



These Reseller Sales Policies (these "**Policies**" or these or the "**Sales Policies**") are issued under, governed by and supplement the Reseller Agreement between Audio-Technica U.S., Inc. ("**A-T**") and Reseller (as defined below). (The relevant agreement may be referred to in these Policies as the "**Agreement.**") Each capitalized term not defined in these Policies will have the meaning shown in the Agreement. Reseller is still subject to these Policies in the event that the Agreement is not in place or a different contract applies to the relationship between A-T and Reseller. These Policies will survive termination of the Agreement or such contract.

1. POLICY STATUS.

Effective as of April 1, 2016 (**the "Effective Date"**), these Policies supersede and cancel all other policies of the same or similar nature for A-T Consumer Products previously issued by A-T and applicable to Reseller (collectively, **the "Prior Policies"**). Until the Effective Date, the Prior Policies (except to the extent already superseded and cancelled) remain in full force and effect. Any or all enforcement actions taken by A-T before the Effective Date are not affected by these Policies.

2. APPLICATION ONLY TO A-T CONSUMER PRODUCTS.

Reseller's business involving A-T products may (a) be limited to those intended primarily for professional use (collectively, "**A-T Professional Products**") or use primarily by consumers (collectively, "**A-T Consumer Products**" or "**Consumer Products**") or (b) include both A-T Professional Products and A-T Consumer Products. (When an A-T product is intended by A-T for both professional and consumer use, for purposes of these Policies, it is considered to be one of the A-T Professional Products). These Policies only apply to Reseller's promotion and sale of any or all items of A-T Consumer Products. When Reseller also promotes and sells any or all A-T Professional Products, such activities are subject to those A-T Policies for Reseller applicable to A-T Professional Products.

3. CERTAIN DEFINITIONS.

For purposes of these Policies, a defined term need not appear or always appear in bold italics, the singular form and the plural form of a defined term refers to one and more than one thereof, respectively and:

- (a) "**Distributor**" means an individual or entity authorized by A-T to buy any or all of the Products from A-T and sell such product(s) without altering the condition thereof or their packaging, as directed by A-T, to Resellers, but not to End-Users, except as permitted by A-T;
- (b) "**End-Users**" means, collectively, actual and prospective ultimate users or consumers of any or all item(s) of A-T products (rather than those that resell), especially those for whom or which such product has been designed;
- (c) the "**Internet Sales Policy**" means the policy defined in Section 6(a) of these Sales Policies and appearing in Section 6 hereof;
- (d) "**Nonexclusive Authorized Reseller**" means that (i) Reseller may hold itself out as a reseller authorized by A-T for the Products during the Term and (ii) any or all of A-T and Distributors may offer and sell anywhere and everywhere any or all item(s) of the Products and anything else directly or indirectly for resale or use to one or more individuals and entities other than Reseller;
- (e) the "**Products**" means those items of the A-T products made available or permitted to be made available to Reseller by A-T, any or all of which items may change, in which case, A-T and each of the Distributors may without liability or penalty cancel all pending orders (even if accepted) from Reseller for such changed item(s) and refuse to accept any new orders from Reseller for such item(s) (Reseller should check with its Distributor representative to verify availability);
- (f) "**Reseller**" means an individual or entity authorized by A-T to (i) buy any or all of the Products from A-T or one or more Distributors and (ii) resell any or all of the Products exclusively to End-Users, without altering the condition of the Products or their packaging;

- (g) the ***“Reseller’s Inventory”*** means all inventory of any or all item(s) of A-T products in Reseller’s possession or under Reseller’s control;
- (h) the ***“Special Accounts”*** means each individual or entity so designated by A-T; and
- (i) the ***“Term”*** means the period from when the Agreement became effective through the time of its termination.

4. APPOINTMENT.

A-T has appointed and designated Reseller as a Nonexclusive Authorized Reseller. Except as otherwise directed or approved by advance written notice to Reseller from A-T or otherwise expressly permitted by these Sales Policies, Reseller will refrain from: (a), for any or all items of A-T products, submitting orders to and purchasing from anyone other than A-T or Distributors and (b) knowingly or negligently directly or indirectly advertising, promoting, selling, distributing or otherwise providing any or all item(s) of A-T Products in each of the following ways: (i) outside the United States of America (***“USA”***), (ii) online in any fashion (except in compliance with the Internet Sales Policy), (iii) for resale and (iv) to anyone other than End-Users, including without limitation to the Special Accounts.

