



A-LIGN



Rosetta Stone LLC  
Type 2 SOC 3  
2022



**SOC 3 FOR SERVICE ORGANIZATIONS REPORT**

**March 1, 2021 to February 28, 2022**

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**SECTION 1**  
**ASSERTION OF ROSETTA STONE LLC MANAGEMENT**

## ASSERTION OF ROSETTA STONE LLC MANAGEMENT

April 7, 2022

We are responsible for designing, implementing, operating, and maintaining effective controls within Rosetta Stone LLC's ('Rosetta Stone' or 'the Company') Rosetta Stone SaaS Services System throughout the period March 1, 2021 to February 28, 2022, to provide reasonable assurance that Rosetta Stone's service commitments and system requirements relevant to Security, Confidentiality, and Privacy (applicable trust services criteria) were achieved. Our description of the boundaries of the system is presented below in "Rosetta Stone LLC's Description of Its Rosetta Stone SaaS Services System throughout the period March 1, 2021 to February 28, 2022" and identifies the aspects of the system covered by our assertion.

We have performed an evaluation of the effectiveness of the controls within the system throughout the period March 1, 2021 to February 28, 2022, to provide reasonable assurance that Rosetta Stone's service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Confidentiality, and Privacy (applicable trust services criteria) set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Confidentiality, Processing Integrity and Privacy* (AICPA, *Trust Services Criteria*). Rosetta Stone's objectives for the system in applying applicable trust services criteria are embodied in its service commitments and system requirements relevant to the applicable trust services criteria. The principal service commitments and system requirements related to the applicable trust services criteria are presented in "Rosetta Stone LLC's Description of Its Rosetta Stone SaaS Services System throughout the period March 1, 2021 to February 28, 2022".

Rosetta Stone uses Microsoft Azure ('Azure') and Amazon Web Services ('AWS') to provide cloud hosting services, Google Cloud Platform ('GCP') to provide disaster recovery hosting services, and Evoque to provide data center hosting services (collectively, the 'subservice organizations'). The description indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at Rosetta Stone, to achieve Rosetta Stone's service commitments and system requirements based on the applicable trust services criteria. The description presents Rosetta Stone's controls, the applicable trust services criteria, and the types of complementary subservice organization controls assumed in the design of Rosetta Stone's controls. The description does not disclose the actual controls at the subservice organizations.

The description indicates that complementary user entity controls that are suitably designed and operating effectively are necessary to achieve Rosetta Stone's service commitments and system requirements based on the applicable trust services criteria. The description presents the applicable trust services criteria and the complementary user entity controls assumed in the design of Rosetta Stone's controls.

There are inherent limitations in any system of internal control, including the possibility of human error and the circumvention of controls. Because of these inherent limitations, a service organization may achieve reasonable, but not absolute, assurance that its service commitments and system requirements are achieved.

We assert that the controls within the system were effective throughout the period March 1, 2021 to February 28, 2022 to provide reasonable assurance that Rosetta Stone's service commitments and system requirements were achieved based on the applicable trust services criteria.

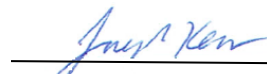
The accompanying description states that controls are in place to conduct performance and conduct evaluations on an annual basis. However, as noted in Section 4, controls related to conducting the annual performance and conduct evaluations were not operating effectively throughout the period March 1, 2021 to February 28, 2022. As a result, controls did not provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the following trust services criteria:

- CC.1.4 "The entity demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives"

- CC1.5 “The entity holds individuals accountable for their internal control responsibilities in the pursuit of objectives”

The accompanying description states that controls are in place to establish a risk management policy and conduct a formal risk assessment on an annual basis. However, as noted in Section 4, controls related to establishing a risk management policy and conducting the annual risk assessment were not operating effectively throughout the period March 1, 2021 to February 28, 2022. As a result, controls did not provide reasonable assurance that the service organization’s service commitments and system requirements were achieved based on the following trust services criteria:

- CC3.2 “The entity identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed”
- CC3.4 “The entity identifies and assesses changes that could significantly impact the system of internal control”
- CC5.1 “The entity selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels”
- CC5.2 “The entity also selects and develops general control activities over technology to support the achievement of objectives”
- CC9.1 “The entity identifies, selects, and develops risk mitigation activities for risks arising from potential business disruptions”



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Joe Kent  
Chief Technology Officer  
Rosetta Stone LLC

**SECTION 2**  
**INDEPENDENT SERVICE AUDITOR'S REPORT**

## INDEPENDENT SERVICE AUDITOR'S REPORT

To Rosetta Stone LLC:

### *Scope*

We have examined Rosetta Stone LLC's ('Rosetta Stone' or 'the Company') accompanying description of Rosetta Stone SaaS Services System titled "Rosetta Stone LLC's Description of Its Rosetta Stone SaaS Services System throughout the period March 1, 2021 to February 28, 2022" (description) based on the criteria for a description of a service organization's system in DC section 200, *2018 Description Criteria for a Description of a Service Organization's System in a SOC 2® Report* (AICPA, *Description Criteria*), (description criteria) and the suitability of the design and operating effectiveness of controls stated in the description throughout the period March 1, 2021 to February 28, 2022, to provide reasonable assurance that Rosetta Stone's service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Confidentiality, and Privacy (applicable trust services criteria) set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Services Criteria*).

Rosetta Stone uses Azure and AWS to provide cloud hosting services, GCP to provide disaster recovery hosting services, and Evoque to provide data center hosting services. The description indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at Rosetta Stone, to achieve Rosetta Stone's service commitments and system requirements based on the applicable trust services criteria. The description presents Rosetta Stone's controls, the applicable trust services criteria, and the types of complementary subservice organization controls assumed in the design of Rosetta Stone's controls. The description does not disclose the actual controls at the subservice organizations. Our examination did not include the services provided by the subservice organizations, and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that complementary user entity controls that are suitably designed and operating effectively are necessary, along with controls at Rosetta Stone, to achieve Rosetta Stone's service commitments and system requirements based on the applicable trust services criteria. The description presents Rosetta Stone's controls, the applicable trust services criteria, and the complementary user entity controls assumed in the design of Rosetta Stone's controls. Our examination did not include such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such controls.

### *Service Organization's Responsibilities*

Rosetta Stone is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that Rosetta Stone's service commitments and system requirements were achieved. Rosetta has provided the accompanying assertion titled "Assertion of Rosetta Stone LLC Management" (assertion) about the description and the suitability of design and operating effectiveness of controls stated therein. Rosetta Stone is also responsible for preparing the description and assertion, including the completeness, accuracy, and method of presentation of the description and assertion; providing the services covered by the description; selecting the applicable trust services criteria and stating the related controls in the description; and identifying the risks that threaten the achievement of the service organization's service commitments and system requirements.



