatement	<input type="checkbox"/> Change in Name Address
<input type="checkbox"/> Change in Ownership	

Participating Chain Store Number(s)	Number of Stores (chain)	Category Merchandising Performance Level	Rate Factor* PM Volume Bucket	Monthly Payment Per Store*	Plan-ogram Number
		1			
		2			
		3			
		1			
		2			
		3			
		1			
		2			
		3			
		1			
		2			
		3			
		1			
		2			
		3			
		1			
		2			
		3			

*as of date of signing; subject to future adjustment

Philip Morris U.S.A.

by _____ Date _____

Retailer

by _____ Date _____

PM Management Approval

Distribution

Original	Section Office
Duplicate	Section Office
TriPLICATE	Customer
Quadruplicate	P.M. Representative

Space I.D.: _____ Territory #: _____

Tax Entity: Individual _____ Corporation _____ Trust/Estate _____ Partnership _____

Social Security No. (SSN): _____ Employer ID No. (EIN): _____

Owner's Name: _____ Entity Name: _____

Mailing Address: _____

Contact Person: _____ Telephone: _____

Certification - Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me) and
 (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or, (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement arrangement (IRA), and payments other than interest and dividends).
 Certification Instructions - You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

Signature/Title: _____ Date: _____

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PHILIP MORRIS INCORPORATED ("PM USA")
120 PARK AVENUE, NEW YORK, NEW YORK 10017
RETAIL MASTERS PROGRAM - L8

For Pack Accounts Required by Law to Have Non-Self Service Pack Displays

The Party is formed on the reverse side and sells cigarettes primarily by packs, except in certain self-serve stores with non-self service Pack Displays resulting from local governmental restrictions prohibiting self service merchandising of cigarettes. In such cases, the merchandising of cigarettes is prohibited and only one pack of cigarettes with the remaining cigarette packs displayed in a pack display is permitted. The Party is not permitted to sell cigarettes in any other manner.

MERCHANDISING PERFORMANCE LEVEL 1:

- a) maintain an Overhead Pack Merchandising Fixture provided by PM USA or owned by Retailer or an Overhead Pack Merchandising Fixture and, in such event, an Industry Pack Merchandising Fixture provided by PM USA or owned by Retailer and display signage provided by PM USA at the exclusive signage on the Overhead Pack Merchandising Fixture or Industry Pack Merchandising Fixture;
- b) maintain a Marlboro Pack Display in the non-self service display location designated as the number one non-self service display location by PM USA;
- c) maintain a PM USA Premium Pack Display in the non-self service display location designated as the second or third non-self service display location by PM USA at the election of PM USA. In lieu of a PM USA Premium Pack Display, maintain a PM USA Premium Brands signage provided by PM USA at the check/aisle(s) or transaction counter(s);
- d) allocate cigarette display front facings to PM USA brands for packs and cartons in proportion to their share of Retailer's total cigarette sales or their share of the local cigarette market, whichever is greater; and maintain adequate distribution and inventory of PM USA premium and discount brand backings to satisfy local market demand, subject to the approval of PM USA;
- e) allocate to PM USA a share of floor cigarette merchandising Displays based on number that is less than PM USA's local cigarette market share or share of Retailer's total cigarette sales, whichever is greater;
- f) maintain unobstructed interior and exterior signage provided by PM USA in signage locations designated as number one signage locations by PM USA, including signage locations on Fixtures, Displays, and other devices used for merchandising cigarettes, a display of PM USA's share of interior and exterior signage excluding signage on the Overhead Pack Merchandising Fixture, that, based on area, is "no less than PM USA's local cigarette market share or share of Retailer's total cigarette sales, whichever is greater; provide PM USA with a competitive visibility advantage based on signage; and do not permit a dealer, or competitive cigarette signage or other point of sale materials in the locations allocated to PM USA;
- g) accept and display consumer promotions made available by PM USA, agree to prebook adequate inventory for shipment prior to the promotion, assemble and display PM USA promotions and point-of-sale materials as requested by PM USA, and offer PM USA consumer promotions only to consumers;
- h) submit, weekly, reports in a form satisfactory to PM USA, verifying each store's cigarette sales by brand and packing to PM USA; and request and authorize Retailer's cigarette supplier to provide to PM USA on request data regarding its shipments of PM USA products to Retailer;
- i) continue to all participating stores and ensure compliance with the attached brand-backing sheet to PM USA approval, ensuring the position of cigarette merchandising Fixtures, Displays and permanent signage within the store, the position of PM USA brands on each Fixture and the number of minimum front facings on each PM USA Display;
- j) accept new brand packings recommended by PM USA during the designated introductory period; and
- k) keep all space allocated to PM USA on cigarette merchandising Fixtures, Displays and permanent signs stocked with appropriate PM USA brand packings, rotate PM USA brand cartons and packs according to "first in first out" principles, and remove any product that is unsaleable by virtue of its date of manufacture.