5. THE MINIMUM ADVERTISED PRICE (MAP) POLICY.

- (a) **Purpose.** This Minimum Advertised Price (MAP) Policy (this or the ***“Minimum Advertised Price (MAP) Policy”*** or “MAP Policy”) has been unilaterally established by A-T to help ensure the integrity of A-T as a source of audio excellence worldwide and a leading innovator in transducer technology, renowned for the design and manufacture of microphones, wireless microphones, headphones, mixers and electronics for the audio industry. This MAP Policy is also designed to ensure each Reseller has the incentive to invest resources in providing services for End-Users.
- (b) **Application.** This MAP Policy applies: (i) only to the price(s) at which any or all of the MAP Products is or are offered and not to actual sales price(s), so **each Reseller remains free to sell at any price(s) it chooses** and (ii) to all forms of advertising and promotion (regardless of the medium used) done by or on behalf of Reseller containing Price Information, including, but not limited to, conventional advertising (e.g., catalogs, direct mail, flyers, magazines, newspapers, radio and television) and Electronic Content. **When applied to websites, this MAP Policy considers both outside-the-cart (or other container) and in-the-cart (or other container) Price Information to be subject to this MAP Policy.**
- (c) **Additional Definitions.** For purposes of these Policies:
 - (i) ***“MAP Product”*** means an A-T product for which a minimum advertised price (***“Minimum Advertised Price”*** or “MAP” and referring to either the singular or the plural or both, ***“MAP(s)”***) is specified on the Price List provided or otherwise made available to Reseller by A-T or otherwise communicated by notice from A-T to Reseller;
 - (ii) ***“Price Information”*** means information regarding price, whether, express or implied, such as a discrete price, price formula, reference to price or anything related to price (e.g., representations or inferences regarding savings, discount or value) and anything which A-T considers to be the substantive equivalent;
 - (iii) ***“Electronic Content”*** means information which (A) can be accessed directly through any hypertext link, by any other method which uses hypertext transfer protocol (http) or anything which A-T considers to be the substantive equivalent or (B), to the extent not covered by the preceding description, is provided by or on (1) one or more mobile apps or mobile sites for devices (such as tablets and smartphones), (2) social media (e.g., Twitter feeds and Facebook), (3) Internet shopping sites, marketplaces and comparison search engines (CSEs) to which a Reseller supplies pricing information (e.g., Google Shopping, Buy.com, eBay, Amazon and PriceGrabber), (4) electronic solicitations or other electronic communications (e.g., robocalls, caller-on-hold and other audio recordings, messaging (e.g., SMS (text), MMS (multimedia) and IM (instant)), webcasts, e-mail and online or other electronic chats) and (5) all electronic media advertisements (e.g., paid search advertising, e-mail newsletters, pop-ups and banners);
 - (iv) **the *“Policy Period”*** with respect to Reseller means the time period beginning on the Effective Date and ending on the termination date of this MAP Policy described in a future notice to Reseller from A-T; and
 - (v) ***“net adjusted price”*** means the price at which a MAP Product is offered by or for the benefit of Reseller to an End-User (potential or actual) after (A) applying all discounts and similar price reductions, (B) excluding taxes and shipment charges paid by such customer and (C) giving effect to the value of free or reduced-price bundles (except for those approved in advance by A-T).

