

WATERMARK

MEMO

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| TO: | FROM: |
| WATERMARK DEALERS AND REPRESENTATIVES | AVI ABEL |
| RE: | DATE: |
| MINIMUM ADVERTISED PRICE POLICY | FEBRUARY 11, 2015 |

Watermark Designs, LTD. seeks to maintain the integrity of the product line and our quality brand image. We believe that our success is dependent on providing our dealers with a fair margin and allowing each dealer to establish their own resale prices.

For this reason, Watermark Designs, LTD. has set a Minimum Advertised Price ceiling of no more than 15% off the current suggested list price for all products effective immediately. Dealers may mark under pricing “*Contact directly for quote*” or language of similar effect as an alternative to listing any pricing or discounts.

While all dealers are free to sell Watermark Designs, LTD. products they deem appropriate, Watermark Designs, LTD. will only authorize the use of its name, registered logo, product images, and product descriptions in advertisements that include a price listing that is equal to or greater than the Minimum Advertised Price.

This policy does not set or limit the sales price to any consumer or purchaser for the products. Only the advertised price or discount shown is subject to the policy restriction.

This policy shall encompass all forms of media advertising including the Internet, Ethernet, or other computer medium advertisement. Any dealer or reseller may not list Watermark Designs, LTD. products on an online auction site with a “starting price” or “buy it now” price below the listed Minimum Advertised Price.

Watermark Designs, LTD. reserves the right, after making an investigation of any alleged or discovered violation, to cease shipments of all products to any dealer advertising Watermark Designs, LTD. products below the Minimum Advertised Price.

In the event you have any questions, comments or concerns regarding this policy, please contact your Watermark Designs, LTD. regional sales representative or myself at 718-257-2800.