

PROPRIETARY VARIETY MANAGEMENT, LLC SOCIAL MEDIA ENDORSEMENT POLICY

Purpose and Scope: Proprietary Variety Management, LLC (“PVM”) is committed to transparency and honesty in all of its advertising messages and promotional communications with consumers. One of the most common ways to advertise and market products and services in social media is to use third party endorsements. Like other types of advertising, endorsements must be truthful and not misleading. Consumers must understand when a social media endorsement is sponsored by us.

This Proprietary Variety Management, LLC Social Media Endorsement Policy (“Policy”) applies to all agencies, independent contractors, speakers, writers, bloggers, talent, influencers, and any other individual or entity engaged in promotional communications on behalf of PVM on social media or other non-traditional media. This Policy also applies to our employees and agencies who manage these individuals and entities and employees who promote the company and its products, services, and/or brands on their personal social media accounts.

Endorsers Covered by This Policy: An individual or entity communicating on social media or other non-traditional media is subject to this Policy if its promotional messages about PVM or our products, services, and/or brands are sponsored by us (“Sponsored Endorser”). If the individual or entity is acting independently, it is not subject to this Policy.

A message is sponsored by us if we have a material connection with the individual or entity. A material connection is a tie to us which if known to consumers might make consumers question the credibility of the endorser or materially affect the weight consumers place on the endorsement. It puts the endorser’s independence in question. For example, PVM creates a material connection if we do any of the following either directly or through an advertising agency, public relations firm, or other third party:

- Hire an agency to blog, post, or serve as a community manager on our behalf (both the agency and its employees then become Sponsored Endorsers).
- Enter into an agreement with an individual to blog or post.
- Pay an individual to blog or post.
- Provide free accommodations or travel to an individual for a company event or experience.
- Provide discounts, sweepstakes entries, or other incentives to an individual.
- Provide an individual with free prizes for giveaways or sweepstakes on social media platforms.
- Provide an individual with free samples to review on social media platforms.
- Provide an individual with free samples after that person has blogged or posted independently, especially if providing the free samples creates the expectation of additional free samples (which makes the individual a Sponsored Endorser going forward, not retroactively).
- Engage affiliate marketers to advertise, blog, endorse, or sell on our behalf (making the affiliates and their employees Sponsored Endorsers).

PVM can turn our everyday consumers into Sponsored Endorsers by:

- Establishing a consumer marketing program that gives members free products and/or services, coupons, discounts, or other benefits.

- Providing incentives to consumers to review our products and/or services.
- Requiring sweepstakes or contest participants to post photos of our products and/or brands as part of their entries.

This list, though comprehensive, is not exhaustive. Check with Kathryn Grandy for any questions about whether PVM behavior or actions has created or will create a material connection with a third party.

Note that PVM employees have a material connection to PVM so are also considered to be Sponsored Endorsers. This Policy, although it does not govern employee behavior on social media generally, requires employees to clearly and conspicuously disclose their connection to us when promoting PVM or our products, services, or brands on social media. Recommendations and requirements for clear employee disclosure language are listed in Appendix A to this Policy.

Sponsored Endorsers Must Comply With Our Standards of Conduct: With respect to promotional statements or other claims made on social media platforms and on other non-traditional media about PVM and our products, services, or brands, Sponsored Endorsers must adhere to the following principles:

- They may only make statements that:
 - reflect their honest beliefs, opinions, or experiences; and
 - are transparent about their connection to us.
- They may not:
 - make deceptive or misleading claims to consumers about our products or services, or our competitors' products or services;
 - make any claims about our products or services, or our competitors' products or services, that are not backed up by evidence;
 - disclose any of our confidential information;
 - engage in any communication that is defamatory or infringes upon the intellectual property, privacy, or publicity rights of others;
 - offer for sale or solicit products on behalf of PVM;
 - make offensive comments that have the purpose or effect of creating an intimidating or hostile environment;
 - use ethnic slurs, personal insults, obscenity, or other offensive language; and
 - make any comments or post any content that in any way promotes unsafe activities that could lead to an unsafe situation involving PVM's consumers or other individuals.
- They must adhere to:

- the posted guidelines and terms of use on any site on which they post content on behalf of PVM; and
- any additional guidelines provided by PVM, such as product, service, or brand-specific program requirements.

Sponsored Endorsers must also refrain from creating fake followers or engagement on social media platforms, such as:

- Buying followers.
- Using bots to grow audience size by automating account creation, following, commenting, and liking.

Disclosing a Material Connection Clearly and Conspicuously: When posting about our products, services, or brands, PVM requires Sponsored Endorsers to disclose their material connection to us clearly and conspicuously. This policy does not require specific language to disclose a material connection, but Sponsored Endorsers must communicate the material connection effectively so that consumers:

- Can easily find it.
- Can easily understand it.
- Obtain sufficient information to make a judgment about the value of the endorsement.

Consult Appendix A to this Policy for examples of language that successfully communicate a material connection and language that does not do so.