### *Service Auditor's Responsibilities*

Our responsibility is to express an opinion on the description and on the suitability of design and operating effectiveness of controls stated in the description based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the description is presented in accordance with the description criteria and the controls stated therein were suitably designed and operated effectively to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of the description of a service organization's system and the suitability of the design and operating effectiveness of controls involves the following:

- Obtaining an understanding of the system and the service organization's service commitments and system requirements
- Assessing the risks that the description is not presented in accordance with the description criteria and that controls were not suitably designed or did not operate effectively
- Performing procedures to obtain evidence about whether the description is presented in accordance with the description criteria
- Performing procedures to obtain evidence about whether controls stated in the description were suitably designed to provide reasonable assurance that the service organization achieved its service commitments and system requirements based on the applicable trust services criteria
- Testing the operating effectiveness of controls stated in the description to provide reasonable assurance that the service organization achieved its service commitments and system requirements based on the applicable trust services criteria
- Evaluating the overall presentation of the description

Our examination also included performing such other procedures as we considered necessary in the circumstances.

### *Inherent Limitations*

The description is prepared to meet the common needs of a broad range of report users and may not, therefore, include every aspect of the system that individual users may consider important to meet their informational needs.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

Because of their nature, controls may not always operate effectively to provide reasonable assurance that the service organization's service commitments and system requirements are achieved based on the applicable trust services criteria. Also, the projection to the future of any conclusions about the suitability of the design and operating effectiveness of controls is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

### *Basis for Qualified Opinion*

The accompanying description states that controls are in place to conduct performance and conduct evaluations on an annual basis. However, as noted in Section 4, controls related to conducting the annual performance and conduct evaluations were not operating effectively throughout the period March 1, 2021 to February 28, 2022. As a result, controls did not provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the following trust services criteria:

- CC.1.4 "The entity demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives"
- CC1.5 "The entity holds individuals accountable for their internal control responsibilities in the pursuit of objectives"

The accompanying description states that controls are in place to establish a risk management policy and conduct a formal risk assessment on an annual basis. However, as noted in Section 4, controls related to establishing a risk management policy and conducting the annual risk assessment were not operating effectively throughout the period March 1, 2021 to February 28, 2022. As a result, controls did not provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the following trust services criteria:

- CC3.2 "The entity identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed"
- CC3.4 "The entity identifies and assesses changes that could significantly impact the system of internal control"
- CC5.1 "The entity selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels"
- CC5.2 "The entity also selects and develops general control activities over technology to support the achievement of objectives"
- CC9.1 "The entity identifies, selects, and develops risk mitigation activities for risks arising from potential business disruptions"

### *Opinion*

In our opinion, except for the matters described in the preceding paragraphs, management's assertion that the controls within Rosetta Stone's Rosetta Stone SaaS Services System were suitably designed and operating effectively throughout the period March 1, 2021 to February 28, 2022, to provide reasonable assurance that Rosetta Stone's service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects.

The SOC logo for Service Organizations on Rosetta Stone's website constitutes a symbolic representation of the contents of this report and is not intended, nor should it be construed, to provide any additional assurance.

*Restricted Use*

This report, is intended solely for the information and use of Rosetta Stone, user entities of Rosetta Stone's Rosetta SaaS Services during some or all of the period March 1, 2021 to February 28, 2022, business partners of Rosetta Stone subject to risks arising from interactions with the Rosetta Stone SaaS Services, and those who have sufficient knowledge and understanding of the complementary user entity controls and complementary subservice organization controls and how those controls interact with the controls at the service organization to achieve the service organization's service commitments and system requirements.

This report is not intended to be, and should not be, used by anyone other than these specified parties.

A-LIGN ASSURANCE

Tampa, Florida  
April 7, 2022

### **SECTION 3**

## **ROSETTA STONE LLC'S DESCRIPTION OF ITS ROSETTA STONE SAAS SERVICES SYSTEM THROUGHOUT THE PERIOD MARCH 1, 2021 TO FEBRUARY 28, 2022**

## OVERVIEW OF OPERATIONS

### Company Background

Rosetta Stone is dedicated to changing people's lives through the power of language education. Rosetta Stone's innovative digital solutions drive positive learning outcomes for the inspired learner at home or in schools and workplaces around the world.

Founded in 1992, Rosetta Stone uses cloud-based solutions to help different types of learners read, write, and speak more than 30 languages. Today, Rosetta Stone helps students build foundational reading skills through its rigorously researched, independently evaluated, and widely respected instruction and assessment programs. Rosetta Stone was incorporated in Delaware in 2005.

Rosetta Stone believes that Rosetta Stone's current portfolio of language products and transition to a SaaS-based delivery model provide multiple opportunities for long-term value creation.

Rosetta Stone continues to emphasize the development of products and solutions for Corporate and K-12 learners who need to speak and read English and other world languages. This focus extends to the Consumer Language segment, where Rosetta Stone continues to make product investments serving the needs of passionate language-learners who are mobile, results-focused and value a quality language-learning experience.

### Description of Services Provided

Rosetta Stone's business is organized into two operating segments: Enterprise and Education (E&E) Language, and Consumer Language. The E&E Language segment derives language-learning revenues from sales to educational institutions, corporations, and government agencies worldwide under a SaaS model. The Consumer Language segment derives revenue from sales to individuals and retail partners worldwide and has completed its migration to SaaS from a packaged software business. Many of Rosetta Stone's E&E Language, and Consumer Language products and services are available in flexible and convenient formats for tablets and smartphones. Rosetta Stone's mobile apps enable learners to continue their lessons on the go and extend the learning experience away from a computer. Progress is automatically synchronized across devices to meet Rosetta Stone's customers' lifestyles. These apps may be available for download through the Apple Application (App) Store, Google Play, and Amazon App Store for Android.

#### *Products and Services*

#### E&E Language

E&E Language-Learning Solutions: Rosetta Stone provides a series of web-based subscriptions to interactive language-learning solutions for schools, business and other organizations that are primarily available online. Rosetta Stone's core language-learning suite offers courses and practice applications in multiple languages, each leveraging Rosetta Stone's proprietary context-based immersion methodology, speech recognition engine and innovative technology features. Available in 25 languages and designed for beginner language learners, Rosetta Stone Foundations builds fundamental language skills. It is offered in the consumer and K-12 markets. Rosetta Stone Fluency Builder is available for intermediate and advanced language learners of English, Spanish, German, French and Italian and focuses on improving business language skills. Rosetta Stone has completed the development of Rosetta Stone Catalyst, which consolidates and aligns Rosetta Stone's Foundations and Fluency Builder course applications into a single solution for Rosetta Stone's enterprise customers. Catalyst provides streamlined access and simplified pricing for the full suite of English and world language learning content, along with assessment, placement, ongoing reporting and demonstration of results, all of which more fully address important customer needs to focus and demonstrate efficacy and support progress across a range of learner skill levels.

Specifically designed for use with Rosetta Stone's language learning solutions, Rosetta Stone's E&E Language customers may also purchase Rosetta Stone's live tutoring sessions to enhance the learning

experience. Rosetta Stone offers tailored solutions to help organizations maximize the success of their learning programs. Rosetta Stone's current custom solutions include curriculum development, global collaboration programs that combine language education with business culture training, group and live tutoring, and language courses for mission-critical government programs.

Rosetta Stone's E&E Language customers can maximize their learning solutions with administrative tools, professional services and custom solutions.

