



FREQUENTLY ASKED QUESTIONS

Why are we removing labels from our wine kits?

We recently polled our network of retailers to find out more regarding the usage rates of our labels in our kits, and to receive feedback on our current designs.

Based on your feedback, we found that nearly 50% of our customers were not using RJS supplied labels and simply throwing them out, creating unnecessary paper waste. We also heard from you that the current labels did not meet the same quality as our juice, nor line up with our new branding and packaging. Therefore, to support future growth of your business with RJS Craft Winemaking and the industry as a whole, we are partnering with two well established label solution providers who provide an easy online ordering system to meet the demands of your customers. This will allow our retailers to procure labels as necessary.

What are the main benefits for retailers (and consumers) transitioning from the current labels provided in kits, to the new label solutions?

The transition to more modern approach labels is aimed to help you grow your business with improved, higher quality labels that complete the customer's winemaking experience. The striking new designs better align with our brand positioning and outstanding quality. One of our label solution providers also allow customization and personalization opportunities to offer your consumers.

We are providing two great solutions; a low-cost alternative for premium labels through HJL Designs, with easy-to-use peel and stick labels designed by RJS Craft Winemaking that do not leave any residue. HJL labels can be procured at a lower price than our competitor and our own Equipment and Accessory catalogue. Secondly, we have provided a customizable high-quality label solution leveraging existing MacDay Systems label templates, with the ability to add RJS brand logos, and other personalization details.

We estimate that nearly one-half of Canadian Independent vint on premise retailers currently use HJL Designs and MacDay Systems for their wine label needs, and RJS is excited to work with these two reputable companies.

Why is the price of RJS kits not changing?

Our commitment to you has always been to deliver exceptional quality wines, with the brands that people love and trust, at a competitive price point. We have worked diligently to keep our kit pricing stable in the market, while looking for ways to not increase our kits to match the significant increase in cost of goods that our business has experienced over the past year. The business experienced an +11% cost of goods increase, with only 4.5% of costs being passed onto partners. This initiative will allow us to

not further increase costs, by removing a component of the kit that many are not utilizing and allowing this piece to be optional for the end consumer.

Which brands will be affected?

En Primeur Winery Series, Cru Select, Orchard Breezin', and Cru Specialty (kits that currently come equipped with labels) are the brands that will be affected by this change. Please note that Restricted Quantities, as our highest tier kit and quality offering, will continue to be shipped with custom labels emphasizing that year's overall program thematic. We will also be introducing new design solutions for our other brands inclusive of Cru International and Heritage Estates (TBD) that currently do not come with RJS branded labels.

We further consulted with members of the RJS Advisory Council to review the new designs and inform them of the changes, ensuring that all retailer and customer needs were taken into consideration, to allow for a smooth transition.

When is this change happening?

This will be a soft transition. We anticipate that **Cru Select** kits will cease to have labels included in kits after August 2022. The remainder of the brands will continue to be phased out according to warehouse availability and component run out dates during upcoming productions.

Note this years **Cru Specialty** Fall Seasonal release kits (inclusive of Gingerbread Cookie) and **Restricted Quantities 2023** series will contain labels.

What is the timing of change by each brand?

Brand	<u>Estimated Run Out Dates</u>
Cru Select	August 2022
EPWS	September 2022
Orchard Breezin'	October 2022
Cru Specialty	Fall 2023

Who are the new suppliers, can you elaborate a bit on each one?



HJL Designs is a manufacturer and wholesaler of high-quality vinyl labels for the craft wine making industry. With a mix of modern and traditional designs, their ever-expanding lineup of 9.5 cm x 7 cm labels fit any bottle size, are easy to remove, and do not leave any residue behind.

HJL Designs is excited to begin producing and carrying, in addition to their existing labels, the new branded lines of RJS labels - Cru International, Cru Select, En Primeur Winery Series & Orchard Breezin' -

at their industry best price of \$2.25/package. These labels will be printed on high-quality vinyl with removable, no residue adhesive.

HJL Designs is set up for ordering online and can be contacted at info@hjldesigns.com to set up an account. If over the phone assistance is required, you can send them an email and they will call you back.



MacDay Label Systems was formed to respond to the changing needs of the home vint wine market to improve the ability of consumers to use a customized label that:

- Presents a professional finish to their wine
- Provides choice of background design
- Includes the bottling date to facilitate aging
- Is easy to apply and easy to remove
- Can be purchased at a reasonable price

Easily add **RJS Craft Winemaking** logos to existing MacDay designs to develop personalized labels for your special event and/or occasion!

The system has been well received and is gaining momentum. MacDay have systems across Canada and the USA. To get your package of label samples or join the group of satisfied MacDay store owners contact them at: 1-888-828-3134 or info@macday.ca

What materials are the new labels? Are they better quality?

We partnered with both HJL Designs and MacDay Systems Ltd., as they are the market leaders in providing label solutions to the craft winemaking industry. They currently service over 300+ accounts nationwide with high quality, easy to peel and stick labels.

MacDay Systems currently utilizes custom order material for clear and white film labels both with long term removable adhesive with easy pull off. Sheet labels are also custom manufactured base material designed to work with laser and ink jet printers without running and allowing bleed.