To ensure a disclosure is clear and conspicuous, appropriate consideration should be given to the limitations and nature of the platform being used. Sponsored Endorsers must:

- Ensure the disclosure is:
 - well-placed so it can be easily noticed; and
 - prominent so it can be easily read.
- Avoid burying the disclosure:
 - in a bio;
 - below the fold;
 - in a hyperlink, like a “Legal” or “Disclosure” button; or
 - among a series of hashtags, other disclosures, or general copy.
- Superimpose a material connection disclosure on images, including on Snapchat and Instagram Stories. The disclosure should be:
 - easy to notice and read in the time that followers have to look at the image; and
 - well-contrasted against the image.

- In video posts, including podcasts:
 - place the disclosure both within the video itself, and in the description of the video; and
 - display the disclosure long enough for a consumer to be able to read and understand it.
- In Instagram posts, disclose a material connection before the “More” button.
- For a live stream, repeat the disclosure as needed to ensure that consumers see it or keep it posted throughout the live stream.
- If the posts are part of an online chat or tweets, or a similar thread, make the disclosure clearly in the first entry into the conversation thread, and then add to subsequent entries at 3-10 entry intervals depending on the media and the length of the thread.
- Disclose the material connection even when just tagging a brand or product in a photo.
- For a television or radio talk show appearance, disclose the material connection verbally when promoting our products, services, or brands.

If we ask consumers to promote our products, services, or brands on social media in exchange for the chance to win a prize, the official rules must require entrants to disclose the fact that the entrant’s post is an entry into a contest or sweepstakes. Whether the products, services, or brands are promoted in a text, a hashtag, a photo, or a video, the entry post must include some clear and conspicuous indicator that the consumer has received an entry in a promotion in exchange for the post. For example, the official rules could require entrants to use a specific hashtag disclosing that the post is a sweepstakes or contest entry. Failure to make the disclosure should disqualify the entry.

We should avoid encouraging endorsements that use features that do not allow for clear and conspicuous disclosures, such as likes, Pins, or shares, if the absence of that disclosure is likely to be misleading.

If we run a social media endorsement campaign outside the US and the product, service, or brand is sold in the US, we must require a disclosure if the posts are likely to be seen by and to affect US consumers.

A social media platform may have a required tool or feature for paid endorsements. Though these tools or features must be used to comply with the platform’s rules, they should not be relied on alone to meet Federal Trade Commission (“FTC”) disclosure requirements.

What We Must Provide to Sponsored Endorsers: When PVM engages a Sponsored Endorser, either directly or through a service provider, the Sponsored Endorser must sign an agreement outlining the business terms of the arrangement, which agreement shall attach this Policy as an exhibit and incorporate this Policy by reference, and include a statement agreeing to comply with the guidelines set forth in this Policy.

PVM may also provide Sponsored Endorsers with:

- Message points, facts sheets, or other similar talking points about the products, services, or brands at issue, that do not prescribe what the endorser should say, but include:
 - a list of claims about the company’s product, service, or brand that the company has substantiated; and
 - guidance on what the Sponsored Endorser cannot say about the company’s product, service, or brand.

Other Information For Sponsored Endorsers: Generally, Sponsored Endorsers should:

- not assume their followers know about their connection to us;
- opinions should be based on their own honest beliefs and experiences;
- refrain from making statements about our products, services, or brands that are measurable, other than those on the fact sheets we have provided;
- any comparisons must be based on actual, personal experiences with all products being compared – they should not extrapolate beyond personal experiences. For example, a Sponsored Endorser could say “I liked the Cosmic Crisp® apple the best of the apples I tried,” but should not say “No other apple tastes better than the Cosmic Crisp® apple” because you probably have not tried all apple varieties; and
- be aware that we plan to monitor their posts to ensure the accuracy of any measurable claims they make about our products, services, or brands and that they have adequately disclosed their material connection to us.

FTC provides guidance on how to comply with the law governing endorsements: PVM encourages Sponsored Endorsers to educate themselves on all FTC endorsement guidance. The following are useful resources PVM recommends you review to get you started:

- Guides Concerning the Use of Endorsements and Testimonials in Advertising (Endorsement Guides). <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-publishes-final-guides-governing-endorsements-testimonials/091005revisedendorsementguides.pdf>
- The FTC’s Endorsement Guides: What People are Asking. <https://www.ftc.gov/tips-advice/business-center/guidance/ftcs-endorsement-guides-what-people-are-asking>
- The Do’s and Don’ts for Social Media Influencers. <https://www.ftc.gov/news-events/blogs/business-blog/2017/09/three-ftc-actions-interest-influencers>

Monitoring Sponsored Endorser: Employees responsible for Sponsored Endorser relationships or campaigns must regularly monitor the postings of Sponsored Endorsers, either directly or through an advertising agency. Employees must also ensure that:

- Every Sponsored Endorser campaign or relationship has monitoring responsibilities clearly identified. If one of our service providers is to conduct the monitoring:
 - it must be given appropriate training on this Policy; and
 - its contract or statement of work must make it responsible and liable for monitoring.
- Sponsored Endorsers:
 - always disclose their material connection to PVM in a clear and conspicuous manner;
 - are not making unsubstantiated claims about our products, services or brands; and

- are otherwise complying with this Policy and any other guidance we have provided.
- Contest and sweepstakes entries that promote our products, services, or brands in social media are included in the monitoring, and entries that fail to use a material connection disclosure are disqualified.
- Monitoring of a Sponsored Endorser continues for a minimum of 12 weeks past the end of our relationship (for example, the contract expiration date or the last time we sent free samples). For longer campaigns or relationships, it may be necessary to monitor for more than 12 weeks.