#### Enterprise Administrator Access and Administrative Tools

Rosetta Stone's E&E Language learning programs include client administrator-level access, with a set of administrative tools that enable the client administrator to manage learner access, monitor performance and measure and track learner progress. Administrators can also use these tools to access real-time dynamic reports and identify each learner's strengths and weaknesses.

#### Professional Services

Professional services provide Rosetta Stone's customers with access to experienced training, implementation and support resources. Rosetta Stone's training, implementation and support teams work directly with customers to plan, deploy, and promote the program for each organization, incorporate learning goals into implementation models, prepare and motivate learners, and integrate the E&E Language solutions into the technical infrastructure. Some of Rosetta Stone's E&E Language solutions include the option for additional online services to enhance and augment Rosetta Stone's learners' capabilities. For Rosetta Stone's E&E Languages solutions, Rosetta Stone's Online Tutoring is an online video service that provides either one-on-one or group conversational coaching sessions with native speakers to practice skills and experience direct interactive dialogue. Rosetta Stone's current suite of mobile language-learning apps includes companions to Rosetta Stone's computer-based language-learning apps which enables learners to access their language program anytime anywhere.

#### Consumer Language

Rosetta Stone also offers a broad portfolio of technology-based learning products for personal use to the global consumer. Rosetta Stone's interactive portfolio of language-learning solutions is powered by Rosetta Stone's widely recognized brand and building on Rosetta Stone's 25-year heritage in language-learning. Rosetta Stone Consumer Language-Learning Solutions: Rosetta Stone provides intuitive, easy-to-use language-learning programs that can be purchased primarily as a software subscription via the web, mobile in-app purchase, or through retail channels.

Rosetta Stone's language-learning suite offers courses and practice applications in multiple languages, each leveraging Rosetta Stone's proprietary immersion methodology, speech recognition engine and innovative technology features. Beginner language-learning products are available in multiple languages to build fundamental language skills. Rosetta Stone also offer Consumers online services to enhance and augment Rosetta Stone's learners' capabilities. Rosetta Stone's Online Tutoring is an online video service that provides either one-on-one or group conversational coaching sessions with native speakers to practice skills and experience direct interactive dialogue. Rosetta Stone's current suite of mobile language-learning apps includes companions to Rosetta Stone's computer-based language-learning apps which enables learners to access their language program anytime anywhere.

## Principal Service Commitments and System Requirements

The Company designs its processes and procedures for its E&E Languages, and Consumer solutions to meet its objectives. Those objectives are based on the service commitments that the Company makes to its educational and enterprise clients and end users / learners, the laws and regulations that govern the provision of the products and services Rosetta Stone offers and supports, and the financial, operational, and compliance requirements that Rosetta Stone's Company has established for the services. The SaaS-based products and services Rosetta Stone's Company offers, and the associated data processing activities, are subject to a number of data privacy and security laws and regulations, based on the jurisdictions in which Rosetta Stone's Company operates and the industry sectors Rosetta Stone serves and supports, including, but not limited to, the European Union (EU) - United States (U.S.) and Swiss-U.S. Privacy Shield Frameworks, the EU General Data Protection Regulation (GDPR), and other federal and state data privacy and security laws and regulations.

Security commitments to user entities are documented and communicated in customer agreements, as well as in the description of the service offering provided online. Given the multi-tenant, shared database SaaS architecture of Rosetta Stone's solutions, security commitments are standardized within channels and / or product lines.

Security concepts within the fundamental designs of the Company SaaS applications and environments are designed to permit system users to access the information they need based on their role in the system and Company organization, while restricting access to information not needed for their role.

Company solutions utilize encryption technologies to protect customer data both at rest and in transit. The Company maintains administrative, technical and operational requirements designed to support the achievement of security commitments, relevant laws and regulations, and other system requirements, while serving the needs of Rosetta Stone's Customers and learners. Such requirements are reflected and communicated in Rosetta Stone's system policies and procedures, system design documentation, internal awareness and training, and in Rosetta Stone's contracts with Rosetta Stone's customers. Information security policies are designed to reflect an approach to protecting data and systems that is both multi-layered, and organization wide. These include policies around how new products and services are designed, developed, and maintained (including Privacy and Security by Design principles); how the associated systems are operated; how internal business systems and networks are managed; and how employees are hired and trained. In addition to the policies, standard operating procedures documenting how to carry out specific manual and automated processes required in the operation and development of the Company SaaS products and services are utilized.

## Components of the System

### *Infrastructure*

Primary infrastructure used to provide Rosetta Stone's SaaS Services System includes the following:

Primary Infrastructure		
Hardware	Type	Purpose
Virtual Machine (VM) ware ESX Servers	Lenovo,-Hewlett-Packard (HP)	Private cloud environment
Physical Linux Servers	HP	Private cloud environment
Kubernetes Cluster	Lenovo	Container delivery
Firewalls	Cisco Adaptive Security Appliances (ASA) Fortinet Fortigate	Perimeter Firewall, Virtual Private Network (VPN), Intrusion Prevention System (IPS)

Primary Infrastructure		
Hardware	Type	Purpose
Switches	Cisco and HP	Core switching
Storage Arrays	HPE Nimble and EMC VNX	Storage Area Network (SAN) storage arrays
Routers	Cisco and Juniper	Routing and site-to-site VPNs
Load Balancer and Web Application Firewall	NetScaler	Forward load balancing

#### Software

Primary software used to provide Rosetta Stone's SaaS Services System includes the following:

Primary Software		
Software	Operating System	Purpose
VMware	VMware	Hypervisor
Microsoft Windows	Windows Servers 2012 R2	Active Directory
In-House Developed SW	Linux (Ruby, Hypertext Preprocessor (PHP), Java, etc.)	Product delivery
Redis	Linux	Caching Database
Oracle	Linux	Middleware Database
Google Cloud Storage	GCP Managed	DR Site/ Perform scheduled backups of client data according to the requirements defined by the customer and provides status alerts to operations personnel
Okta	Windows	Single Sign On (SSO)
Persona MySQL	Linux	Database
Nginx, Apache	Linux	Web services
Actifio, Networker	Not Applicable	Backups
Nagios, Prometheus, Splunk, Grafana	Linux	Monitoring
Chef	Linux	Configurations management
Kubernetes	Linux	Production applications
Jenkins	Linux	Continuous integration / delivery
Bitbucket (Git) subversion (SVN)	Linux	Source repository
Splunk/OpenSearch	Linux	Log aggregation



## *People*

The Company has a staff of approximately 500 employees organized in the following functional areas:

- Corporate. Executives, senior operations staff, and company administrative support staff, such as legal, compliance, internal audit, training, contracting, accounting, finance, human resources (HR), and transportation provider relations. These individuals use the Rosetta Stone SaaS Services System primarily as a tool to measure performance at an overall corporate level. This includes reporting done for internal metrics as well as for Rosetta Stone's user entities
- IT. Help desk, IT infrastructure, IT networking, IT system administration, software systems development and application support, information security, and IT operations personnel manage electronic interfaces and business implementation support and telecom
  - The help desk group provides technical assistance to the Rosetta Stone SaaS Services System users
  - The infrastructure, networking, and systems administration staff typically has no direct use of the Rosetta Stone SaaS Services System. Rather, it supports Rosetta Stone's IT infrastructure, which is used by the software. A systems administrator will deploy the releases of the Rosetta Stone SaaS Services System and other software into the production environment
  - The software development staff develops and maintains the custom software for Rosetta Stone. This includes the Rosetta Stone SaaS Services System, supporting utilities, and the external websites that interact with the Rosetta Stone SaaS Services System. The staff includes software developers, database administration, software quality assurance, and technical writers
  - The information security staff supports the Rosetta Stone SaaS Services System indirectly by monitoring internal and external security threats and maintaining current antivirus software
  - The information security staff maintains the inventory of IT assets
  - IT operations manage the user interfaces for the Rosetta Stone SaaS Services System. This includes processing user entity-supplied membership and eligibility files, producing encounter claims files, and other user-oriented data (capitation files, error reports, remittance advice, and so on)
  - Telecom personnel maintain the voice communications environment, provide user support to Rosetta Stone, and resolve communication problems. This group does not directly use the Rosetta Stone SaaS Services System, but it provides infrastructure support as well as disaster recovery assistance

## *Data*

Under Company policies, Data associated with Company products and services, includes:

- Customer data
- Payment data
- Application data
- System & Diagnostic data

### Customer Data

Customer data is received by the Company from customers and / or learners through Rosetta Stone's service agreements with enterprise customers, from individual consumers that purchase and / or use Company Consumer solutions, and, through Rosetta Stone's sales, support and product development staff who assist customers and users.

## Payment Data

Payment data is received by the Company from customers and / or consumers through Rosetta Stone's service agreements and through purchase of Company Consumer solutions, and sales and support staff who assist customers and users.

## Application Data

Application data is loaded into Company datastores (e.g., MySQL) during software releases or through content editors, or may be externally hosted by contracted service providers.

Examples of application data:

1. "Path Steps" which is non-PII data, about how a user has progressed through the product (would need to be coupled with PII data to "resolve" a support request for a particular customer / user).
2. Program content that defines the overall structure of how clients navigate Rosetta Stone's different language products (levels, activities, units, etc).
3. Content assets like images, voice samples, movies, etc.
4. Software control data.

## System & Diagnostics Data

The Company utilizes various logs for both diagnostics and security. Logs generally flow in two ways:

1. Log data that originates from system logs, like Linux syslog. Much of this log data stays local to the machine that generates the log, but non-standard or suspicious activity would be identified and forwarded to internal issue monitoring or ticketing systems, such as Splunk, for easier searching, including for further internal review and potential issue escalation.
2. Application audit logs that are generated (e.g., from "Rails" or "Tomcat / Apache") are forwarded to internal issue monitoring or ticketing systems, such as Splunk by default. These are typically used by developers to diagnose and understand product operational data for improvement and optimization, since product developers do not have access to production data and logs directly.
3. Other diagnostics data includes programming back traces, which go to a specialized service for examination, and customer-side error reports ("crash reporting") that flow into analysis services like Splunk.

## *Privacy Commitments*

The following table describes the information included as part of the Rosetta Stone SaaS Services System:

<b>Client Data</b>	<b>Reporting</b>
<ul style="list-style-type: none"><li>• Name</li><li>• Address</li><li>• Credit Card Number</li><li>• E-mail Address</li><li>• Telephone Number</li></ul>	Private data is recorded in Rosetta Stone's internal databases to log personal information, usage activity, and current licensing information. This information is monitored via database and server layer logging controls and is restricted to individuals with authorized access

Rosetta Stone captures personal information when data subjects access and use the SaaS Services System. The types of personal information collected include name, address, e-mail address, telephone number, Internet Protocol (IP) address, web browser software, web referring service, and cookies. Users are required to provide basic personal information in order to use the service when registering.

Rosetta Stone's legal department is responsible for identifying specific requirements in agreements with user entities and in laws and regulations applicable to the personal information collected via the SaaS Services System. The legal department coordinates with the IT department and the privacy officer to implement controls and practices to meet those requirements.

## ROSETTA STONE ONLINE INTERACTIVE PRODUCT

### *PRIVACY POLICY*

This Online Interactive Product Policy (the "Policy") explains Rosetta Stone's data collection, use, and disclosure practices for Rosetta Stone interactive online products and services, including without limitation the websites, software, hosted services, mobile and internet applications, trials and demos, content, games, audio and video, and associated documentation (each a "Service") owned and operated by Rosetta Stone, LLC and / or any of its subsidiaries and affiliates ("RSL"). By accessing or using any Service, individuals signify that they have read, understand, and accept the terms of this Policy. If individuals are receiving access to a Rosetta Stone Service from or through an educational institution, government agency or business enterprise that is a party to a Rosetta Stone Enterprise License or similar agreement, and the terms of that Enterprise License Agreement conflict with the terms of this Policy, the terms of the Enterprise License Agreement will prevail with respect to the conflicting term(s). As used in this Policy, the term "Service" refers to the specific Service that they are accessing or using.

Rosetta Stone is committed to the privacy and security of personal information Rosetta Stone receives and processes, and for appropriately and promptly addressing requests and instructions regarding personal data, in accordance with applicable legal requirements. In order to better ensure the proper handling of data requests, Rosetta Stone has created a Personal Information Request web form to enable Rosetta Stone to support requests from individuals seeking information and action with respect to personal data Rosetta Stone has collected for those individuals and how Rosetta Stone uses that information. If individuals are contacting Rosetta Stone to request information or action with respect to personal data Rosetta Stone has collected about them, or to exercise their data protection rights, Rosetta Stone asks that they submit request(s) through the Personal Information Request web form.

If individuals have other specific questions about this Policy, they can contact Rosetta Stone by e-mail at [privacyofficer@rosettastone.com](mailto:privacyofficer@rosettastone.com).

### Information Collected

Rosetta Stone receives and stores any information individuals enter through the Service or give Rosetta Stone in any other way. This includes information that can identify an individual ("personal information"), including first and last name, telephone number, postal and e-mail addresses. Rosetta Stone also may ask individuals to provide additional information about themselves, including age, hobbies, and interests in learning languages. Individuals can choose not to provide this additional information to Rosetta Stone, but in general, some information is required in order to subscribe to or register and participate in the features offered through the Service.

Other than personal information as described above, Rosetta Stone reserves the right to record, read, copy, disclose, and otherwise use any text, speech, data, images, and other materials that is transmitted orally or by text or post to or through the Service or any of its components.

Rosetta Stone automatically collects some information about an individual's computer when they visit the Service. For example, Rosetta Stone will collect IP addresses, Web browser software (such as Mozilla Firefox, Google Chrome, or Microsoft Edge), and the referring web Service. Rosetta Stone also may collect information about activity on this Service, such as the classes, games or chat rooms in which individuals participate. One of Rosetta Stone's goals in collecting this automatic information is to help improve user experience. Finally, when visiting the Service, Rosetta Stone may assign individuals' computers a "cookie" (a small, unique identifier text file) to remember who they are. For example, if an individual registers on the Service, Rosetta Stone may record the password in a cookie for verification purposes. Rosetta Stone also may include other information in Rosetta Stone's cookie files; for example, if an individual arrived at the Service via a link from third-party site, Rosetta Stone may include the URL of the linking page.