- (d) **Minimum Advertised Price.** A-T, at any time, may vary the Minimum Advertised Price for a MAP Product or add to or delete any or all of the MAP Products, which may, among other things, be based on whether such product(s) is or are offered or sold under or subject to one or more select A-T program(s) or any other A-T policy or in any other situation announced by A-T from time to time. A-T will endeavor to provide prior notice of each new MAP or such change in the MAP Products, generally not less than 10 days in advance. While A-T will communicate each MAP and such change through the Price List provided or made available to each Reseller electronically or otherwise, Reseller is responsible for making sure that it is aware of the appropriate MAP(s) and the MAP Products in each circumstance.
- (e) **Violations of this MAP Policy.** Although each Reseller remains free to establish its own resale prices, Reseller violates this MAP Policy by: (i) advertising or otherwise offering, whether by advertising, promotion, proposal, quotation or otherwise and regardless of place or medium used (individually and collectively, **“offering”** and its variants), one or more of the MAP Products during the Policy Period at a net adjusted price less than the corresponding MAP(s) established by A-T from time to time and made available or communicated to Reseller or (ii), directly or through another party on behalf or for the benefit of Reseller, using or engaging in any or all of the following terms, descriptions, conditions, offers or activities (or the substantive equivalent of any or all of them as determined by A-T) in connection (directly or indirectly) with the offering of any or all of the MAP Products (or, if so noted below, any or all A-T products, regardless whether it or they are one or more of the MAP Products):
- the “lowest price,” the “lowest prices,” “prices too low to show,” any form of low-price guarantee or the substantive equivalent (as determined by A-T) of any or all of these terms or concepts;
 - except as otherwise expressly permitted by this MAP Policy, offering to match a lower price offered by another seller;
 - in connection with the advertising or promotion of any or all of the MAP Products: (A) a strike-through of any MAP(s) regardless whether one or more other prices are shown or (B) the failure to show a price for each of the MAP Products depicted, described or to which a reference is otherwise made;
 - if a price for a MAP Product is shown in Internet advertising or promotion permitted by this MAP Policy: (A) the price for such product does not appear on the initial webpage mentioning, depicting or describing such product or (B) such price varies with respect to such product (exclusive of applicable taxes and all shipping, delivery and insurance charges) across any or all of (1) such initial webpage, (2) the in-the-cart (or other container) price and (3) the substantive equivalent of either or both them as determined by A-T;
 - an invitation to click on, click through, update Price Information, receive an instant rebate, visit a location (such as a website, store or showroom) or otherwise communicate to obtain Price Information, except indicating the ability of End-Users to make specific inquiries by telephone or e-mail to obtain Price Information is permissible, as long as the conveyance of such Price Information is not automated, so (A), if done by telephone, it is live or (B), if done by e-mail, no bounce-back e-mail is used; and
 - one or more tactics which A-T determines is or are intended to circumvent application of this MAP Policy.
- (f) **The Exemptions.** As long as Reseller does not otherwise violate this MAP Policy, Reseller offering to a potential or actual customer one or more of the MAP Products after the Effective Date below its or their respective MAP(s) is exempt from this MAP Policy and will not violate it, if such offering is consistent with an exemption described in this MAP Policy (collectively, the **“Exemptions”**). The Exemptions are as follows and apply to the offering which is part of a potential or actual sale by Reseller:
- bids or quotations labeled as such and not visible to the public;
 - an offer using or applying a rebate, coupon or the equivalent (as determined by A-T) will not be considered part of net adjusted price if such rebate, coupon or the equivalent is provided by A-T or its designee(s): (i) directly to such customer or (ii) to Reseller for provision to and use by such customer (but advertising or promoting such an offer outside of its A-T-designated start and finish dates (or either thereof) is a violation of this MAP Policy);
 - individualized (but not automated response) e-mail sent or live telephone communication in direct response to a specific customer inquiry;

- in-store materials at a brick-and-mortar location that simply state the price(s) at which one or more of the MAP Products may be purchased, including, without limitation, point-of-sale signs, price stickers and hangtags (but signage visible outside a brick-and-mortar location (such as an outward-facing window sign) is subject to this MAP Policy);
- bona fide advertising and promotional materials (including without limitation printed catalogs) that cannot reasonably be modified prior to the Effective Date or the effective date of a change in the MAP(s), the MAP Products or this MAP Policy until such time that it is reasonable to revise such materials (as determined by A-T) to be consistent with this MAP Policy;
- the offer under one or more special programs (if any) designated by A-T;
- (i) a card benefit consisting of a discount, credit or rebate associated with the use of a specified credit or debit card or (ii) a coupon or other discount that in either case would, after its application result in offer price(s) for any or all of the MAP Products below its or their respective MAP(s), as long as (A) such card benefit or coupon or other discount may be applied to all or almost all of the products offered by Reseller or, in the case of a category-wide sale (such as microphones or headphones), all or almost all of the other products in the category and (B) none of the statements or materials promoting such card benefit or coupon or other discount mentions, uses, depicts or otherwise refers to any or all of the MAP Products;
- as long as expressly authorized in advance by A-T in writing, a bundle consisting of at least one MAP Product coupled with one or more other products or services; and
- the offer of one or more items of any or all of the MAP Products that are used, rather than new, such as demonstration or display units or any A-T product that is otherwise not new-in-box.