When a Sponsored Endorser Fails to Comply With This Policy: PVM must correct any failure to disclose a material connection or communication of any unsubstantiated claims by a Sponsored Endorser. The employee team responsible for the Sponsored Endorser must take the following steps:

- If an agency or other third party manages or is otherwise involved with the Sponsored Endorser relationship, alert the third party to the issue.
- Consult with Kathryn Grandy to determine whether a correction is needed, and how best to make it.
- If needed, require the Sponsored Endorser to make the correction or post the correction on the Sponsored Endorser's post or page directly.
- Determine if it is necessary to:
 - withhold payment from the Sponsored Endorser; or
 - terminate the relationship with the Sponsored Endorser.

All written agreements with Sponsored Endorsers must give PVM the right to take any of these corrective measures for noncompliance with this Policy.

Training on This Policy: All employees should be aware of this Policy since they are Sponsored Endorsers. Employees that handle PVM's marketing must be especially familiar with this Policy. All employees are responsible for consulting and complying with the more current version of this Policy. If you have any questions regarding this Policy, please contact Kathryn Grandy.

Appendix A

Best Practices for Disclosure Language

As stated in the Policy, Sponsored Endorsers are required to disclose material connections to PVM. Listed below is sample disclosure language. Alternative but substantively comparable language may also be used where appropriate. Although PVM does not require specific disclosure language, it does prohibit certain hashtags and other disclosure practices specifically found by the FTC as insufficient. The goal for a material connection disclosure is to ensure it is readily seen and understood by consumers.

Statements about the material connection should identify the nature of the connection, such as:

- For receipt of free products:
 - I received free samples from Cosmic Crisp®;
 - Cosmic Crisp® sent me free apples to review;
 - Cosmic Crisp® gave me this apple to try; or
 - Thanks Cosmic Crisp® for the free apples.
- For paid Sponsored Endorsers:
 - I was paid by Cosmic Crisp®;
 - I was hired by Cosmic Crisp® to post about its apples;
 - I have partnered with Cosmic Crisp® to promote its products; or
 - I am a paid brand ambassador for Cosmic Crisp®.
- For receipt of travel and accommodations:
 - Cosmic Crisp® paid for my travel and hotel to visit its farms and sample its apples.
- For receipt of a prize to be given away in a sweepstakes or contest:
 - Cosmic Crisp® is providing the prize[s] for this program at no cost to me. [This program is not administered or sponsored by Cosmic Crisp® or its affiliates, but solely by [SPONSORED ENDORSER NAME/WEBSITE].]
- For incentivized consumer reviews:
 - I received a [sweepstakes entry/discount/coupon] for making this review.
 - I am part of Cosmic Crisp®'s program that gives me [free samples/coupons/discounts/other benefits] or

- Reviewers on this page received a [sweepstakes entry/discount/coupon/other] for making their reviews.
- For personal relationships:
 - I am [a friend of/related to/the President of Cosmic Crisp®/Proprietary Management, LLC.
- For other material connections:
 - "Advertisement";
 - "Sponsored";
 - "Paid ad"; or
 - "Ad:" (this would go at the beginning of the statement to indicate the statement is an ad).
- For television or radio talk show appearances where our products, services, or brands will be promoted, a Sponsored Endorser should verbally make the material connection to us known, such as stating:
 - Cosmic Crisp® gave me this apple;
 - I was paid by Cosmic Crisp® to...; or
 - I am working with Cosmic Crisp® to....

If using a hashtag to identify a material connection, make it unambiguous, such as:

- #ad.
- #paid.
- #sponsored.
- #cosmiccrispambassador.
- #cosmiccrispendorser.
- #cosmiccrisppartner.

Avoid ambiguous hashtags to identify material connections, such as:

- #sp.
- #spon.
- #thankscosmiccrisp.
- #teamcosmiccrisp.
- #ambassador.
- #consultant.
- #partner.
- #adviser.

- #collab.

Additionally, if a Sponsored Endorser has posted a “Disclosure and Relationships Statement” section on their blog, website, profile page, or similar site, the statement should:

- Fully disclose how the endorser is working with us.
- Disclose how the endorser works with other companies generally.
- List any conflicts of interest that may affect the credibility of the sponsored or paid reviews.

For PVM employees:

- Be clear about the employer-employee relationship with us, such as:
 - I am an employee of Proprietary Variety Management, LLC;
 - I work for Cosmic Crisp®;
 - #CosmicCrisp_Employee; or
 - My company
- Do not use an ambiguous hashtag like #ee or even #employee.