

AUTHORIZED ONLINE STOCKING RESELLER POLICY

UPDATED October 2010

POLICY BACKGROUND

Lutron Electronics Co., Inc. believes that it should adopt this Authorized Online Stocking Reseller Policy ("Policy") with respect to its Lutron® line of products. In particular, Lutron has determined that adoption of this Policy is an important component of its strategy to properly support internet sales, preserve and protect the value of its intellectual property and its rights therein, and ensure that its Lutron line of products is supported with aggressive marketing, effective product presentation and placement and pre-sale and post-sale customer service and education.

Lutron has adopted this Policy, effective as of October 1, 2009. This Policy is subject to change at any time by Lutron, in its sole discretion.

POLICY APPLICATION

This Policy applies to any distributor of Lutron products who buys directly from Lutron ("Lutron Customers") and who now or hereafter sells any Lutron products online EXCLUSIVELY (no brick & mortar sales) or resells any Lutron products to one or more companies operating Internet websites on which they sell, or intend to sell, Lutron products. A Lutron Customer who has been determined to comply with the Policy may qualify to be an official Authorized Online Stocking Reseller ("Reseller"). Below are the policies and procedures that Lutron will apply in working with Lutron Customers to support the Internet distribution of Lutron products.

AUTHORIZED ONLINE RESELLER

Lutron has determined that Resellers should meet certain criteria and fulfill certain responsibilities consistent with the Lutron strategy to maximize opportunities and benefits to all channel participants. In order to qualify, monitor and enforce those criteria and responsibilities, Lutron will maintain and promote a master list ("Authorized List") of Resellers who meet its criteria and continue to fulfill the responsibilities established by Lutron. The Policy includes both key expectations of Resellers and the Lutron commitment to provide marketing support only to those Resellers. Pursuant to the Policy Lutron will provide the following marketing support to Resellers:

- Access to select Lutron marketing materials, product descriptions, product images and other materials in electronic format;
- A license to use the LUTRON trademark and other intellectual property on Reseller websites;
- Access to training, support, assistance, resources and other materials that Lutron makes available only to Resellers
- Inclusion of links to Reseller websites on the official Lutron website; and
- Permission to use and display the official Authorized Online Reseller logo.
- Authorized Online Resellers will be featured on Lutron.com when users search for Online Resellers in the Lutron.com Where-To-Buy (WTB) tool. WTB page results priority will be given to resellers that provide links that feature Lutron specific content ONLY.

In turn, under the Policy Lutron has the following expectations of Resellers:

- Place a minimum opening order of \$10k. Stock and maintain a minimum of \$10k of inventory of products authorized for internet sales.
- Maintain a minimum of \$10k of inventory to fulfill customer orders direct.
- Achieve at least \$10k of annual online sales.

- Support applicable new Lutron product introductions with inventory and promotional activities.
- Provide live customer support during normal business hours, M-F. Agree to a minimum of 8 hours (webinar) online customer service training annually.
- Abide by standard freight terms and conditions. Must have ability to fulfill standard product orders from stock (list AA items in gloss). Orders for non “standard” colors, or specialty items, assuming below standard minimum order quantities, will be charged.
- Product Sales authorized for sale in the USA and US territories ONLY, to purchasers located in the USA and US territories ONLY.
- Comply with Lutron standard terms and conditions of sale.
- Fulfill standard orders in 10 days or less
- Provide secure shopping cart and SSL certification for the full online transactional process
- May not use any Lutron brand name in a root URL
- Utilize and maintain Lutron Brand Standards, trademarks and intellectual property according to the guidelines set out in the Lutron Brand and Visual Standards document as judged by the Lutron Web Team. Confirmation of compliance is required prior to launch and includes the submission of sample pages for final launch approval submitted to Brand-Standards@lutron.com
 - Use Lutron authorized product images and product copy, which can be found under Lutron Assets on our policy web page(<http://www.Lutron.com/online-reseller-policy>)
 - Including all product page: product titles, product descriptions, Lutron SKU#, meta data and Technical Information
- To observe the highest standards of fair dealing, positively contribute to maintaining the reputation of Lutron and its channel partners and refrain from any deceptive practices, including but not limited to bait and switch, misrepresentation of product quantities available for immediate sale, or misrepresentation of product features, consumer benefits or operational characteristics
- To keep and maintain only up-to-date product information and materials regarding Lutron products on their websites
- To maintain certain basic customer service and support functions in serving customers purchasing Lutron products
- Must NOT sell product on eBay or other auction web site.
- Resellers using online advertising (i.e. -banner ads, Pay-Per-Click, etc.) who include any Lutron brand name(s) in the ad must use a destination URL that brings the consumer to a landing page whose content features that brand or product name supported by appropriate product photography and descriptions.
- To comply with certain other policies and criteria applicable to their websites and their marketing and sales of Lutron products as may be announced from time to time.

Authorized Online Stocking Resellers may stock, display, promote and sell the following Lutron non-system product groups (Table 1) online (+system exceptions).

