

Burpee Home Gardens® 2014 Certified Grower Guidelines

Last revised 07/01/2013

Burpee Home Gardens is designed to provide growers with maximum opportunity for revenue and profit increases. We believe that the Burpee Home Gardens brand will deliver exceptional retail sales at a premium price to comparable items – so much so that we have designed our program to be based on sell-through, with shared risk for non-sales. Our share of the risk provides a royalty rebate for unsold tags.

One of the most critical elements of this Program is the value of the brand that we are using...BURPEE®. Burpee has been providing home gardeners with seeds for success for over 130 years. Today, Burpee is the most widely recognized and accepted brand in the garden center. Awareness of this brand is over 80%, which is unparalleled by other living product brands. To continue to reinforce (and extract) the value of this brand, it is critical that we maintain a consistent, supportive brand appearance.

Only through consistency in message and product will we continue to uphold and grow the value of this brand. Inconsistent applications – in product quality, selection or merchandising – will erode the equity and eventually erode your ability to maintain a premium price for your product.

You have been allowed to participate in this program because of your continued demonstration of delivering quality product to the customer. We are excited to have you as part of the Burpee Home Gardens Certified team and wish you continued success.

Ball Horticultural Company retains the right to change or modify the Burpee Home Gardens <u>Certified Grower Guidelines</u> at any time at its sole discretion. The Burpee Home Gardens brand and intellectual property related thereto is the property of W. Atlee Burpee Company and licensed to Ball. Therefore, any use of the Burpee Home Gardens brand and intellectual property other than as expressly outlined in these Guidelines is not allowed without express written consent from Ball.

COMPONENTS OF THE PROGRAM

Note: Any alteration or modification to any of the products, tags, containers or point of purchase materials bearing the Burpee Home Gardens trademark, is strictly prohibited.

Products: All products for the Burpee Home Gardens program must be purchased from Ball. In addition, only those products that are specified as part of the Burpee Home Gardens program are to be merchandised and sold with Burpee Home Gardens packs/pots, tags and merchandising POP.

Varieties that are produced and sold must match the tags that accompany the product to the shelf. As such, tags and products should be ordered together. This program is offered through the Ball supply network.

We have chosen the best consumer-performing varieties to include in this program. In addition to a large selection of 'tried and true' basic items, there are also exclusive items that are only available as part of this program. For a complete and up-to-date list of the products that are both included and/or exclusive to the Burpee Home Gardens program, please visit www.ballhort.com/burpeehomegardens.

Products sold as part of the Burpee Home Gardens program MUST be merchandised with the appropriate Burpee Home Gardens pack/pot, tag and merchandising. Products that is exclusive to the Burpee Home Gardens program may only ever be sold at retail with the appropriate pack/pot, tag and merchandising, and may only be ordered and grown by

The vegetable varieties you know and love.
Las variedades vegetales que conocée y veraites que veraites que conocée y veraites que veraites que veraite y veraites que veraite y veraites que veraite que veraite que veraite y veraites que veraite qu

Burpee Home Gardens Certified Growers. These products are designated as such in our sales and price literature. These products have been bred and designed to deliver the ultimate consumer experience and should quickly become the cornerstones to your Burpee Home Gardens offering.

Product Quality: In addition to ensuring that we have the best consumer-performing products specified, it is the responsibility of our grower partners to deliver to the retail shelf a product that meets (or exceeds) the program's quality expectations and the demands of the consumer for a Burpee Home Gardens branded product.

The goal of the program is to maintain the quality of the Burpee Home Gardens brand when presented to the customer. By participating in the Burpee Home Gardens program, you are indicating that you are committed to delivering product that meets the program's quality expectations. By way of direction and not limitation, product that is delivered to the retail environment should be consistent in size with the pot – under or overgrown product is not acceptable. The product should also be (1) free of disease and (2) of healthy nutrition. Herbs and lettuces that are broadcast sown must have a healthy fill within the pot. Our online Product Information Guide provides culture guidelines to assist you in meeting the program's quality expectations. Please visit www.ballhort.com/burpeehomegardens.

