

Effective Date: August 1, 2006



Universal Remote Control®

Internet Commerce Policy

Universal Remote Control, Inc. ("Universal Remote Control") has established this Internet Commerce Policy to regulate internet sales of Universal Remote Control products by persons or entities other than Universal Remote Control.

1. **Definitions.** For purposes of this Internet Commerce Policy, the following terms shall have the following meanings:
 - a. "Direct Customer" means a person or entity that purchases Products from Universal Remote Control for resale.
 - b. "Complete Control Category" means a group of Products designated by Universal Remote Control, in its discretion, as requiring the physical display samples available for consumers to see, feel and experience in a bona fide retail sales environment in order to establish a market for such Products. Universal Remote Control reserves the right to add to, delete from or modify the groups of products designated as a Complete Control Category under this Internet Commerce Policy. As of March 15, 2006, Universal Remote Control has designated the following group of Products as a Complete Control Category: Universal Remote Control MX-900, TX-1000, MX-950, MX-3000 and MSC-400.
 - c. "On-Line Sales" means the conduct of all or any part of a sales transaction over the internet, including without limitation offering to sell or buy Products, obtaining purchaser and shipping information and/or effecting payment for Products.
 - d. "Products" means all products offered and sold by Universal Remote Control.
 - e. "Restricted Products" means Products designated by Universal Remote Control, in its discretion, as restricted from being sold in On-Line Sales transactions. Universal Remote Control reserves the right to add to, delete from or modify the Products designated as Restricted Products under this Internet Commerce Policy.
 - f. "Internet Reseller" means any person or entity other than a Direct Customer that conducts On-Line Sales of Products.
 - g. "Website" means a website used to transact On-line Sales of Products.
 - h. "Universal Remote Control Trademarks" means the trademark UNIVERSAL REMOTE CONTROL, the stylized spinner logo, the trademark Complete Control, Entertainment Made Simple and other trademarks, service marks and proprietary rights owned by Universal Remote Control used in connection with the sale of Products.
2. **Approval of On-Line Sales by Direct Customers.** No Direct Customer may engage in On-Line Sales of Products without Universal Remote Control's prior written approval. In the event that approval is granted, Universal Remote Control reserves the right to approve each Website used by the Direct Customer in engaging in such sales. Approval will not be conditioned on the pricing policies of the Direct Customer.
3. **Approval of Internet Resellers.** Universal Remote Control reserves the right to make or authorize all sales of Products to Internet Resellers. No Direct Customer may, without the prior written approval of Universal Remote Control, resell Products to (a) Internet Resellers of any type, or (b) to persons whom the Direct Customer knows or should reasonably have known, will resell Products to an Internet Reseller. In the event that approval is granted, Universal Remote Control reserves the right to approve each Website used by the Internet Reseller and to determine on what non-price terms the Direct Customer may sell Products to an Internet Reseller. Approval of an Internet Reseller will not be conditioned on pricing policies of Internet Resellers.

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4. Effective Period of Approval. Unless otherwise provided by Universal Remote Control in its written approval and except to the extent terminated in accordance with Paragraph 5, approvals granted by Universal Remote Control under this Internet Commerce Policy will be effective for the calendar year in which the approval was granted, and will expire at the end of such calendar year. At the end of each calendar year, Direct Customers who have received approvals from Universal Remote Control to engage in On-Line Sales and/or to sell, directly or indirectly, to Internet Resellers under this Internet Commerce Policy must request re-approval prior to engaging in such activity.
5. Termination of Approval. Universal Remote Control reserves the right to terminate any approval granted under this Internet Commerce Policy, for any reason, upon thirty (30) days' written notice; provided, however, Universal Remote Control may terminate all or any part of its approval immediately upon written notice in the event that the Direct Customer or Internet Reseller fails to comply with any provision of this Internet Commerce Policy, including without limitation the terms set forth in Paragraph 8.
6. Effect of Expiration or Termination of Approval. Upon the effective date of expiration or termination of approval granted by Universal Remote Control under this Internet Commerce Policy to a Direct Customer, the Direct Customer will immediately cease the activity for which approval had been granted.
7. Universal Remote Control Discretion. Except as expressly set forth herein, wherever Universal Remote Control has the right to approve, withhold approval or terminate approval under this Internet Commerce Policy, such right shall be in Universal Remote Control's sole and absolute discretion for any reason whatsoever. In no event will Universal Remote Control be liable to Direct Customers or Internet Resellers for damages or expenses arising from the exercise by Universal Remote Control of such rights; Direct Customer hereby releases Universal Remote Control from such liability and agrees to indemnify and hold it harmless for damages and expenses to any Internet Resellers to whom Direct Customers sold Products.
8. Conditions for Approval. Universal Remote Control's approval to allow a Direct Customer to engage in On-Line Sales or to sell to an Internet Reseller is subject to and conditioned upon the following:
 - a. On-Line Sales by the Direct Customer or the Internet Reseller, as the case may be, may be engaged in only with end-users and consumers residing in (and who shall use the Products only in) the United States.
 - b. On-Line Sales by the Direct Customer or the Internet Reseller, as the case may be, must be conducted in a truthful and ethical manner, in full compliance with all applicable laws and industry standards (including without limitation those applicable to advertising, merchandising and representations concerning Products).
 - c. Sales representations set forth on the Website for each model of Products offered for On-Line Sale must contain a full description of that model's features, product specifications and warranty terms and conditions.
 - d. Each Direct Customer engaging in On-Line Sales and each Internet Reseller must provide a means of answering consumer questions, either by e-mail or dedicated telephone number, during at least 8 hours on all business days, relating to features, specifications and programming of Products, applicable shipping and handling charges, available quantities and service support.
 - e. Each Direct Customer engaging in On-Line Sales and each Internet Reseller is prohibited from engaging in:
 - i. Bait and switch promotional policies.
 - ii. Misrepresentation of Product quantities available for immediate sale.
 - iii. Misrepresentation of shipping and handling charges associated with the purchase of any Products.
 - iv. Misrepresentation of a Product's so-called "Comparable Retail Value".
 - v. Misrepresentation of a Product's features, consumer benefits or operational characteristics.
 - vi. Failing to fully identify a reconditioned or refurbished Product with such description.