Please note that, unless the Service makes specific references to children and collects age information, the Service is not available for children under 13 years old in the United States or under another age specific to certain other countries in those locations. Accordingly, Rosetta Stone will not knowingly collect or maintain personal information from children under the required minimum ages through a Service that is not intended for children. Please see below for more information on Rosetta Stone's policies regarding children's privacy. If individuals believe Rosetta Stone might have any information from or about a child below the minimum age, please contact Rosetta Stone at [privacyofficer@rosettastone.com](mailto:privacyofficer@rosettastone.com).

Please note that, unless the Service makes specific references to children and collects age information, the Service is not available for children under 13 years old in the United States or under another age specific to certain other countries in those locations. Accordingly, Rosetta Stone will not knowingly collect or maintain personal information from children under the required minimum ages through a Service that is not intended for children. Please see below for more information on Rosetta Stone's policies regarding children's privacy. If individuals believe Rosetta Stone might have any information from or about a child below the minimum age, please contact Rosetta Stone at [privacyofficer@rosettastone.com](mailto:privacyofficer@rosettastone.com).

### Use of Personal Information

Rosetta Stone will use personal information for the following general purposes: to process subscriptions or registrations to the Service; to provide individuals with the products and services they request; to tailor learning experiences; to respond to questions and comments; to communicate via regular mail and e-mail (or other electronic means) about Rosetta Stone's programs and services; to measure interest in and improve Rosetta Stone's offerings; to solicit information from individuals, including through surveys; to resolve disputes, collect fees, or troubleshoot problems; to prevent potentially illegal activities; to enforce Rosetta Stone's Terms of Use; and otherwise as described to individuals at the point of collection.

Please review "Choices with respect to the Collection and Use of Personal Information" below.

### Disclosure of Personal Information

Rosetta Stone may display individuals' profile information (minus e-mail addresses and passwords) to other community members of the Service and to support other Service functions. Rosetta Stone also may disclose personal information as follows:

1. For processing orders, registrations and inquiries related to the Service.
2. To third-party vendors who provide services or functions on Rosetta Stone's behalf, including customer service, business analytics, marketing, and services to Rosetta Stone in connection with operating the Service. These companies have access to information needed to perform their functions and are not permitted to share or use the information for any other purpose.
3. To business partners with whom Rosetta Stone may jointly offer a product or service offering. Individuals can tell when a third-party is involved because the third-party's name will appear on informational materials. If an individual chooses to take advantage of these offerings, Rosetta Stone may share information about the individual, including personal information, with those named partners. Please note that Rosetta Stone does not control the privacy practices of these third-party business partners.
4. When advisable or necessary to conform to legal and regulatory requirements.
5. As necessary, in Rosetta Stone's sole discretion, to protect the perceived rights, safety and property of Rosetta Stone, the Service's hosts and carriers, users of the Service, and the public.
6. As necessary for resolving disputes, collecting fees, and troubleshooting problems.
7. In connection with a change of control or operations, including without limitation in any merger, acquisition, reorganization, restructuring or any other transfer of Rosetta Stone's assets, or a transfer of the Service operations.
8. Otherwise with consent.
9. To the educational institution, government agency or business enterprise through which individuals are receiving access to the Service when access is granted through an Enterprise License or similar

agreement between Rosetta Stone and such entity.

10. To Rosetta Stone's instructors, to tailor their instructional materials and interactions with individuals.

Other than as set out above, individuals will be notified when personal information will be shared with third-parties, and individuals will have an opportunity to choose not to have Rosetta Stone share such information.

Rosetta Stone also may share aggregate or anonymous information with third-parties, including advertisers and investors. For example, Rosetta Stone may tell Rosetta Stone's advertisers the number of visitors to the Service. This information does not contain any personal information and is most often used to develop content and services that Rosetta Stone hopes individuals find of interest.

#### A Special Word about Chat Rooms and E-mail

Whenever individuals voluntarily disclose personal information online, that information can be collected and used by others. By posting personal information online or disclosing such information in 'voice chats' with others when using the Service, that information can be seen, collected and used by others besides Rosetta Stone. Rosetta Stone cannot be responsible for any unauthorized third-party use of such publicly accessible information.

#### Access to Personal Information

Individuals may obtain a copy of any personal information about them that they provide through the Services or otherwise request that Rosetta Stone update or make changes to such personal information by using Rosetta Stone's Personal Information Request web form.

#### Choices with Respect to the Collection and Use of Personal Information

Where required by applicable law, and notably by GDPR, individuals have the right to obtain confirmation of the existence of certain Personal Data relating to them, to verify its content, origin, and accuracy, as well as the right to access, review, port, delete, or to block or withdraw consent to the processing of certain Personal Data (without affecting the lawfulness of processing based on consent before its withdrawal), by contacting Rosetta Stone as detailed below. Individuals have the right to object to Rosetta Stone's use of Personal Data for direct marketing and in certain other situations at any time. Contact Rosetta Stone below for more details. Please note that certain Personal Data may be retained as required or permitted by applicable law.

If an individual is an End User receiving access to Rosetta Stone's services through a Corporate, Governmental, Educational or other Organizational Enterprise Client of Rosetta Stone, and wishes to request access, limit use, limit disclosure or remove End User Personal Data, please contact the Enterprise Client organization that submitted the personal data to Rosetta Stone, and Rosetta Stone will support them as needed in responding to the request.

If are contacting Rosetta Stone to request information or action with respect to personal data Rosetta Stone has collected, or to exercise data protection rights, please click [HERE](#) and submit the request(s) through Rosetta Stone's Personal Information Request web form.

If individuals have other questions or requests concerning personal information, they can contact the Privacy Team by e-mail at [privacyofficer@rosettastone.com](mailto:privacyofficer@rosettastone.com).

Residents of the European Union with questions regarding rights in Personal Data under GDPR can contact the Rosetta Stone Data Protection Officer, Sofia Simoes, by e-mail at [DPO@rosettastone.com](mailto:DPO@rosettastone.com):

- As noted above, individuals can choose not to provide Rosetta Stone with personal information, although it may be needed to register as a member on the Service and to participate in certain features offered through the Service
- Individuals can access or update personal information by using Rosetta Stone's Personal Information Request web form
- Individuals may stop the delivery of commercial e-mail communications that Rosetta Stone sends by following the instructions accompanying a particular communication or by using Rosetta Stone's Personal Information Request web form
- The Help portion of the toolbar on most browsers will tell individuals how to prevent their browsers from accepting new cookies, how to have the browser notify them when they receive a new cookie, or how to disable cookies altogether

In addition, Rosetta Stone will comply with the mandatory requirements of the applicable laws of any state, federal or other governmental jurisdiction regarding personal information.

### Security

Individuals should be aware that there is always some risk involved in transmitting information over the Internet. While no website can guarantee security, Rosetta Stone has implemented reasonable administrative, technical, and physical security procedures to help protect personal information from loss, misuse or alteration by unauthorized third-parties. For example, Rosetta Stone maintains policies and protocols to restrict access to personal information only to authorized personnel, and only for permitted business functions.