Products that do not meet the standards outlined above shall be removed. In those instances when the grower has assumed the responsibility of maintaining the product on the retail shelf, these standards would apply to the retail 'life' of the product. The grower/retailer has the responsibility to remove from the store shelf and/or floor any products that are of poor quality (i.e., do not meet the program's quality expectations described above). The grower is to remove from its inventory (and not to ship to retailers) any products that are of poor quality. If a grower or retailer is found to have not satisfied these program requirements to Ball's satisfaction, and has failed to work diligently to correct such product quality issues and/or to ensure that such issues do not reoccur, then the eligibility of such grower or grower/retailer to participate in the rebate program may be terminated and future eligibility to participate in the program may be lost. This decision is at Ball's sole discretion.

Tags: Each saleable unit within the Burpee Home Gardens program must be accompanied by one Burpee Home Gardens tag. Upon arrival of the product to the store, each saleable unit shall have a Burpee Home Gardens tag prominently visible at the front of the package/pot. It is the responsibility of the store service provider to ensure that Burpee Home Gardens product is frequently 'refaced' so that tags continue to be prominently positioned and visible to the consumer. Tags are ordered through Ball and will be drop-shipped directly from the tag manufacturer on your specified timeline.

A variety of tags have been developed to correspond with the appropriate size container and position of the product. An up-to-date list of available tags within the program can be found at www.ballhort.com/burpeehomegardens. Tags are available in five different styles:



- Standard Tags: Our standard tag is designed to be used in a 306 packs, 804 packs or pots up to 1.00 gal (19cm)
- **To Go Tags:** To Go tags can only be used in patio-ready pots larger than a gallon. Only selected varieties may be grown and sold in patio-ready pots with a To Go tag.
- Bumper Crop™ Premium Tag: A custom designed premium locking tag is
 designated for Bumper Crop™ Grafted Tomato Collection varieties and is used in
 conjunction with a matching premium 2.5 qt. (16cm) trade size gallon lock-in tag pot.
 Grafted Tomato plants are supplied exclusively through Plug Connection in a liner
 102. Tags will ship automatically with the plants from the supplier.
- Hanging Basket Tags: Single series, non-color specific, hanging basket tags can be used with a grower's choice hanging basket. Only select mono culture varieties can be grown and sold in a hanging basket with a dangler tag.
- **Organic Tags:** There are also tags available to support organic production. These tags display the USDA organic seal and are fulfilled on a customer order basis.

Grower choice combination planters require one tag per variety inside a single planter.

Burpee Home Gardens tags are available to order only from Ball. The creation, production and/or purchase of any other tags making use of the Burpee Home Gardens, Burpee or other similar trademark are prohibited. Only those tags purchased through Ball can be used in conjunction with the Burpee Home Gardens program. No co-branding is allowed. The return of unused tags will be facilitated through Ball.



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Packs/pots: The Burpee Home Gardens program must be merchandised in Burpee Home Gardens-approved packs or pots. The grower can use a black 306 or 804 pack with white tray, a Ball-approved sustainable pot or a Burpee Home Gardens branded plastic pot for vegetables and herbs. Sustainable pots must meet Ball's criteria for plant growth, shelf presence and continued stability throughout the retail cycle. Please visit the website for a list of acceptable sustainable pot solutions.

Packs and pots may be purchased directly from several leading pot suppliers in the industry. These suppliers have approved art to print pots in a variety of sizes to meet your needs. A list of approved suppliers for both plastic and sustainable pots is on our website. Contact these suppliers directly for pricing and availability. A limited selection of pots and trays are available from Ball. Please contact your Ball Seed or ColorLink representative for ordering information.

Vegetable Patio-Ready Pots: Burpee Home Gardens products can also be merchandised in patio pots larger than a gallon in size. This option is referred to as Burpee Home Gardens To Go. The specific container used will be the choice of the grower. Only selected varieties may be grown and sold in patio pots. Please refer to the variety list at www.ballhort.com/burpeehomegardens.

Hanging Baskets: Burpee Home Gardens varieties can be placed in a grower's choice hanging basket. Each basket sold at retail must have a Burpee Home Gardens dangler tag. Only single series, non-color specific, tags

are available for select mono culture varieties.