MERCHANDISING PERFORMANCE LEVEL 2:

- Comply with the Performance Level 1 requirements, and
- if Retailer maintains a separate Discount Display provided by any cigarette manufacturer, maintain a separate Discount Display provided by PM USA in the Discount Display location(s) designated by PM USA as the number one non-self service Discount Display location(s) and display Basic brand cigarettes in the number one position on the Display as designated by PM USA;
 - maintain Basic brand signage provided by PM USA in the Discount signage location(s) designated by PM USA as the number one Discount signage location(s); and
 - if Retailer accepts a black and white or private label cigarette product of any manufacturer, accept a private label or black and white cigarette manufactured by PM USA, or other qualifying brand designated by PM USA.

EXCLUSIVITY PERFORMANCE LEVEL:

- Comply with the requirements of Performance Levels 1 and 2, and:
- a) maintain permanent cigarette pack merchandising Fixtures and Displays provided by PM USA or owned by Retailer as the exclusive permanent pack Fixtures and Displays in the participating stores;
 - b) maintain permanent signage provided by PM USA as the exclusive permanent tobacco signage ~~including price call outs~~ in the participating stores; and
 - c) accept and offer to consumers promotions provided by PM USA as the exclusive tobacco promotions in the participating stores for three weeks during each quarter of a calendar year.

FLEX PROGRAM:

- ☐ Retailer is eligible to participate in the PM USA Flex Program.

RETAILER FURTHER AGREES

- to permit PM USA, on an exclusive basis, to place signage on, or permit no tobacco signage or and permit PM USA to add, each fixture provided by PM USA or owned by Retailer;
- to permit PM USA to approve the type, position, location, size and capacity of PM USA Fixtures, Displays, promotions, signage and the content of PM USA Displays;
- to permit PM USA to modify, replace or supplement Fixtures or Displays to accommodate new PM USA brands, promotions and merchandising methods;
- to permit PM USA to make reasonable audits of performance, including audits of Retailer's purchases of cigarettes and Retailer's sales of cigarettes to consumers, and inspect and rotate stock of PM USA brands in all participating stores;
- to indemnify PM USA, its agents and employees and hold them harmless from any and all claims for injury or damage arising from the Fixtures and Displays provided in connection with this Agreement; and
- to acknowledge PM USA's ownership of all Fixtures, Displays, promotions, point-of-sale materials and permanent and temporary signage provided by PM USA to Retailer and to permit PM USA to remove from Retailer's participating stores all such Fixtures, Displays, promotions, point-of-sale materials and permanent and temporary signage upon the termination of this Agreement.

PM USA CONSUMER CARTON VOLUME PER WEEK

PM USA Consumer Cigarette volume per week (PM-CCPW) is the average weekly sales of all F.M. 54 brands of cigarettes to consumers during the most recent six-month period. A Retailer who operates more than one participating store within the area designated below may compute store PM-CCPW as follows:

- the average store MPP-COPW of All Retailer's participating stores in a designated area that have been organized in established Units, Divisions or Regions; or
- the store MPP-COPW of Retailers individual, or groups of, participating stores in the average designated area, regardless of whether Retailers participating stores have been organized in established Units, Divisions, or Regions.

Retailer warrants that the consumer sales volume represented has been properly computed in accordance with one of the foregoing procedures. If PM USA sales volume drops below the designated PM-CCPW, Retailer will promptly inform PM USA.

Payments will be made quarterly only for participating stores rendering full performance throughout the term. Payments will not commence until all elements of the Agreement are in place in Retailer's store(s). If Retailer does not render full performance at the Performance Level Retailer agrees to, payment will not be made. Retailer may not deduct amounts due Retailer under this Agreement from invoices due PM USA for its products.

This Agreement may be terminated or amended in any respect by PM USA, upon thirty days written notice. In the event of a breach or performance by Retailer, this Agreement may be terminated by PM USA immediately upon written notice. This writing contains the entire agreement between PM USA and Retailer on the subject matter hereof, and supersedes all prior and contemporaneous oral or written agreements between PM USA and Retailer on the subject matter. This Agreement may be assigned only by a writing signed by both parties.

Proportionally equal offers are made available by PM USA to all competing Retailers. As part of the PM USA total merchandising program, PM USA will from time to time solicit further support on behalf of its products in retail stores through special offers. Please consult your PM USA sales representative to determine your eligibility for PM USA offers. Notwithstanding, as communicated to Retailers when PM USA offers are available.

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