### Transfer of Data

The Internet is a global environment. Using the Internet to collect and process personal Data necessarily involves the transmission of Data on an international basis. For individuals located in the European Union, Rosetta Stone participates in the EU-U.S. and Swiss-U.S. Privacy Shield Framework (the "Framework") as set forth by the U.S. Department of Commerce regarding the collection, use and retention of personal data from the European Union and Switzerland. More information about Rosetta Stone's certification to the Framework is available at: <http://www.rosettastone.com/privacy-shield>, or the U.S. Department of Commerce site: <https://www.privacyshield.gov/welcome>.

### Children Using the Service

In the United States, the Children's Online Privacy Protection Act imposes certain restrictions on web sites and online services that are directed at children under 13 or where the operators know that they are collecting personal information from children under the age of thirteen (13). Unless the Service makes specific references to children and collects age information, in which case further required disclosures will be provided, the Service is not directed at or intended for children under 13 years old in the United States or other minimum age specific to certain other countries in those locations. Accordingly, Rosetta Stone will not knowingly collect personal information from children under the required minimum ages through a Service that is not intended for children without the consent of a parent or authorized guardian. Rosetta Stone does not knowingly allow children under the age of thirteen or other required minimum age to publicly post or otherwise distribute personally identifiable contact information through the Service, and Rosetta Stone does not condition the participation of a child under thirteen or other required minimum age in the Service's online interactive activities on providing personally identifiable information. If Rosetta Stone becomes aware that the Company has inadvertently received personally identifiable information from a user under the minimum age without the consent of a parent or authorized guardian, Rosetta Stone will use that information to respond directly to that child to inform him or her that the Service is not intended for children under the minimum age, and Rosetta Stone will delete that information from Rosetta Stone's records.

### Third-party Websites

Websites to which this Service links do not operate under this Policy. Rosetta Stone recommends that individuals examine the privacy statements posted on those other websites to understand their procedures for collecting, using, and disclosing personal information.

### Changes to This Policy

Rosetta Stone may update this Policy in the future to reflect changes in Rosetta Stone's privacy practices, Rosetta Stone's website functionality, or applicable legislation. Rosetta Stone will notify individuals about material changes to this Policy by sending a notice to the e-mail address provided to Rosetta Stone or by placing a prominent notice on the Service.

### How Individuals Can Contact Rosetta Stone

Any questions about this Policy can be submitted at [privacyofficer@rosettastone.com](mailto:privacyofficer@rosettastone.com).

Individuals may request a copy or send a correction of the personal information Rosetta Stone holds by contacting the Privacy Officer at [privacyofficer@rosettastone.com](mailto:privacyofficer@rosettastone.com) or writing to:

Privacy Officer  
Rosetta Stone LLC  
777 Mariners Island Blvd, Suite 600 San Mateo, CA 94404

If individuals wish to report communications or actions of other users that they believe may be in violation of this Policy or Rosetta Stone's Terms of Use, they may contact Rosetta Stone by clicking on the "Contact Us" or "Report Abuse" link at the bottom of the Service's webpages.

## California Consumers

### Notice to California Consumers

This notice is effective as of February 26, 2021

For individuals that reside in California, Rosetta Stone is required to provide additional information about how the Company use and disclose information, and individuals may have additional rights with regard to how Rosetta Stone uses information. Rosetta Stone has included this California-specific information below:

- CA Personal Information. Consistent with section 1 of this *Privacy Policy*, Rosetta Stone collects certain categories and specific pieces of information about individuals that are considered “Personal Information” in California (“CA Personal Information”), specifically:
  - Personal and Other Identifiers or Characteristics: such as first name and last name, personal or professional contact information, mailing address, telephone number, e-mail address, unique personal identifier, IP, device, and online activity information, age, date of birth, gender, demographics, username and password to Rosetta Stone’s Websites or services
  - Commercial Information: such as payment details, credit card information and purchase or transaction history
  - Sources. Rosetta Stone may collect certain categories of CA Personal Information from individuals and other third-parties as described in section 1 of this *Privacy Policy*
- Use of CA Personal Information. Consistent with sections 2 and 3 of this *Privacy Policy*, Rosetta Stone may use CA Personal Information for business or commercial purposes. Please see sections 2 and 3 for more details
- CA Personal Information Sold or Disclosed for Business Purposes:
  - In the preceding twelve months, Rosetta Stone may have shared CA Personal Information for business purposes, or Rosetta Stone may have “sold” (as defined under CCPA) some categories of CA Personal Information
- California Consumer Rights. Subject to certain exceptions, as a California resident, individuals may have the following rights to their CA Personal Information: (i) *Access*. Request access to CA Personal Information that Rosetta Stone collected, used, disclosed, or sold; (ii) *Deletion*. Request deletion of CA Personal Information; and (iii) *CA Personal Information Sold or Disclosed for Business Purposes*. Request information about the CA Personal Information Rosetta Stone has “sold” (as defined under CCPA) or disclosed for business purposes within the preceding 12 months. To the extent permitted by applicable law, Rosetta Stone may be required to retain some CA Personal Information and certain CA Personal Information is strictly necessary in order for Rosetta Stone to fulfill the purposes described in this Privacy Policy



Notice to California Consumers

This notice is effective as of February 26, 2021

- Exercising California consumer rights. If individuals are a California resident and wish to exercise any of these rights, please: (a) submit requests using Rosetta Stone's California webform; (b) log into their account to make any updates or submit a request; (c) contact Rosetta Stone as described in the *Privacy Policy* section 12 above, or (d) call the following toll-free number 800-280-8172. When submitting requests, individuals may be asked to provide certain information, which may include additional proof of identification, so that Rosetta Stone can verify individuals' identity and validate the request. Rosetta Stone is not responsible for requests that are not sent or submitted properly, or that do not have complete information. Please note that individuals are limited by law in the number of requests they may submit per year. Rosetta Stone will not discriminate against individuals by offering different pricing or products, or by providing individuals with a different level or quality of products, based solely upon individuals exercising their rights to their CA Personal Information
- Do Not Sell My Personal Information. If Rosetta Stone "sells" (as defined by CCPA) CA Personal Information to a third-party, as a California Resident, individuals have the right to opt-out of the sale of their CA Personal Information. If individuals wish to exercise this right, contact Rosetta Stone as described in the *Privacy Policy* section 12 above, or call the following toll-free number 800-280-8172. To the extent that individuals elect to designate an authorized agent to make a request on their behalf, they must identify that they are contacting Rosetta Stone as agent and will be required to provide appropriate documentation including written signed authorization by the individual, proof of their identity, and verification of their identity; or a valid, designated power of attorney as required under the California Probate Code. Rosetta Stone may require additional proof of authority or may need to contact individuals directly to validate the request. If individuals are under the age of 16, Rosetta Stone will not sell CA Personal Information without proper consent

*Processes, Policies and Procedures*

Formal IT policies and procedures exist that describe physical security, logical access, computer operations, change control, and data communication standards. Company employees are obliged to adhere to Rosetta Stone's policies and procedures that define how services should be delivered. These are located on Rosetta Stone's intranet and can be accessed by any company employee.

Physical Security

The physical security of production servers is the responsibility of Microsoft Azure, Google Cloud Platform (GCP), Amazon Web Services (AWS), and Evoque. Refer to the "Subservice organizations" section below for the Azure, GCP, and Evoque controls in place around physical security.