Bumper Crop™ Premium Pot: Bumper Crop™ Grafted Tomato Collection must be sold at retail in a premium 2.5 qt. (16cm) trade size gallon pot with lock-in tag, created exclusively for our grafted tomato program. Premium pots are only available through Summit Plastic Company or from Ball; 204 pots per case and 50 trays per case minimum.

Flower Combination Planters: Burpee Home Gardens varieties can be combined together to make combination planters. Planter containers are grower choice. Grower choice combination planters require one tag per variety inside a single planter.

Handles: The use of Burpee Home Gardens-branded handles is required with the black 306 pack. The handles will be available for purchase from Ball.

Trays: Trays used for merchandising the black 306 and 804 packs shall be white. Trays used for merchandising plastic pots shall be either black or white in color. No other color trays are to be used for this program. Sustainable pots may be merchandised in black or white plastic, or in sustainable trays. A list of sustainable tray options is available on the website. Failure to comply with the pack/pot/tray components of this program may remove eligibility to participate in the rebate program or the Burpee Home Gardens Program in the future.

Point of Purchase (POP) Displays: POP pieces are a critical component of the program – as they help to provide guidance and confidence to the consumer while they are in the midst of their purchase decision. Merchandising pieces are free to the growers at Ball's discretion. The growers must pay freight charges for shipping. POP elements are provided based on two criteria: (1) the volume and purchase commitment of the program and (2) the environment/racks on which the product will be merchandised. However, once an appropriate merchandising package has been chosen, it must be used, and it is the responsibility of the grower/retailer to maintain the merchandising for the duration of the program on the shelf/carts.

All programs that include more than 2,000 units for the season must have Burpee Home Gardens POP. For product merchandised on grower carts, each cart must include a vertical cart banner on at least one end and must also contain a cart sign that indicates pricing. For product merchandised on traditional benches, each bench must have bench tape and a bench card. Store banners are also available for stores that will support volume of over 2,000 units. The amount of banners, signs and bench tape that is provided to each grower/retailer is based on total volume. A listing of recommended POP based on unit volume per retail location is available on our website.

All merchandising to support this program is to be ordered from Ball. The creation, production and/or use of the Burpee Home Gardens logo in any other format are strictly prohibited. This includes, but is not limited to, the use of the Burpee Home Gardens logo on pots, tags, merchandising elements, POP, marketing materials, websites, advertising and PR materials. This mark is the property of W. Atlee Burpee Company and licensed by Ball. If you wish to use the Burpee Home Gardens logo other than as expressly outlined in these Guidelines, you must obtain prior use permission from Ball.



Mixing other generic or branded products in a Burpee shipper and/or destination display is strictly prohibited as it lessens the strength of the brand and the impact of the POP for the consumer. Burpee Home Gardens product should be merchandised as a dedicated brand space display on racks or benches with visible POP. Purposely mixing generic and/or other branded products into the display is strongly discouraged and can result in the loss of rebate and/or loss of eligibility to participate in the program in future years.



Once the program has been sold out for the season, all merchandising components are to be removed from the point of purchase. Damaged merchandise display materials should be disposed of and not reused. Merchandising components in good condition at the end of the season may be reused the next season unless otherwise specified. You will be notified by Ball if there is a change in design for any POP elements that would preclude them from being used in subsequent seasons. (Note: that more permanent displays intended for multi-year use need to be determined in advanced by the grower/retailer and Ball.

Pricing: The Burpee Home Gardens program is designed for maximum profit margin for all steps of the supply chain. This includes the end use consumer, who will pay a premium for a national branded program because of the confidence, knowledge and success that accompanies the purchase of such plant product.

Your order for tags will include two elements, (1) the price of the tag and (2) the royalty associated with the program. These will appear in two separate columns on the invoice. You will be invoiced for the price and royalty according to your terms and conditions agreement with Ball.

For annuals, vegetables and herbs, we recommend you price at or above other branded programs, but not below. In addition the retail price should reflect a premium compared to non-branded or black-pot programs.

In order to maintain the value and equity of the brand, as well as maintain your own margin, the product **should not** be everyday-priced below the 'market average merchandised price'. This price is based not only on the product being sold, but also the size/form, the region and the time of the season. Periodic store pricing analysis will be collected by Ball and

Burpee, and those growers and/or retailers that fall outside of these pricing guidelines may not be eligible for the rebate program and may not be eligible to participate in the Program in future years.