6. THE INTERNET SALES POLICY.

- (a) **Approved Name(s) and Site(s).** Under this Internet Sales Policy (this or the ***“Internet Sales Policy”***), Reseller will not advertise, promote, sell or provide online any or all item(s) of A-T products (or, if so designated by A-T, just one or more particular item(s) of such products), except: (i) under the A-T-authorized name(s) and using the A-T-authorized website(s) appearing in the then-current version of the Online Sales Application Form (as approved by A-T in advance) or otherwise as approved in writing by A-T in advance and (ii) to the extent that such approval has not been rescinded by A-T in whole or part for any reason(s), including without limitation under Section 14(a)(v) of these Sales Policies. These requirements apply to each website used by Reseller, whether its own or that of a third party, including without limitation an online auction site (like eBay.com) and an online marketplace (such as that operated by Amazon or any of its affiliate(s) (“Amazon.com”), Buy.com, eBay.com, Newegg.com and Sears.com).
- (b) **Amazon.com as an Approved Website.** If A-T has approved the advertising, promotion and sale of any or all item(s) of the Products by or on behalf of Reseller on Amazon.com, Reseller may not: (i) use fulfilled-by-Amazon (FBA) services (e.g., Amazon holds inventory and fulfills orders) for Reseller sales of any or all A-T products (unless Reseller is Amazon.com selling for its own account) and (ii), except as expressly authorized in advance by A-T in writing, create or assist in or otherwise cooperate in the creation of new Amazon Standard Identification Numbers (ASINs) or bundles specific to Reseller.
- (c) **Fulfillment Services.** Reseller must perform its own warehousing and fulfillment functions. Unless expressly authorized in advance by A-T in writing, Reseller will not provide fulfillment services for any or all A-T products to or on behalf of any other individual(s), entity or entities, regardless whether Reseller takes title to such products.
- (d) **eBay.com or Another Auction Site as an Approved Website.** If A-T has approved the advertising, promotion and sale of any or all item(s) of the Products by or on behalf of Reseller on one or more auction websites (such as eBay.com): (i), unless expressly authorized in advance by A-T in writing, only new items of any or all of the Products may be sold on each such site (e.g., no used, new-other, open-box, reconditioned or refurbished items are permitted); (ii) the MAP Policy applies to each starting price and buy-it-now price; and (iii) use of make-offer, best-offer or similar features are allowed, provided that, with respect to each MAP Product for which such feature is used, the offer price must start at least \$1 above such product’s then-current MAP.

7. THE INTELLECTUAL PROPERTY POLICY.

Use by Reseller of any or all of the patents, designs, trademarks, service marks, trade names, trade dress, commercial symbols, copyrights, data, data bases, marketing information, trade secrets and confidential information in which A-T claims rights (collectively, the ***“Intellectual Property”***) is subject to this Intellectual Property Policy (this or the ***“Intellectual Property Policy”*** or ***“IP Policy”***):

