



**KEURIG® RETAIL CONSUMER PRODUCTS
BRAND EQUITY POLICY**

Keurig, Incorporated (“Keurig”) is an industry leader in coffee brewing technology in the United States and Canada. As a company founded by coffee lovers, we understand that serving the gourmet market successfully requires a special level of commitment to achieve very high standards. At Keurig, we reflect this commitment by using excellence as a guide for everything we do, from our patented single-cup brewing technology, to the gourmet brands of coffee and tea that are packaged in our K-Cup® portion packs, to our customer service. We are proud and gratified that our unwavering devotion to excellence has positioned us as a leader in coffee brewing and has made the Keurig® brand synonymous with exceptional quality, innovative design, and superior flavor. We are dedicated to continuing our commitment to excellence, to expanding our leadership role in the coffee brewer industry and to enhancing further the goodwill and consumer perception of the Keurig brand. As a result, we are similarly dedicated to working only with business partners who understand and embrace our commitment to excellence and to positioning, marketing and selling Keurig products as premium brand products for the discriminating gourmet consumer.

We understand that premium brand resellers rely on the outstanding reputations of their suppliers’ products and brands in making their buying decisions. As a result of our commitment to excellence, coffee lovers look for the Keurig brand name, knowing that when they buy a Keurig product, they are buying the finest single-cup gourmet coffee brewing system available. Therefore, premium brand resellers can expect the Keurig brand to deliver positive business results for them.

Although still relatively early in our development, we have been very successful in establishing Keurig as a premium brand in the coffee brewer industry. As we continue to build the Keurig brand and to extend its reach, we must ensure that both the image of our brand and its presentation to retail consumers always reflect the exceptional quality, innovative design, superior flavor and premium value associated in the market with the Keurig single-cup gourmet coffee brewing system. The reputation and value of the Keurig brand could be damaged if our brand is perceived by consumers as an off-price or “cheap value” brand. For that reason, and in order to protect the significant investment we have made in the Keurig brand, we have decided to work with only those resellers who are committed to positioning, marketing and selling Keurig Single Cup Brewer models and related products offered to retail consumers (collectively, “Keurig Retail Consumer Products”) as premium branded products for the discriminating gourmet consumer. In so doing, Keurig hopes to maintain and grow the premium image of the Keurig brand while enabling Keurig’s resellers in the retail consumer sales industry to maintain their own premium images, to accomplish the business and product margin success normally associated with premium branded products and to protect the value of their and Keurig’s brand equity from resellers who might try to act as “free riders” and unfairly profit from the efforts and investments of Keurig and its other resellers.

Application and Attributes of the Retail Consumer Products Brand Equity Policy

This Brand Equity Policy applies to all Keurig Retail Consumer Products. We believe that Keurig Retail Consumer Products should be offered to retail consumers as premium gourmet products every day of the year, with commensurate reseller product support, promotion and positioning. We believe that consistent product support, promotion and premium product positioning reinforces and enhances the perception among consumers of Keurig and its resellers as premium brands, and strongly encourages consumers to choose Keurig branded products over other brands based on our exceptional quality,

innovative design, superior flavor and other product attributes that have helped establish Keurig as an industry leader in coffee brewing technology. Keurig's brand equity could be strongly diminished if, due to inconsistent or conflicting reseller product support, promotion or positioning, consumers are encouraged to choose Keurig Retail Consumer Products on the basis of factors, such as price, that are not normally significant factors in the purchase decision for consumers accustomed to buying premium branded or gourmet products.

We appreciate the value to our business and our resellers' businesses of special pricing offers, such as sales and special promotions. We also appreciate that our commitment to bringing resellers and consumers new products means that our resellers will, from time to time, be required to close out merchandise at a price somewhat lower than the price at which our resellers would generally offer premium branded products, like Keurig Retail Consumer Products, for sale. However, it is imperative for both Keurig and our resellers that these occasional transactions be undertaken only in a way that avoids damaging Keurig's brand equity.

Practices Inconsistent with the Brand Equity Policy

It is to the mutual benefit of Keurig and its resellers to develop, preserve, and reinforce favorable consumer perceptions of the premium nature of the Keurig brand. Therefore, reseller practices that are inconsistent with developing, preserving, and reinforcing favorable consumer perceptions of all Keurig Retail Consumer Products as premium branded products will be considered inconsistent with this Brand Equity Policy. While it is not possible to list all such practices, some examples are listed below:

- Selling and advertising Keurig Retail Consumer Products at prices that would position any one or more Keurig Retail Consumer Products as loss leaders or at lower margins than generally sought by the reseller for its premium branded products;

- Except as part of Keurig sponsored gift with purchase programs in effect from time to time, offering any one or more Keurig Retail Consumer Products as a gift to consumers, whether offered with the purchase of any other product or in connection with any other promotion, program or the like offered or administered by or on behalf of the reseller;
- Except as part of Keurig sponsored gift with purchase programs in effect from time to time, offering any one or more Keurig Retail Consumer Products as part of a bundled package with other products at prices that would position any one or more Keurig Retail Consumer Products as loss leaders or at lower margins than generally sought by the reseller for its premium branded products;
- Except as part of Keurig sponsored gift with purchase programs in effect from time to time, offering gifts, gift cards or rebates with or applicable to the purchase of any one or more Keurig Retail Consumer Products;
- Placing any one or more Keurig Retail Consumer Products in a discount or off-price section of the reseller's store, catalogue or other sales materials;
- Failing to place Keurig Retail Consumer Products in a location, including shelf or display position, within the reseller's store, catalogue or other sales materials, as applicable, where premium branded products in the same general category as Keurig Retail Consumer Products are generally located for retail sale by the reseller;
- Failing to provide to Keurig Retail Consumer Products substantially the same level, kind and frequency of in-store and out-of-store media support and promotion as the reseller provides to its other premium branded products within the same general category as Keurig Retail Consumer Products;
- Unauthorized transshipping/reselling of Keurig Retail Consumer Products to other resellers.

Protection of Keurig Brand Equity

We understand that every reseller has the right to decide what products to buy and how to position, support and sell those products. However, we have decided to work with only those resellers who are committed to act in our mutual interest by respecting and supporting our efforts to retain and build the premium brand equity inherent in Keurig products. Accordingly, we will not enter into a relationship with any reseller that we

believe will not act in accordance with this Brand Equity Policy. In addition, with respect to resellers with whom we do enter relationships, Keurig will monitor the marketing practices of such resellers in all marketing areas on a continual basis; and if we discover that a reseller is engaging in any practice inconsistent with this Brand Equity Policy, we may, to the extent permitted by applicable law and our contractual agreements with the non-compliant reseller, unilaterally decide to terminate our business relationship with that non-compliant reseller. Any such decision will be made by Keurig management alone.

Conclusion

Keurig may unilaterally terminate or amend any part or all of this Brand Equity Policy at any time upon written notice. Any changes to this Policy will be announced in written memoranda from our management to all resellers. All questions regarding the Policy should be directed to Keurig management in Reading, Massachusetts. No other person associated with Keurig, including any independent sales representative, is authorized to discuss, or to modify, or to make exceptions to any aspect of this Brand Equity Policy.

Please feel free to contact Keurig brand management at:

John Whoriskey
Vice President
Keurig, Incorporated
55 Walkers Brook Drive
Reading, MA 01867

RESELLER ACKNOWLEDGES RECEIPT OF THIS POLICY

RESELLER NAME: _____

BUYER/GMM NAME: _____

SIGNATURE: _____

DATE: _____