HJL Designs labels are vinyl labels printed professionally, with an adhesive that allows the labels to be removed without leaving any residue - no soaking, just peel and remove. The standard size is 9.5 cm x 7 cm, though some label templates are a little smaller.

How do I order new RJS branded labels and what is the cost?



To order our new modern RJS branded label designs, please visit www.hjldesigns.com to set up your account. From there, you can select the RJS label template(s) of interest and place your order. RJS branded labels will sell for \$2.25 per pack of 30 labels. There is a minimum order quantity of 30 packs. No shipping rates apply for orders of 50 or more packages, \$7.50 for 30-49 packages.

Please note these labels ship from Western Canada, allow for up to one week for delivery to the East coast. For more information, please contact info@hjldesigns.com.



To order customizable RJS labels through MacDay Systems, you will first need to contact MacDay info@macday.ca or (519-668-0543) to purchase the hardware (printer) and download the software on to your stores' computer. Labels sell for \$4.00 per pack of 31 (plus, cost of printer ribbon). There is no minimum order, and the labels can be printed same day for your customers.

The printer cost is \$895.00, and rolls have 465 labels per roll at the price of \$59.95 each (\$4.00 per pack). The ribbon prints 2800 labels or 6 full rolls of labels at the price of \$24.95 each. Custom software and technical support for the printer and software is included. Sheets for colour printing with your own laser or ink jet available in packs of 50 sheets x 6 up = 300 labels.

Will you be extending any special introductory offers and/or discounts?

Interested new MacDay System customers can reach out to inquire about new deals/offers.

Are the new labels recyclable?

MacDay Systems label cores (i.e., rolls) are recyclable.

HJL Designs labels are made from vinyl and while they can be recycled (vinyl can be melted down and re-used up to eight times), it may have to be taken to a specialty recycler.

Do we receive any kind of customer care/support as we do with RJS?

Both of our new label suppliers offer outstanding customer service and keep open lines of communication should you need to contact them about any service or label order.

HJL Designs is set up for ordering online and can be contacted at info@hjldesigns.com to set up an account. If over the phone assistance is required, you can send them an email and they will call you back.

MacDay Systems can be reached at 519-668-0543 or info@macday.ca

All label inquiries should now go through our two designated solution providers versus your RJS Sales Representative.

I have old RJS labels, what should I do with them? Is RJS implementing a buy-back program?

We strongly encourage you to continue to sell through your existing inventory of RJS labels to reduce write-offs and/or contact partners within your vicinity if they would like to acquire your excess labels. We will not be offering a buy-back program.

Will the Equipment & Accessories lineup of labels still be available?

Yes, our Equipment & Accessories label line up will be available until the end of our current fiscal year (est. March 2023). Labels have been ordered to meet the forecasted demand of this timeframe. This is a soft transition, run out dates between varietals will vary. We will provide ongoing communication via. the Connect newsletter regarding each sku's runout.

What other changes can we expect?

We will also be removing the instruction sheets from our kits and digitizing them. Retailers will be able to print out instruction sheets using the supplied instruction sheet artwork. Alternatively, retailers can direct customers to go online to retrieve downloadable instruction sheets:

<https://www.rjscraftwinemaking.com/wine-kit-instructions/>

This will be a soft transition. We anticipate that kits will cease to have instruction sheets included in them after August 2022 (est.). The remainder of kits will continue to be phased out according to warehouse availability and component run out dates during upcoming productions.

In light of this change, we have updated our primary kit packaging to remove mentions of kit labels and instruction sheets to avoid any customer dis-satisfaction.

When will you be communicating these updates?

We will be providing on-going updates in our monthly Connect newsletter. We will also be providing ordering information on our Facebook page.

We have created a new page on our website <https://www.rjscraftwinemaking.com/labels/> to drive retailers and interested customers to our label solutions provider websites, where they can browse RJS label designs and place orders.

Who can I speak to with any additional questions or concerns?

We will continue to update the FAQ document posted on the online retailer portal as we receive retailer questions and concerns during this transition. For outstanding questions or concerns not addressed by your designated Sales Representative, please contact Mark Wasserman, Brand Manager, RJS Craft Winemaking at mark.wasserman@arterracanada.com.

Customer Testimonials



We have been working with the MacDay Label system since 2009. We love the labels and our customers love them too! The label system is an integral part of our marketing system. Customers love the fact that they can customize the look of their wine and share it with family and friends. Also, the labels are so easy to apply and remove. Best business decision I have made in 20 years of business."

Chris Woods, The Cork and Vine

My customers love, love, love the MacDay label collection! They have such a blast creating their own personalized design, and then share photos of them on social media. This is a double bonus for any business owner, since pictures of my products now reach that many more eyeballs! Kim and her team have consistently provided patient, one-on-one customer care with everything from offering new designs to upgrading software to helping me fix my printer. I always feel like I'm speaking with a friend.

Shannon Burrows, Argyle Wines



Great job on the new labels...you guys do such a great job and your prices are great too. We push your labels over the more boring labels :) Looking forward to ordering again soon. Keep up the great work!

Paul, The Fine Vine

Your labels are awesome! I will put in an order shortly! Thanks for keeping me in the loop!

Jutta, Grape Expectations