Logical Access

The Company uses permissions-based controls based on principles of least privilege access and requires users of the system to be identified and authenticated by the system owner manager, prior to the use of Company systems and resources. Resources are protected through the use of native system security and add-on software products that identify and authenticate users and validate access requests against the users' authorized security roles in access control lists.

Company resources are managed in the access request system and each asset is assigned an owner. Owners are responsible for approving access to the resource and for performing periodic reviews of access.

Employees and approved contracted personnel sign on to the Company network using an Active Directory user ID and password. Users are also required to separately sign on to any systems or applications that do not use the shared sign-on functionality of Active Directory. Passwords must conform to defined password standards and are enforced through parameter settings in Active Directory. These settings are part of the configurations standards and force users to change passwords at a defined interval and to disable the user ID's ability to access the system and components after a specified number of unsuccessful access attempts.

Employees and approved contracted personnel accessing systems from outside the Company network are required to use a two-factor authentication system.

Employees and approved contracted personnel accessing certain internal Company resources from outside the Company network are required to use a VPN with a two-factor authentication system.

Upon hire, employees are assigned to a position in the HR Management System. Prior to the employee's start date, the HR Management System notifies IT to create an employee user ID. Company IT sets the employee access to Company systems based on the role of new employee, following access rules that have been pre-defined based on the defined roles. The manager of the new employee and the owner of the system(s) to which the new employee will receive access receives notification and must approve the systems and permissions set up by Company IT within the access control system before access is granted. The HR Management System also provides notification to Company IT, and employee access rights are reviewed and verified, when the employee's position and / or associated roles changes.

On a quarterly basis, access roles and users for each role are reviewed by system owners. In evaluating role access and user access, system owners consider duties requiring segregation, and risks associated with access. System owners adjust access as needed.

Upon termination of employment, the HR Management System notifies IT of the terminated employee or employees. Rosetta Stone IT helpdesk removes employee access to Company systems and provisioned accounts.

### Computer Operations - Backups

#### Language

Customer data is backed up and monitored by operations personnel for completion and exceptions. In the event of an exception, operations personnel perform troubleshooting to identify the root cause and then re-run the backup job immediately or as part of the next scheduled backup job depending on customer indicated preference within the documented work instructions.

### Computer Operations - Availability

Incident response policies and procedures are in place to guide personnel in reporting and responding to information technology incidents. Procedures exist to identify, report, and act upon system security breaches and other incidents. Incident response procedures are in place to identify and respond to incidents on the network.

The Company monitors the capacity utilization of physical and computing infrastructure both internally and externally so that service delivery capacity and service level agreements align. The Company evaluates the need for additional infrastructure capacity in response to growth of existing customers and / or the addition of new customers. Infrastructure capacity monitoring includes, but is not limited to, the following:

- Disk storage
- RAM storage
- Processing Infrastructure Capacity
- Internal Application Metrics
- Application Uptime, Response Times and Performance
- Processing and Application Errors
- Network bandwidth

The Company has implemented patch management processes so that contracted customer and Company infrastructure systems are patched in accordance with vendor recommended operating system patches. Company IT and Product system owners review proposed operating system patches to determine whether the patches are applied. Company IT and Product are responsible for determining the impact and prioritization of applying or not applying patches based upon the function of the affected systems within the Company architecture, the nature of the data processed, the security and availability impact of those systems, and any critical applications hosted on them. Company IT and / or Product staff validate that all patches have been installed and tested / confirmed, and, if applicable, that any necessary reboots have been completed.

#### Change Control

The Company maintains a documented Systems Development Life Cycle (SDLC) policy to guide personnel in documenting and implementing application and infrastructure changes. Change control procedures include change request and initiation processes, documentation requirements, development practices, quality assurance testing requirements, and required approval procedures.

A ticketing system is utilized to document the change control procedures for changes in the application and implementation of new changes. Quality assurance testing and User Acceptance Testing (UAT) results are documented and maintained with the associated change request. Development and testing are performed in an environment that is logically separated from the production environment. Development management approves changes prior to migration to the production environment and documents those approvals within the ticketing system.

Version control software is utilized to maintain source code versions and migrate source code through the development process to the production environment. The version control software maintains a history of code changes to support rollback capabilities and tracks changes to developers.

The Company has implemented patch management processes so that contracted customer and Company infrastructure systems are patched in accordance with vendor recommended operating system patches. Company IT and Product system owners review proposed operating system patches to determine whether the patches are applied.

Company IT and Product are responsible for determining the impact and prioritization of applying or not applying patches based upon the function of the affected systems within the Company architecture, the nature of the data processed, the security and availability impact of those systems, and any critical applications hosted on them. Company IT and / or Product staff validate that patches have been installed and tested / confirmed, and, if applicable, that any necessary reboots have been completed.

## Data Communications

Firewall systems are in place to enable filtering of unauthorized inbound network traffic from the Internet and denial of network connections that are not explicitly authorized. Network address translation (NAT) functionality is utilized to manage internal IP addresses. Administrative access to the firewall is restricted to authorized personnel. Redundancy is built into the system infrastructure supporting the data center services to help ensure that there is no single point of failure that includes firewalls, routers, and servers. In the event that a primary system fails, the redundant hardware is configured to take its place.

### *Additional Information*

The Company conducts periodic and ongoing vulnerability scanning and penetration testing to identify vulnerabilities and assess the effectiveness of the security of the applications and the network. The third-party tools deployed by the Company use industry accepted vulnerability scanning and penetration testing methodologies. Vulnerability scans are conducted from both outside and inside of the Company network. The third-party providers scan the web applications for vulnerabilities and then attempt to exploit the vulnerabilities to determine whether unauthorized access or other malicious activities are possible.

Vulnerability scanning is performed by Rosetta Stone on a monthly basis in accordance with Company policy. Rosetta Stone uses industry standard scanning technologies. These technologies are customized to test the organization's infrastructure and software in an efficient manner while minimizing the potential risks associated with active scanning. Retests and on-demand scans are performed on an as needed basis. Scans are performed during non-peak windows. Tools requiring installation in the Company system are implemented through the Change Management process. Scanning is performed with approved scanning templates and with bandwidth-throttling options enabled.

### **Boundaries of the System**

The scope of this report includes the Rosetta Stone SaaS Services System performed in the Arlington, Virginia; Harrisonburg, Virginia; Boulder, Colorado; Seattle, Washington; and London, United Kingdom facilities.

This report does not include the cloud hosting services provided by Azure and AWS, the disaster recovery hosting services provided by GCP, or the data center hosting services provided by Evoque at the Ashburn, Virginia facility.

### **Changes to the System Since the Last Review**

Rosetta Stone was acquired by IXL Learning on March 17, 2021.

### **Incidents Since the Last Review**

No significant incidents have occurred to the services provided to user entities since the organization's last review.

### **Criteria Not Applicable to the System**

All Security, Confidentiality and Privacy criteria was applicable to the Rosetta Stone's Rosetta Stone SaaS Services System.

### **Subservice organizations**

This report does not include the cloud hosting services provided by Azure and AWS, the disaster recovery hosting services provided by GCP, or the data center hosting services provided by Evoque.

