



MINIMUM ADVERTISED PRICE POLICY

(Effective June 1, 2018)

I. INTRODUCTION AND PURPOSE OF POLICY

Palram Applications (1995) Ltd. ("**Palram**"), has invested substantial time and money building the Palram brand name and image, and promoting the quality and technical advantages of products bearing that brand in the United States ("**Palram Products**"). As a result, the Palram brand is recognized throughout the United States as an assurance of quality and reliability in thermoplastic products, including canopies and awnings, carports, solar products, hobby greenhouses, and roofing solutions.

Palram recognizes that its success is directly tied to the success of its network of expressly authorized resellers in the United States, including both distributors and retailers ("**Authorized Resellers**"), many of whom invest significant time and resources to deliver an extraordinary customer experience to those who evaluate and purchase Palram Products. Palram seeks to preserve and enhance the Palram brand image, compete effectively in the sale of its products, and maintain and improve a mutually beneficial relationship with its Authorized Resellers.

To achieve these important objectives, Palram has unilaterally adopted this Minimum Advertised Price ("**MAP**") Policy ("**Policy**") in the United States. To maintain and enhance the reputation and value of the Palram brand, Palram must ensure that Palram Products are advertised at prices set by Palram that reflect the products' quality and reliability, as well as the overall value of the Palram brand; and must take appropriate steps – including legal action in some cases – to stop those who advertise Palram Products at unauthorized prices that may tarnish the reputation and image of the Palram brand in the marketplace.

Palram has implemented this Policy after unilaterally determining that extensive advertised discounting of Palram Products by certain resellers is threatening to detract from the value and image of Palram Products, harm Palram's reputation as a manufacturer of high-quality products, and impair Palram's ability to compete effectively against other high-end brands of competing products. Palram has also determined that such advertised discounting permits those resellers who advertise discounted prices to "free ride" on the superior (but costly) customer service and promotional efforts of certain Authorized Resellers and the significant promotional expenditures of Palram, discouraging Authorized Resellers from investing in the promotion of Palram Products and devaluing Palram's substantial investment in its brand and image.

This Policy is intended to assist Palram, its employees and its Authorized Resellers in maintaining, protecting and enhancing the value of the Palram brand and image in the United States. Palram firmly believes this Policy is in the long-term best interests of Palram, its Authorized Resellers, and its end-users.

II. STATEMENT OF POLICY

Palram, in its sole discretion, reserves the right to cease sales and/or shipments of Palram Products to (and/or take any other enforcement action listed in Section VII below against) any Authorized Reseller that advertises any product(s) covered by this Policy at a price lower than the MAP, as determined in Palram's sole discretion. This Policy applies to all Palram Products identified on Schedule A posted on <http://www.palramapplications.com> ("**Schedule A**") and to all Authorized Resellers.



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III. ACTUAL SALES PRICE

This Policy governs the prices at which an Authorized Reseller advertises Palram Products for sale, as defined below. It does NOT govern actual resale prices charged ("**Resale Prices**"). Authorized Resellers are free to determine, negotiate or adjust Resale Prices with individual consumers without consulting or advising Palram, provided that they otherwise comply with the Policy.

IV. DEFINITIONS

- A.** An "**advertisement**" is any communication made to, or made accessible to, the public stating the price at which Palram Products will be sold, except that price tags, price stickers, price labels or other in-store promotional displays stating the price at which a product will be sold, affixed to or posted with the product(s) shall NOT constitute an "advertisement" under this Policy. Website features such as "click for price," automated "bounce-back" pricing e-mails, pre-formatted e-mail responses, forms, automatic price display for any items prior to being placed in a customer's shopping cart and other similar features constitute "advertising" under this Policy. It shall NOT be a violation of this Policy to advertise that a customer may "call for price" or "email for price," or to use similar language, specifically with respect to Palram Products, so long as no price is listed. It shall NOT be a violation of this Policy to advertise in general that an Authorized Reseller will match or meet its competitors' prices, so long as the Authorized Reseller does not state any advertised price below MAP and otherwise complies with this Policy. For sake of clarity, an "advertisement" includes, but is not limited to, statements communicated to the public through any media (print, radio, television and internet) including, but not limited to, paid and unpaid advertisements, catalogs, billboards, flyers, classifieds, posters, coupons, mailers, inserts, newspapers, magazines, newsletters, television, radio, and public signage, internet sales listings (including, but not limited to, listings on the reseller's own website, or through any third-party internet marketplace, listing aggregators, or CPA/PPA services, such as Google Adwords), "pop-up" ads, linked videos, social media sites, apps, blogs, emails, and any other electronic media.
- B.** "**MAP Pricing**" means the price listed for a particular Palram Product on Schedule A. Palram may in its sole discretion modify this list from time to time, including adding or removing Products and/or modifying the MAP Pricing for a specific product.
- C.** "**Below MAP Pricing**" means advertising for sale any Palram Product at a price lower than the price listed for that product on Schedule A. This definition also applies to e-commerce accounts. "Buy it Now" options must be listed at a price equal to MAP or greater. For auctions, the reserve and/or opening bids must start at MAP without a "Buy it Now" option. "Best Offer Auctions" are not permitted. Freight and handling charges (if any) must be in addition to the price set forth in the listing on Schedule A. The inclusion in advertising of free or discounted products (whether made by Palram or another manufacturer) with a product covered by this Policy violates this Policy if it has the effect of discounting the advertised price of the covered product below MAP Pricing. This Policy does NOT establish maximum advertised prices.