- (a) **Performance.** As permitted by A-T Reseller may use any or all of the Intellectual Property for the sole purpose of performance by Reseller under the Agreement and these Sales Policies (individually and collectively, the ***“Relationship Documents”***) and in a manner consistent therewith.
- (b) **Artwork and Images.** For purposes of Reseller’s depiction of any or all of the A-T products or reference to A-T, Reseller will use only artwork and images expressly approved by A-T in advance and which approval has not been rescinded by A-T in whole or part. Until A-T notifies Reseller otherwise, the artwork and images in the library thereof made available to Reseller by A-T are deemed to be so approved.
- (c) **Marking.** As directed by A-T, Reseller must properly indicate on or in all signs, advertisements, catalogs, letterhead, websites and other materials which use any or all of the Intellectual Property that each element of the Intellectual Property used: (i) is owned by or licensed to A-T, (ii) is being used by Reseller with the permission of A-T and (iii) must bear symbols, including, but not limited to, ®, ™ and ©. All use of the Intellectual Property by Reseller inures to the sole benefit of A-T, and Reseller does not acquire any right, title or interest in and to any or all of the Intellectual Property (except for the limited right to use as provided in this IP Policy). Reseller will, upon A-T’s request, submit each use of any or all of the Intellectual Property to A-T for approval, which A-T may grant or withhold in its sole and absolute discretion. (The failure to receive a response from A-T after such submission is deemed to be disapproval.)
- (d) **Internet Use.** As designated by A-T, Reseller must display on each website approved by A-T under the Internet Sales Policy the A-T logotype or brand name, together with a logotype provided by A-T identifying Reseller as authorized to sell on such site.
- (e) **Restrictions.** Reseller will: (i) not use any or all of the Intellectual Property, in whole or in part, as part of any corporate, trade or other name or join any part(s) thereof with any name or design so as to form a new name, trademark, service mark or trade name; (ii) not register any or all of the Intellectual Property in the name of Reseller or any individual(s), entity or entities affiliated therewith; (iii) not use or register any property similar to any or all of the Intellectual Property, including without limitation any phonetic or local language equivalent; (iv) use any or all of the Intellectual Property consisting of trademarks, service marks or trade names to identify or describe only A-T products, (v) maintain the confidentiality of all information designated as confidential by A-T or which Reseller knows or should know is confidential; and (vi) refrain from questioning or challenging the rights claimed by A-T in or to the Intellectual Property or assisting in any way any other(s) in doing so.
- (f) **Assistance.** Reseller will: (i) promptly inform A-T of each infringement or misuse of any or all of the Intellectual Property by any individual(s), entity or entities which comes to the attention of Reseller and (ii), as requested by A-T, cooperate with A-T to the fullest extent possible to protect any and all of the Intellectual Property, including, but not limited to, assisting in the application for registration thereof and the enforcement of the rights claimed by A-T therein.
- (g) **Termination.** In the event that either Reseller or A-T (individually, a ***“Party”*** and collectively, the ***“Parties”***) for any reason terminates the relationship between the Parties under the Agreement or otherwise, Reseller, except to the extent reasonably necessary for selling the Reseller’s Inventory under Section 9 of these Sales Policies or otherwise, will immediately: (i) cease all use of the Intellectual Property and (ii), if and as directed by A-T, either destroy all literature, advertisements or other materials bearing or using any or all of the Intellectual Property and provide certification to A-T in writing in this regard or immediately return to A-T such literature, advertisements or other materials designated by A-T.

8. POINT-OF-SALE (POS) INFORMATION.

Reseller, as requested by A-T, will in timely fashion submit to A-T (in a format and with the content reasonably specified by A-T from time to time) electronically in an uploadable file or as otherwise reasonably described by A-T point-of-sale (POS) information regarding sales by Reseller of A-T products during the time period described by A-T.

9. BUYBACK.

If and as requested by A-T or a Distributor: (a) upon termination of the Agreement or (b) within a reasonable time after such termination, Reseller will sell or cause the sale to A-T or a Distributor of and, as directed by A-T or such Distributor and at the expense of A-T or such Distributor, ship or cause to be shipped to A-T or its designee(s) each of the items of the Reseller's Inventory (free of all liens, security interests, claims and encumbrances, other than that or those in favor of A-T or such Distributor) which is acceptable (as determined by A-T or Distributor) at a price equal to the price paid to any or all of A-T and the Distributors therefor or, if unpaid, in lieu of the amount due to A-T or such Distributor or Distributors therefor, less in either case a restocking charge equal to the amount, if any, designated by A-T or such Distributor.

10. ORDERS.

In the event that A-T receives one or more orders (or similar, related or other documents or communications) from Reseller which contain one or more provisions which are inconsistent with or in addition to any or all provisions of the Relationship Documents: (a) each such order will be conclusively deemed to be governed by the Relationship Documents; (b) each such inconsistent or additional provision will be deemed stricken; and (c) none of such orders or documents will be deemed to be governed by any provision(s) other than that or those contained in the Relationship Documents, unless and until a written supplement is duly executed by the Parties which adopts such provision(s).

11. MISCELLANEOUS.

- (a) **Entire Understanding.** The Relationship Documents, as modified from time to time: (i) constitute the entire understanding of the Parties binding upon them with respect to the subject matter thereof; (ii) are intended to govern the relationship between the Parties therefor; (iii) supersede all agreements, representations or statements between the Parties, either oral or written; and (iv) except as otherwise provided in the Relationship Documents, may be amended or modified only by a written supplement, duly executed by both of the Parties, as each Party hereby waives its right, if any, to modify this Agreement orally. In the event of any conflict between these Sales Policies and any contract between the Parties (including without limitation the Agreement), these Sales Policies will control (silence is not a conflict). Except as otherwise expressly provided in the Relationship Documents or as the Parties otherwise may expressly agree in writing signed by both of the Parties, no failure, refusal, neglect, delay, waiver, forbearance or omission by A-T to exercise any right(s) under the Relationship Documents or to insist upon full compliance by Reseller with the duties, obligations or restrictions of Reseller thereunder shall constitute a novation or waiver of any provision(s) of thereof or otherwise thereafter limit the right of A-T to fully enforce any or all of the provisions and parts thereof.
- (b) **Jurisdiction.** The laws of the State of Ohio, disregarding conflicts of law, govern the provisions of the Relationship Documents and the relationship between the Parties. Disputes between the Parties must be resolved in the state or federal courts located in Summit County, Ohio. Objections to venue are waived, and the Parties submit themselves to the exclusive jurisdiction and venue of such courts.