### *Complementary Subservice organizations Controls*

Rosetta Stone’s services are designed with the understanding that certain controls will be implemented by subservice organizations. Such controls are called complementary subservice organizations controls. It is not feasible for all of the Trust Services Criteria related to Rosetta Stone’s services to be solely achieved by Rosetta Stone control procedures. Accordingly, the subservice organizations, in conjunction with the services, are responsible for establishing their own internal controls or procedures to complement those of Rosetta Stone.

The following subservice organizations controls are implemented by Azure to provide additional assurance that the Trust Services Criteria described within this report are met:

<b>Subservice Organizations - Azure</b>		
<b>Category</b>	<b>Criteria</b>	<b>Control</b>
Common / Security	CC6.4	Procedures have been established to restrict physical access to the datacenter to authorized employees, vendors, contractors, and visitors.
		Security verification and check-in are required for personnel requiring temporary access to the interior datacenter facility including tour groups or visitors.
		Physical access to the datacenter is reviewed quarterly and verified by the data center management team.
		Physical access mechanisms (e.g., access card readers, biometric devices, man traps / portals, cages, locked cabinets) have been implemented and are administered to restrict access to authorized individuals.
	The data center facility is monitored 24x7 by security personnel.	
	CC6.7, CC6.8	Critical data is stored in encrypted format using software supporting AES-256.

The following subservice organizations controls are implemented by AWS to provide additional assurance that the Trust Services Criteria described within this report are met:

<b>Subservice Organization - AWS</b>		
<b>Category</b>	<b>Criteria</b>	<b>Control</b>
Common Criteria / Security	CC6.4	Physical access to data centers is approved by an authorized individual.
		Physical access is revoked within 24 hours of the employee or vendor record being deactivated.
		Physical access to data centers is reviewed on a quarterly basis by appropriate personnel.
		Physical access points to server locations are recorded by closed circuit television camera (CCTV). Images are retained for 90 days, unless limited by legal or contractual obligations.
		Physical access points to server locations are managed by electronic access control devices.

The following subservice organizations controls are implemented by GCP to provide additional assurance that the Trust Services Criteria described within this report are met:

<b>Subservice organizations - GCP</b>		
<b>Category</b>	<b>Criteria</b>	<b>Control</b>
Common / Security	CC6.4	Physical access to data centers is approved by an authorized individual.
		Physical access is revoked within 24 hours of the employee or vendor record being deactivated.
		Physical access to data centers is reviewed on a quarterly basis by appropriate personnel.
		Physical access points to server locations are recorded by closed circuit television camera (CCTV). Images are retained for 90 days, unless limited by legal or contractual obligations.
		Physical access points to server locations are managed by electronic access control devices.
		Electronic intrusion detection systems are installed within data server locations to monitor, detect, and automatically alert appropriate personnel of security incidents.
	CC6.7, CC6.8	Critical data is stored in encrypted format using software supporting AES-256.

The following subservice organizations controls are implemented by Evoque to provide additional assurance that the Trust Services Criteria described within this report are met:

<b>Subservice organizations - Evoque</b>		
<b>Category</b>	<b>Criteria</b>	<b>Control</b>
Common / Security	CC6.4	Visitors accessing customer cages are required to sign in at the reception desk, display a visitor badge, and must be escorted into the buildings by security personnel.
		Requests for physical access are authorized by the employee or contractor's supervisor or manager.
		Physical access to the IDC data center is limited to pre-authorized employees and customers. For individuals who are not on the permanent access list, temporary access is arranged by authorized managers or authorized customer personnel and communicated to the IDC Operations or Security team.
		Security personnel compare customer / vendor / visitor picture IDs to records of individuals on the permanent access list or pre-authorized temporary access requests before allowing access to the IDC.
		Authorized customer personnel or contractors accessing the IDC must sign in and out on the appropriate access log.

Subservice organizations - Evoque		
Category	Criteria	Control
		Physical access to the IDCs is controlled by physical barricades or mantraps (subject to local building code requirements) between the reception area and the actual data center. The barricade is activated by the use of a card-key access system.
		Customer hardware systems are physical separated from other hardware in locked cabinets or cages.
		All individual customer facilities are physically secured using separated locking cabinets and / or cafes depending on the physical equipment size requirements.
		Authorized individuals are provided with a card key for physical access within the facilities with access rights as defined for a customer or by the job description of the facility employee.
		Customer additions or removals from the permanent access list are performed either through the Business Direct Portal or Remote Hands Ticket, submitted by authorized customer personnel. Removals are communicated by sending an Access Change Control Form to the IDC Operations or Security team.
		Systems used to monitor customer networks are housed in physically secure facilities, with door access controlled by a card-key system.
		Employees and contractors are provided with physical access only to areas to which they are authorized, based on approval procedures. Access to sensitive areas is segregated from other areas and is controlled by the use of electronic access controls.
		Access to facilities and sensitive areas is controlled using an automated card-key system.
		The network environment is designed to logically segregate each customer's network assets. Customer networks are also segregated from the Internal network.

Rosetta Stone management, along with the subservice organizations, define the scope and responsibility of the controls necessary to meet all the relevant Trust Services Criteria through written contracts, such as service level agreements. In addition, Rosetta Stone performs monitoring of the subservice organizations controls, including the following procedures:

- Reviewing service-related communications and attestation reports about services provided by the subservice organizations
- Monitoring external communications, such as industry reports and customer complaints relevant to the services by the subservice organizations

## COMPLEMENTARY USER ENTITY CONTROLS

Rosetta Stone's services are designed with the assumption that certain controls will be implemented by user entities. Such controls are called complementary user entity controls. It is not feasible for all of the Trust Services Criteria related to Rosetta Stone's services to be solely achieved by Rosetta Stone control procedures. Accordingly, user entities, in conjunction with the services, should establish their own internal controls or procedures to complement those of Rosetta Stone.

The following complementary user entity controls should be implemented by user entities to provide additional assurance that the Trust Services Criteria described within this report are met. As these items represent only a part of the control considerations that might be pertinent at the user entities' locations, user entities' auditors should exercise judgment in selecting and reviewing these complementary user entity controls.

1. User entities are responsible for understanding and complying with their contractual obligations to Rosetta Stone.
2. User entities are responsible for notifying Rosetta Stone of changes made to technical or administrative contact information.
3. User entities are responsible for maintaining their own systems of record.
4. User entities are responsible for ensuring the supervision, management, and control of the use of Rosetta Stone services by their personnel.
5. User entities are responsible for developing their own disaster recovery and business continuity plans that address the inability to access or utilize Rosetta Stone services.
6. User entities are responsible for providing Rosetta Stone with a list of approvers for security and system configurations changes for data transmission.
7. User entities are responsible for immediately notifying Rosetta Stone of any actual or suspected information security breaches, including compromised user accounts, including those used for integrations and secure file transfers.
8. The enterprise customer administrators (where applicable) for user accounts are responsible for ensuring that they maintain the accuracy of their user accounts, for managing their users' licenses and access, and for removing and contacting Rosetta Stone operations teams regarding the removal of their terminated users as per contractual agreements.