

**Ultrasone Inc. Policy Regarding Minimum Advertised Pricing (MAP)**

Ultrasone has built a strong reputation and following among consumers. Ultrasone Inc. actively supports the advertising and promotion of its products by its domestic dealers and distributors through materials provided by Ultrasone Inc. at no or nominal cost. Ultrasone Inc. has determined that it shall not support, through advertising or promotional materials, cooperative advertising or otherwise, advertisements or promotional materials that have the effect of diminishing or detracting from the perceived value of Ultrasone products.

Effective April 01, 2008, Ultrasone Inc. has established a minimum advertised price (“MAP”) on all Genuine Ultrasone products. This policy applies to U.S. and Canadian dealers and distributors.

The MAP policy shall work under the following guidelines:

1. MAP applies to all advertised prices at which the products are actually sold or offered for sale to an individual consumer within the dealer’s retail location or over the telephone or internet.
2. MAP pricing is established by Ultrasone Inc. for all Genuine Ultrasone products and may be adjusted by Ultrasone inc. at its sole discretion. MAP pricing is available on all Ultrasone Inc. price lists.
3. The MAP policy applies to all advertisements of Genuine Ultrasone products in all media, including and without limitation to, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, Internet or similar electronic media, television, radio, and public signage.
4. The inclusion in advertising of free or discounted products (whether made by Ultrasone Inc. or another manufacturer) with a product covered by the MAP policy would be contrary to the policy if it has the effect of discounting the advertised price of the covered product below the MAP.
5. MAP does not establish maximum advertised prices. All dealers and distributors may offer Ultrasone products at any price in excess of the MAP established for such product.
6. Ultrasone Inc.’s MAP policy does not in any way limit the ability of any dealer to advertise that “they have the lowest prices” or, they “will meet or beat any competitors price” or, that consumers should “call for a price” or phrases of similar import as long as the price advertised or listed for the products is not less than MAP.
7. From time to time Ultrasone Inc. may discontinue models or engage in promotions with respect to certain products. In such events, Ultrasone Inc. reserves the right to modify or suspend the MAP with respect to the affected products by notifying all dealers of such change. Ultrasone Inc. further reserves the right to adjust the MAP with respect to all or certain products at its sole discretion upon 7 days advance written notice to the dealers and distributors, provided that such changes shall apply equally to all Ultrasone Inc. dealers and distributors.
8. Intentional and/or repeated failure to abide by this policy will result in termination of dealership or distributorship. Ultrasone Inc. does not intend to do business with dealers or distributors who degrade the image of Ultrasone and its products. Ultrasone Inc. may or may not provide prior notice or issue warnings before taking any action under this policy.
9. The terms of this MAP policy are confidential and may not be disclosed to other parties. This MAP policy has been established by Ultrasone Inc. to help ensure the legacy of Ultrasone as a top producer of high performance, high quality, professional headphones and to protect the reputation of its name and products. The MAP policy is also designed to ensure dealers and distributors have the incentive to invest resources into services for Ultrasone customers.

Please indicate your understanding of this policy and your willingness to abide by its terms and conditions by signing and listing the name of your company below.

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

Authorized Representative: \_\_\_\_\_