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DATE: MAY 27, 2014

TO: All RemPhos Distributors
SUBJECT: LEDSS Pricing Promo

Attached please find a special pricing offer from RemPhos on the LEDSS "HID to LED" Retrofit lamps series.

The concept of this special offer is that currently there are no categories on Energy Star or DLC for this type of product, therefore most utilities are not offering rebates.

We have been hearing resistance to use this product due to the lack of rebates. Instead of having customers turn away from using the LEDSS on projects, RemPhos is going to offer its own "rebate" (in the form of special limited time pricing, no rebate paperwork is required). The hope is that this "RemPhos rebate" will take the place of a utility rebate and allow the ESCO/contractor to offer this product to their customers with a very attractive pricing/ROI proposition.

We are attaching a marketing piece, which you the distributor can send out to all of your customers in order to let them know of this promotion. The marketing piece does include *example* suggested retail pricing. In order to list suggested retail pricing, we have added a 25 point distributor mark up. Of course you are free to sell to your customers at an actual markup that is higher or lower than this example. To be clear, the special distributor pricing in this offer is fixed, but the suggested retail pricing can be modified by you.

Here is an example:

- Product: RPT-LEDSS-1700LM-4000K-E26-AC
- Normal distributor price: \$185.00
- Typical retail price from distributor to ESCO (assuming 25% markup): \$231.25
- Special RemPhos rebate offer (off of retail price): \$65.00
- Special distributor pricing: \$133.00
- Special typical retail price from distributor to ESCO (assuming 25% markup): \$166.25
- So in this case, the distributor saves \$52.00 off of the cost from RemPhos and the ESCO saves \$65.00 off of the cost from the distributor.

We have had great success with our LEDSS product line to date, and we are excited to see the opportunities that will arise from this special! As always, if there are questions or suggestions for future promos, please don't hesitate to call me.

Sincerely,



David L Gershaw
President

RemPhos Technologies LLC