12. CHANGES IN BUSINESS.

Reseller must notify A-T in writing no later than 10 days after each: (a) change of ownership, (b) change of address or (c) establishment or discontinuance of a location, store name or portal of distribution for sale of any or all A-T products.

13. WARRANTY.

- (a) **Information.** Warranty information for A-T products and instructions for service/repair are published at www.audio-technica.com.
- (b) **Coverage.** A written warranty is extended to End-Users only (the "Warranty"), applies solely to A-T products purchased from Resellers (i.e., those authorized by A-T to (i) buy any or all of the Products from A-T or one or more Distributors and (ii) resell any or all of the Products exclusively to End-Users, without altering the condition of the Products or their packaging) and appears in a separate document which accompanies some or all of such products. EXCEPT FOR THE WARRANTY, A-T MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO A-T PRODUCTS, THEIR USE, PERFORMANCE, FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY TO ANYONE. A-T neither assumes nor authorizes any individual(s), entity or entities to assume for A-T any warranty, express or implied.

- (c) **Liability.** A-T IS NOT LIABLE OR RESPONSIBLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR SPECIAL DAMAGES ARISING DIRECTLY OR INDIRECTLY IN RESPECT OF ANY OR ALL A-T PRODUCTS OR THE USE OR FAILURE OF SUCH PRODUCT(S), WHETHER BASED UPON BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE, AND THE SOLE AND EXCLUSIVE REMEDY OF RESELLER FOR ALL LOSS INCURRED WITH RESPECT TO ANY OR ALL A-T PRODUCTS SHALL BE, AT A-T'S ELECTION, THE COST OF REPAIR, REFUND OF THE ACQUISITION PRICE (WHETHER IN THE FORM OF A CREDIT FROM A-T OR CASH) OR REPLACEMENT OF SUCH PRODUCT(S). The price of A-T Products reflects consideration for so limiting A-T's liability. No liability will result from nonperformance or delay in performance by A-T of the Relationship Documents due to any cause beyond A-T's reasonable control.

14. CONSEQUENCES OF VIOLATIONS OF THE PRIMARY POLICIES.

With respect to the MAP Policy and the Internet Sales Policy or either thereof (individually and collectively, the "**Primary Policies**"), violations will be handled as follows:

(a) **Results.**

- (i) **For the First Violation:** After receiving notice of such violation from A-T, Reseller will remove or stop or cause to be removed or stopped each offending reference, text or conduct (if A-T determines that it or they can be) within the Allotted Period. (For purposes of each violation of the Primary Policies, the "Allotted Period" means the time period specified in the notice of violation provided by A-T to Reseller, which typically will be one of the following: (A) no later than one business day (usually for a violation involving Electronic Content); (B) no later than three business days (generally for all other cases); or (C) by the conclusion of the period otherwise specified by A-T.)
- (ii) **For the Second Violation:** In the event that (a) the offending reference(s), text or conduct that caused the first violation is or are not removed or stopped (if A-T determines that it or they can be) within the Allotted Period or (b) Reseller otherwise violates the Primary Policies a second time, effective as of the date specified in notice from A-T to Reseller and continuing for the next 45 days, the authorization of Reseller to purchase each stock-keeping unit ("SKU") involved in the second violation (as determined by A-T) will be immediately revoked by A-T, so that all pending orders (even if accepted) from Reseller will be cancelled and no new orders will be accepted from Reseller for each such SKU.
- (iii) **For the Third Violation:** In the event that (a) the offending reference(s), text or conduct that caused the second violation is or are not removed or stopped (if A-T determines that it or they can be) within the Allotted Period or (b) Reseller otherwise violates the Primary Policies a third time, effective as of the date specified in notice from A-T to Reseller and continuing for the next 90 days, the authorization of Reseller to purchase each SKU involved in the third violation (as determined by A-T) will be immediately revoked by A-T, so that all pending orders (even if accepted) from Reseller will be cancelled and no new orders will be accepted from Reseller for each such SKU.
- (iv) **For the Fourth Violation:** In the event that (a) the offending reference(s), text or conduct that caused the third violation is or are not removed or stopped (if A-T determines that it or they can be) within the Allotted Period or (b) Reseller otherwise violates the Primary Policies a fourth time, effective as of the date specified in notice from A-T to Reseller and continuing until A-T provides notice to Reseller otherwise, if ever, the authorization of Reseller to purchase any or all of the A-T products designated by A-T will be immediately revoked by A-T, so that all pending orders (even if accepted) from Reseller will be cancelled and no new orders will be accepted from Reseller for any or all of such products.
- (v) **Optional Outcomes.** At the discretion of A-T, the consequences of any violation of one or more of the Primary Policies may include without limitation either of both of the following: (A) the rescission of A-T's approval for the use by Reseller of any or all authorized names and authorized websites and (B) the loss of some or all accrued, but unpaid, marketing funds from A-T and eligibility for future marketing funds from A-T.
- (b) **Effect.** Each violation of the Primary Policies is cumulative. The consequences of each violation take effect regardless whether the consequences for the previous violation are still running. The same act(s) or failure(s) to act may result in multiple violations. For each Reseller purchasing any or all A-T products from one or more of the Distributors, these Sales Policies will be enforced through a do-not-sell list provided to all of the Distributors.

15. CONSEQUENCES OF OTHER VIOLATIONS OF THESE SALES POLICIES.

As determined by A-T, each violation of the Other Policies will be subject to the penalties and treatment described in Sections 14(a) and 14(b) of these Policies; except that (a) "the Other Policies" will be substituted for "the Primary Policies" therein and (b) A-T may select the consequences from any or all of those outlined in such Section 14(a), not being constrained by order or number of violations. For purposes of these Policies, the "Other Policies" means these Policies other than the Primary Policies.

16. ADDITIONAL POLICY TERMS AND CONDITIONS FOR THESE SALES POLICIES.

- (a) **Modifications.** For any reason(s) deemed appropriate by A-T (including without limitation based on the request of Reseller for A-T to consider such things as, but not necessarily restricted to, limited-time promotional offers for an event in which Reseller is participating or otherwise), but, in no case other than as the unilateral decision of A-T, these Sales Policies may be modified, extended, waived, suspended, discontinued or rescinded in whole or part by notice from A-T at any time (including without limitation during any A-T-designated promotional period(s)), with such action(s) effective immediately or as otherwise described by A-T. In the event of any disagreement over the interpretation or enforcement of these Policies, the view of A-T will control.
- (b) **Notices.** Regardless whether expressly indicated in these Policies, each notice from A-T referred to herein: (i) may, as determined by A-T, be given in writing or electronically (including without limitation posting on a website) and (ii) will be considered to be received as designated by A-T. Reseller is responsible for maintaining a current e-mail address, keeping it on file with A-T and each Distributor from which such Reseller purchases and regularly checking for communications from A-T and such Distributor or Distributors.
- (c) **The MAP Policy.** A-T will not discuss any conditions of acceptance related to the MAP Policy. In addition, A-T neither solicits, nor will it accept, any assurance of compliance with the MAP Policy. Notwithstanding anything to the contrary which may be expressed or implied in the Agreement or elsewhere, nothing therein shall constitute an agreement by Reseller to comply with the MAP Policy.

17. QUESTIONS, ADDITIONAL INFORMATION OR INFORMATION REGARDING POTENTIAL VIOLATIONS.

- (a) **The Policy Administrator.** All questions or requests for additional information regarding these Sales Policies or information regarding potential violations of them (which must be in writing) are to be addressed to the persons at A-T responsible for these Sales Policies (individually and collectively, "**Policy Administrator**"):

Policy Administrator
Audio-Technica U.S., Inc.
1221 Commerce Drive, Stow, OH 44224
e-mail: salespolicies@atus.com

- (b) **Authority.** Only the Policy Administrator or the Policy Administrator's designated representative(s) is or are authorized by A-T to answer questions regarding these Sales Policies, to comment on these Sales Policies or to accept information regarding potential violations.

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