Distribution: The Burpee Home Gardens program is offered for production and support of the home gardener market. Resale of seed, plug or other form for or to commercial fruit and/or vegetable producers is not allowed. This program is intended for sale in a traditional retail environment. Re-selling or other distribution of the program is prohibited. W. Atlee Burpee Company currently provides online and direct mail fulfillment of plants shipped to consumer's homes. Due to the conflict with this existing program, you are prohibited from offering Burpee Home Gardens plants for sale on the internet that will be delivered to a consumer's home. Product ordered on the website for "In store pickup" is permitted.

All store locations merchandising the Burpee Home Gardens program must be registered at www.ballhort.com. This allows store locations to appear on our consumer-facing website at www.burpeehomegardens.com. In addition, stores that no longer carry the program should notify the webmaster that their location should be removed from the website. Burpee Home Gardens Certified Growers must also register their businesses at www.ballhort.com/burpeehomegardens so that retailer customers can easily find sources for Burpee Home Gardens finished product. Growers and retailers can add their locations to the site by visiting www.ballhort.com/burpeehomegardens.

BURPEE HOME GARDENS UNROOTED GUARANTEE

Grower Guarantee is only applicable to key flower exclusives beginning in 2014 which includes Blue a Fuse, Flash Mob, Osteo White Lightning. If your unrooted cutting order doesn't arrive the week it was ordered, we will guarantee replacement of the same or similar product the next week at no charge.



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ROYALTY REBATE PROGRAM

The Burpee Home Gardens Program ("Program") is offered to growers on a 'guaranteed sale' basis. For Certified Growers participating in the Program, Ball will refund the royalty associated with Program products that are planted and grown, but not invoiced to the retailer (or, in the case of a grower/retailer, not sold to a consumer). This offer is subject to conditions and requirements stated in the Burpee Home Gardens Certified Grower Guidelines ("Guidelines") then in effect. To be eligible for a rebate, you must have adhered to those Guidelines in their entirety and be eligible for a rebate under those Guidelines.

The rebate of the royalty will apply only to tags on those products that were tagged, finish-grown and then discarded; or in the case of point of sale (POS) retail arrangements, products NOT invoiced to the retailer ("Used Unsold Tags").

Unused clean tags do not qualify for the rebate program unless the variety or design becomes obsolete and cannot be returned to the tag inventory; Ball will notify you in the event this occurs. Unused tags are returned through a separate process <u>DO NOT INCLUDE UNUSED CLEAN TAGS WITH A REBATE RETURN.</u> Please refer to the Burpee Home Gardens Tag Return/Rebate Policy for more details on how to return unused tags.

Note that all tags claimed for rebate MUST BE RETURNED to Ball. Tags associated with discarded product cannot be claimed for rebate and then reused.

The Rebate Year runs from September 1 of the prior year until August 31 of the current year. Rebates will be processed at the end of the rebate year, but no later than September 15, and will be verified based on tags invoiced during the Rebate Year. If rebate requests are received early, Ball reserves the right to hold processing of rebates until after September 1. No rebates will be allowed for tags shipped more than one year prior.

CLAIMING YOUR REBATE

- 1. Collect the Unsold Tags for which you are requesting a rebate.
- Complete this form.
- Send both (in same envelope or box) to: Ball Horticultural Company, Attention Burpee Home Gardens Program Administrator, 622 Town Road, West Chicago, IL 60185.
- 4. All rebate requests for Unsold Tags MUST BE RECEIVED BY SEPTEMBER 15 of the current year for tags invoiced between September 1 of the previous year and August 31 of the current year.

Your rebate for the royalty associated with the Program (note that the actual cost of the tags will not be rebated) will either (1) be applied to outstanding trade invoices due Ball or (2) in the event there are no outstanding trade invoices due Ball, the amount will be applied as an account credit towards future purchases from Ball.

In order to be eligible for a rebate, you must have adhered to the Guidelines of the program in their entirety. While your actual rebate is self-reported, your rebate amount will be evaluated versus other growers and significant outlying program performance will be investigated further.





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