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- D. "To the public"** means an advertisement that is generally available to members of the public as a whole. In connection with prices advertised on the internet, a price is deemed to be advertised "to the public" if the webpage displaying the price is capable of being located or identified directly through an internet search engine (e.g., google.com, bing.com, etc.) or pricing software. A price communicated through the internet shall also be deemed to be advertised "to the public" if it is displayed and/or accessible on a secured webpage that is not capable of being located through an internet search engine or internet pricing software, including on a secure "Checkout" or "Cart" page, whenever a random consumer might be able to gain access thereto.

V. UNILATERAL NATURE OF POLICY

This unilateral Policy does not constitute an agreement between Palram and any other person or entity and is subject to unilateral change by Palram at any time. Palram does not seek and will not accept the agreement of any Authorized Reseller or any other person or entity with regard to this Policy. Palram employees and sales representatives will not discuss this Policy or any alleged or actual violations with any Authorized Reseller or employees, representatives or agents of any Authorized Reseller. All Palram employees and sales representatives have been instructed not to discuss this Policy, its application or enforcement, or any investigation or actual or alleged violation. Palram requests that Authorized Resellers do not attempt to discuss this Policy with Palram employees or sales representatives.

VI. UNILATERAL DETERMINATION OF COMPLIANCE WITH POLICY

Palram will determine unilaterally whether any Authorized Reseller has violated this Policy and will notify the offending Authorized Reseller of that determination and the resulting enforcement action. This Policy also applies to any activity which Palram determines, in its sole discretion, is designed or intended to circumvent the intent of this Policy, such as solicitations for "group purchases." If Palram determines that a violation has occurred, there is no appeal process.

VII. ENFORCEMENT

Palram reviews the Authorized Resellers' advertised prices for Palram Products listed on Schedule A either directly or via the use of third-party agencies or tools. Authorized Resellers are expected to provide reasonable cooperation in any Palram investigation regarding a possible violation of this Policy. Hindering, obstructing, delaying, or otherwise failing to cooperate with a Palram investigation of compliance with this Policy is a violation of this Policy.

To maintain the reputation and value of the Palram brand, Palram reserves the right to take the following enforcement actions in the event of a violation of this Policy by an Authorized Reseller or a reasonable belief that an Authorized Reseller intends to violate this Policy:

- A.** Terminate the Authorized Reseller status of any offending Authorized Reseller; and/or
- B.** Cancel any pending orders of any offending Authorized Reseller; and/or
- C.** Cease, delay or otherwise restrict shipments and/or sales of Palram Products to any offending Authorized Reseller; and/or
- D.** Commence legal actions against any offending Authorized Reseller to halt violations of the Policy and/or collect damages; and/or
- E.** Commence legal actions against any unauthorized reseller (and any Authorized Reseller reasonably believed by Palram to be assisting or cooperating with that unauthorized reseller) to halt unlawful use of Palram's patented products, registered and unregistered trademarks, and copyrighted sales literature and any collaterals, collect damages and obtain any other relief available at law or equity; and/or
- F.** Notify the offending Authorized Reseller about deviation from Policy terms and thereby cause Palram Products to become identified in relevant Authorized Reseller's systems as 'out-of-stock', including by actively zeroing inventory.
- G.** Take other steps to ensure that a violation of the Policy will not recur.

Palram will enforce this Policy in its sole discretion, and an Authorized Reseller has no right to enforce this Policy. Any mistake or error on the part of an Authorized Reseller, inadvertent or not, may be considered by Palram to be a violation of this Policy. The specific details of any such occurrence may be considered by Palram and may affect the unilateral decision made by Palram in each situation.

Palram may determine that an Authorized Reseller with multiple stores or websites (or an associated website) has violated this Policy. In such a case, Palram may elect to take any of the enforcement actions listed above with regard to all locations or websites of, or affiliated with, that Authorized Reseller.

COMPLIANCE WITH THIS POLICY IS MANDATORY. THIS POLICY IS NOT NEGOTIABLE.