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- vii. Misrepresentation of Universal Remote Control's consumer warranty applicable to the Product, customer service and support.
 - viii. False and deceptive advertising, merchandising or sales policies or practices.
 - ix. Utilizing any language or depictions, which in the sole opinion of Universal Remote Control are potentially injurious to the UNIVERSAL REMOTE CONTROL name, image or reputation.
 - x. Improper or unauthorized use of Universal Remote Control Trademarks.
- f. Notwithstanding any approvals, Direct Customers engaging in On-Line Sales and Internet Resellers may not sell Restricted Products in an On-Line Sales transaction. Restricted Products may be placed by a Direct Customer or Internet Reseller, as the case may be, on its Website for information purposes only; provided, such Direct Customer or Internet Reseller maintains a bona fide physical retail store or stores; provided, further, the Website must set forth the following statement prominently and unambiguously in close proximity and clear association with reference to such Restricted Products: "THESE PRODUCTS ARE NOT AVAILABLE FOR ON-LINE SALE, CHECK YOUR LOCAL STORE."
- g. A Product that is in a new Product category (as determined by Universal Remote Control, from time to time) may not be sold in an On-Line Sale by a Direct Customer or Internet Reseller unless (i) such activity is approved by Universal Remote Control pursuant to the terms of this Internet Commerce Policy and (ii) the Direct Customer or Internet Reseller, as the case may be, maintains a bona fide physical retail store or stores in which a sample of such Product is on display.
- h. No Internet Reseller may represent, directly or indirectly, on its Website or otherwise, that it is an "Authorized" (or "Approval", "Licensed", "Certified" or words of like import) Universal Remote Control dealer or reseller. Grant of approval by Universal Remote Control to permit a Direct Customer to sell Products to an Internet Reseller shall not constitute or be construed as the establishment of the Internet Reseller as an authorized Universal Remote Control dealer or reseller.
- i. Direct Customer engaging in On-Line Sales and Internet Resellers shall be required to submit to Universal Remote Control, for review, all pages of its Website referencing or describing the Product or its relationship to Universal Remote Control in advance of placing said pages on-line. Universal Remote Control reserves the right to disapprove of any such page or pages or any part thereof at any time, whereupon the Direct Customer or Internet Reseller, as the case may be, shall discontinue or modify such page or pages in accordance with Universal Remote Control's instructions with respect thereto. Failure of Universal Remote Control to promptly express such disapproval shall not constitute a waiver by Universal Remote Control of its rights to disapprove and require such discontinuance or modification or to approve, disapprove or terminate approval of any activity by the Direct Customer or Internet Reseller in accordance with this Internet Commerce Policy.
9. Ownership and Use of Websites. In the event that Universal Remote Control approves a Direct Customer engaging in On-Line Sales, or sales by a Direct Customer to an Internet Reseller, the Websites to be used in connection with such activity shall be reported to Universal Remote Control in writing and shall be owned by such Direct Customer or Internet Reseller, as the case may be, and all such approved On-Line Sales activity shall occur only on such Websites.
10. Use of Universal Remote Control Trademarks. All use of the Universal Remote Control Trademarks on Websites shall be in accordance with Universal Remote Control's trademark usage guidelines published and amended from time to time by Universal Remote Control of its sole discretion, and shall comply and promptly be modified according to instructions issued by Universal Remote Control from time to time. No Website, or any part thereof, shall be designed to be similar to the Universal Remote Control website, or any part thereof, in such a way that visitors could mistake such Website for a website owned or operated by Universal Remote Control.
11. Refusal to Deal. Failure by a Direct Customer or Internet Reseller to comply with this policy will result in Universal Remote Control's refusal to deal in or supply Products resold in violation of this policy. The foregoing shall not constitute or be construed as a waiver or limitation of Universal Remote

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Control's rights or remedies under other agreements or applicable law, all of which shall be and remain available to Universal Remote Control.