



Re: **Authorized Internet Dealer Program**

**Ortofon valuable dealers:**

Ortofon Inc. continues to build an unsurpassed reputation as the manufacturer and marketer of the finest quality DJ cartridges, accessories and related products. That reputation is our most valuable asset. The maintenance of that image not only is in the best interest of Ortofon Inc., but in the best interest of each Ortofon Inc. dealer.

Ortofon's Inc. success and the success of its dealers in today's highly competitive market depend on providing excellent sales and service support to end-users. It is critical that Ortofon Inc.'s end-users understand how best to install their Ortofon Inc. product, correctly utilize the product and receive proper after sales service and support from the location at which they purchased their product.

Within past years, many online/Internet dealers and auction sites have been compromising the value that Ortofon Inc. has put so much effort into establishing.

In order to maintain our reputation with dealers and end-users, we have decided that it is critical to know the identity of our Internet dealers, how they provide service to the end-users, and how they advertise and promote our products.

Effective August 1, 2009 Ortofon Inc. is implementing an Authorized Internet Dealer Program along with a Minimum Advertised Price Maintenance Program.

Intent of the Ortofon Inc. Authorized Internet Dealer Program is to:

- Establish a direct communications link to our Internet dealers in order to provide Internet dealers with updated product information, warranty service and training
- Continuing with enforcing Minimum Advertised Price
- Create a method for end-users to easily identify Ortofon Inc. Authorized Internet Dealers

Ortofon Inc. Authorized Internet Dealers will be provided with:

- Product information and continuous updates

- Warranty service and customer service access to support end-users
- Use of Ortofon Inc.'s logo, trademark, images and marketing content on their website
- Access to advertising and merchandising materials
- Listing on Ortofon Inc.'s website as an authorized Internet dealer

Ortofon Inc. Authorized Internet Dealer is required to:

- Complete and submit Authorized Internet Dealer application
- Adhere to Ortofon Inc. Authorized Internet Dealer policies.

All Internet dealers who have Ortofon Inc. product on their web site must complete Ortofon Inc.'s Authorized Internet Dealer application and submit to Ortofon Inc. by July 15, 2009. This applies to all Internet dealers whether the dealer purchases through distribution or directly from Ortofon Inc.. Submission of the application acknowledges that an authorized person of your company has read Ortofon Inc. Authorized Internet Dealer Program and that your company understands and agrees to Ortofon Inc. authorized Internet Dealer Program policies and guidelines.

Ortofon Inc. reserves right at anytime to make any and all decisions regarding Ortofon Inc. Authorized Internet Dealer program, including but not limited to, the right to accept or reject any application, to suspend or terminate the Program or any dealer's participation, and to suspend, terminate or modify any terms or condition of the Program.

Ortofon Inc.'s Authorized Dealer Program is a unilateral statement of the terms upon which Ortofon Inc. is willing to market its products. Ortofon Inc. is not seeking any legal agreement for our online/Internet dealer customers on the terms or application of this program. Each Ortofon Inc. Authorized Internet dealer is free to make its own business and pricing decisions within this program and its implementation and to act accordingly.

The purpose of this program is to protect the interest of Ortofon Inc. and its Internet dealers and customers and to continue to build on the success of our brand image, products and services. Our goal is to build a stronger, healthier business partnership with our valued Internet dealers.

Sincerely,

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## Authorized Internet Dealer Program

Ortofon Inc. Authorized Internet Dealer Program states the terms and conditions in which Internet Dealers can become and maintain their authorized Internet dealership status. Ortofon Inc. Authorized Internet Dealers are allowed to use Ortofon Inc. logo, sell Ortofon Inc. products including advertising and promotions and the service support to end-users.

Under the Program, the approved Internet Dealer is authorized to market, advertise, offer to sell, sell and/or fulfill order of Ortofon Inc. brand products from the Authorized Internet Dealer's web site. Authorization granted is for the web site(s) listed on the Internet Dealer application only and the Internet Dealer shall not market, advertise, offer to sell, sell and/or fulfill orders of Ortofon Inc. brand products from any other Web site or location without Ortofon Inc. prior consent provided in writing.

Authorized Internet Dealer is granted non-exclusive and site-specific license to use Ortofon Inc. trademarks. Upon termination of this Agreement for any reason, Internet Dealer shall immediately discontinue and abandon the use of the name, and trademarks of Ortofon Inc. and shall cease to advertise or represent itself as an Authorized Ortofon Inc. Internet Dealer.