Table 1

Abella	fan controls	Maestro Wireless ⁺	Spacer
AuroRa	Fassada	Maestro Occ/Vac Sensor	Toggler/Ariadni
Ceana	Glyder	Nova/Nova T*	Vareo
Claro	Lyneo Lx	Radio Powr Savr ⁺	Vierti
Diva	Maestro	Rotary	
eco-home	Maestro IR	Skylark	

Certain other Lutron products (Table 2) can be marketed online but are NOT authorized for consumer sale via an online web site transaction. However, distributors can sell these products to dealers via a private password protected web site. In addition distributors can also send communicates on Lutron product availability, pricing and other information to its dealers (not consumers) via email blasts and fax.

All consumer sales of these products must be in person and must be supported with Design, Installation and Programming on every sale. Public online display of these products MUST be confined to the communications of features, benefits, available components, and an explanation of the reseller's Design, Installation and Programming services. Online content CANNOT include shipping info or rates, product SKU's, product pricing or the ability to place these products in an online shopping cart.

In addition, NO reseller, regardless of target customer type, is permitted to use price driven Comparison Shopping Engines such as Google Product, Shopzilla or Bizrate to promote these products. These requirements apply to the following product groups:

Table 2

Ballasts – Eco System/Hi Lume	HomeWorks QS	Radio RA SR	Stanza
Energi Savr Node	Hyperion Solar Adaptor	Radio RA 2	XP Switching Systems
Grafik Eye	LCP 128	Radio Touch	
Grafik Eye QS	Persona	Sivoia QED	
HomeWorks	Quantum	Sivoia QS	

LUTRON CUSTOMERS' ROLE

Lutron will take primary responsibility for qualifying Resellers and monitoring compliance with this Policy. In order to be effective, however, Lutron will need the assistance of all of its Customers. Beginning on the effective date of this Policy, Lutron is requiring that all Lutron Customers make it their practice to sell Lutron products intended for resale on the Internet only to Authorized Online Resellers. Among other things, Lutron Customers should take reasonable steps to determine whether orders they receive are intended for Internet resale, verify that the reseller is included on the Authorized List, and refer resellers who wish to become Authorized Online Resellers to the Lutron Internet Policy Coordinator.

- If Lutron determines that a Lutron Customer is selling Lutron products to an internet retailer who is not on the Authorized List, Lutron may
 - Refuse to accept any or all new or pending orders from the Lutron Customer;
 - If the Lutron Customer is also an Authorized Online Reseller, Lutron may remove the Lutron Customer from the Authorized List; and/or take other action as Lutron deems appropriate.

Lutron has determined that Lutron products should be sold on the Internet only by Resellers who comply with the standards outlined above and who maintain their status on the Authorized List. Lutron may from time to time develop, announce and apply other criteria applicable to Resellers.

POLICY VIOLATIONS

If, after making an investigation into any alleged or discovered violation, Lutron determines to its satisfaction that a Reseller has violated the Policy, Lutron may take one or more of the following steps:

Step 1: Reseller will be notified in writing of the violation. Reseller will have five (5) business days to correct such violation and come into compliance with the Policy.

Step 2: If Reseller fails to correct the violation within five (5) business days from the date the written notice was provided, Lutron will immediately suspend sales to Reseller of the item or items being sold in

violation of the Policy. The suspension will last for a period of thirty (30) calendar days, and Lutron will remove the Reseller from the Authorized List.

Step 3: Following the end of the thirty (30) day period referenced in Step 2 above, and provided that Reseller did not otherwise violate the Policy during the thirty (30) day suspension period, Lutron will reinstate Reseller to full status. If the Reseller continues to be in violation of the Policy at the end of the thirty (30) day suspension period, it will be considered a second violation.

Second Violation: If a second violation of the Policy by Reseller occurs in a twelve (12) month period, Reseller will be notified that if the violation is not corrected within five (5) business days Lutron will immediately suspend sales to Reseller of the item or items being sold in violation of the Policy. Lutron will not sell suspended product(s) to the Reseller for 3 months and will only reinstate the Reseller upon Reseller's request and verification of full Policy compliance by Lutron. Reinstatement may be granted or withheld at the sole and absolute discretion of Lutron.

Any Further Violation: If any further violation of the Policy by Reseller occurs in a twelve (12) month period, Reseller will be notified that if the violation is not corrected within twenty-four (24) hours Lutron will immediately close the Reseller's account and cease doing business with Reseller and remove the Reseller from the Authorized List. After a period of 1 year Resellers who have had their account closed can follow the standard account application process to establish a new account.

Note: This Policy is not intended to restrict the rights of Lutron to manage its distribution channels and to make and change its decisions regarding Resellers and others with whom it will do business. Among other things, depending on the severity of the violation and the response of the Reseller when advised of the violation, Lutron may deem it appropriate to bypass some or all of the steps above and immediately cease doing business with the Reseller.

LUTRON INTERNET POLICY COORDINATOR

Any comments or questions you may have regarding this Policy or its implementation or enforcement should be directed to the Lutron Internet Policy Administrator at the address designated below. The Lutron Internet Policy Administrator is the only Lutron representative authorized to answer questions regarding this Policy.

Lutron Internet Policy Administrator

Tom Stockwell
e-Commerce Manager
Lutron Electronics, Inc.
7200 Suter Road
Coopersburg, PA 18036-1299
484-499-1925
brand-standards@lutron.com