Terms and Conditions of License and Agreement. In order to become and remain an Authorized Ortofon Inc. Internet Dealer, Internet Dealer agrees to the following terms and conditions:

1. Internet dealer shall maintain at its Web site a representative listing of Ortofon Inc. brand products and make such products available for purchase by customers through said Web site.
2. Ortofon Inc. requires the use of Ortofon Inc. provided tools and materials, such as images and descriptions in order for the Internet Dealers web site to meet Ortofon Inc. standards. All product imaging, specifications and descriptions not provided by Ortofon Inc. are subject to Ortofon Inc. approval prior to use.
3. Ortofon Inc. Authorized Internet Dealer shall display on each web page of Internet Dealer's Web site where Ortofon Inc. products appear are referenced, the Ortofon Inc. logo or brand name, as provided by Ortofon Inc., together with a statement or the use of the Ortofon Inc. Authorized Dealer logo.
4. Ortofon Inc. Authorized Internet Dealer's web site shall provide each consumer with confirmation of the inventory availability of the Ortofon Inc. products at the time of the end users order.
5. Ortofon Inc. Authorized Internet Dealer shall make all arrangements to deliver all products ordered by customers from Ortofon Inc. authorized Internet Dealer's web site.

6. Ortofon Inc. Authorized Internet Dealer's Web site must be a secure site for credit card transactions.
7. Ortofon Inc. Authorized Internet Dealer must have adequate and dedicated customer service staff to handle customer inquiries and complaints.
8. Ortofon Inc. Authorized Internet Dealer must state clearly at its Web site the terms and conditions that apply to any warranties, refunds to or returns by customers and also shall provide its own facilities to address and resolve all warranty, refund or return requirements.
9. Ortofon Inc. Authorized Internet Dealer shall adhere to and comply with all pertinent State and Federal regulations, statutes and rules applicable to taking orders or conducting business over or through the Internet. Ortofon Inc. Authorized Internet Dealer web site shall clearly display the Internet Dealers privacy policy and general terms and conditions of use and shall comply with all applicable laws and regulations, including without limitation privacy laws and other consumer protection legislation.

The approval of being an Ortofon Inc. Authorized Internet Dealer is non-assignable and may not be transferred by Ortofon Inc. Authorized Internet Dealer to any other person or entity and may not be transferred to any other Internet site.

Ortofon Inc. does not permit the transshipping of its products. Transshipping is the resale, distribution, wholesaling or jobbing of Ortofon Inc. products by authorized dealers/distributors to unauthorized dealers and outside of United States.

Product listed on Ortofon Inc. Price List are subject to Minimum Advertised Prices established by Ortofon Inc. unless otherwise noted. This Minimum Advertised Price (MAP) policy applies only to new (unused) Ortofon Inc. products and does not apply to used products provided that such merchandise is clearly and conspicuously identified as used. This MAP policy does not in any way restrict the dealer's / retailer's ability to determine its own retail prices. Advertising includes, but is not limited to: catalogs, direct mailers, gift cards, flyers, handouts, magazines, newspapers, Internet e-commerce Web sites, Web Auctions, mass e-mails, and other media for public display. The use of automated e-mail responses to communicate prices below MAP or to post messages referencing a "better than advertised price" below MAP is considered advertising under this policy. All pricing shown on e-commerce and Internet auction sites shall be considered advertising, this includes in-cart pricing, starting prices, reserve prices, and "buy it now" prices. This MAP policy is a unilateral statement of the terms upon which Ortofon Inc. will do business. Ortofon Inc. does not seek and will not accept dealer agreement to this Policy. Each dealer is free to establish prices at whatever levels it chooses. However, Ortofon Inc. reserves the right to limit authorization, terminate products or terminate the entire account if a dealer chooses not to comply with this policy.

Violation of this agreement will result in a written notification by Ortofon to the dealer/distributor. Removal from Ortofon authorized dealer list and access to the products will be suspended in case of first violation for thirty (30) days from the date of the notification. A second violation of this agreement within a year will result in suspension of access to the products for sixty (60) days. A third violation within a year will result in inactivation of the dealer/distributor account.

Ortofon Inc believes that a fair price to the consumer and a reasonable margin for Ortofon Inc. dealers/distributors is a necessary cornerstone of continued success for Ortofon Inc. and

its Authorized Dealers. We are convinced this Policy is necessary to protect our name and ensure mutual success in the future.

Ortofon Authorized Dealer agrees that in order to maintain the goodwill, reputation and competitive standing of Ortofon Inc., it shall at all times have in place adequate operations, facilities and staff to support its customers and that shall insure that all marketing, advertising and sales practices do not cause damage to Ortofon Inc.; its reputation and/or ability to compete.

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**Ortofon Inc.**  
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## Authorized Internet Dealer Application

Company Name \_\_\_\_\_  
DBA \_\_\_\_\_  
(if different from above)

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip Code \_\_\_\_\_

Contact Name \_\_\_\_\_

Contact Phone # \_\_\_\_\_

Contact e-mail \_\_\_\_\_

Type of Retailer  Internet Retailer Only  
 Brick/Mortar & Internet Retailer

Current source of Ortofon product  Direct  
 From Distributor

If purchasing through a Distributor, provide name(s) of Distributor(s)  
1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

Please list your website domain(s)/URLs you are seeking authorization for  
1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

Comments (optional) \_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

All fields are required unless otherwise stated.

**FAX COMPLETED APPLICATION TO 1-914-762-8649**