

**TERMS OF SALE ADDENDUM – US Dealer Agreement**

This Terms of Sale Addendum (“Addendum”) forms part of the Dealer Agreement between Dealer and Harman (“Agreement”). This Addendum sets forth additional terms and conditions relating to the purchase of Product by the Dealer (“Addendum Subject Matter”), which terms and conditions Dealer has agreed to honor. In the event (and to the extent) of any conflict between this Addendum and the Agreement pertaining to the Addendum Subject Matter, then this Addendum shall prevail, and the Agreement shall prevail in respect of any other issue outside of the Addendum Subject Matter.

- The following terms shall apply to the Products offered by the Harman business units and corresponding Harman brands set forth below. Any credit terms outlined below are those that may typically be extended to Harman dealers at large, and shall not be deemed as any representation or guarantee that Dealer will be extended (or shall continue to be extended) such credit terms (or any credit terms whatsoever), which credit terms shall only be extended at Harman’s sole discretion and may be subject to additional terms and conditions that Harman may impose at any time and from time to time.

BUSINESS UNITS/ BRANDS	PAYMENT	TAXES	DELIVERY/ FREIGHT	RETURNS/ EXCHANGES
<b>AMPLIFIER BUSINESS UNIT- CROWN; LOUDSPEAKERS BUSINESS UNIT - JBL PROFESSIONAL; MICROPHONES AND HEADPHONES BUSINESS UNIT –AKG; MIXERS BUSINESS UNIT – SOUNDCRAFT; SIGNAL PROCESSING BUSINESS UNIT – DBX; LEXICON; BSS</b>	<p>Upon credit approval, standard terms are 4% 30 days, net 31.</p> <p>Applicable cash discounts are allowed only on funds received within 30 days of invoice date.</p> <p>Accounts older than 90 days are subject to a 1.5% service charge per month.</p> <p>Terms discounts are not available on items sold through the Parts Department.</p>	<p>Prices do not include any applicable federal, state, regional, or municipal sales, use, or other taxes, which Dealer shall be solely responsible for and which shall be added where applicable.</p>	<p>Free freight, CPT – Named Place of Destination (Incoterms 2010), is available for certain qualified purchases, as set forth below. Notwithstanding anything to the contrary, including any printed terms on any Harman confirmation order or invoice, Harman will not bear the cost of shipping for purchases that do not qualify for Harman’s free freight program, and such non-qualifying purchases are sold under Ex Works – Named Harman Location (Incoterms 2010).</p> <p>Harman’s free freight program offers free freight on all single orders that are accepted and confirmed by Harman (single purchase order and single ship to address) and that exceed the prevailing Harman single purchase threshold (currently \$3,500, but may be modified by Harman at any time in its discretion). Also, each Dealer</p>	<p>A Return Authorization (“RA”) number from Harman is required prior to any returns. Harman RA numbers are issued in accordance with Harman’s prevailing return policy, which Harman may modify from time to time without any notice. Merchandise must be current and in factory-sealed cartons. Return authorization requests must be initiated within 45 days of the corresponding invoice date for the merchandise intended for return. Credit will be issued, after factory inspection, less a 15% restocking charge.</p> <p>Items being returned for warranty or regular service must also include an RA number. Contact Harman Technical Support for details.</p> <p>For any item over \$3,000 in invoice value, additional conditions may apply for return authorization. Contact Harman Technical Support for details.</p>

			<p>whose purchases exceed the prevailing Harman quarterly purchase threshold (currently \$12,500 per Harman fiscal quarter, but may be modified by Harman at any time in its discretion) will receive free freight for the remainder of such Harman fiscal quarter in which purchases exceed such threshold, and for the immediately subsequent Harman fiscal quarter</p>	
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2. **Security Lien.** Dealer grants to Harman a security interest in all Products Harman sells to the Dealer and all sales proceeds of Dealer with respect to such Products, in order to secure payment of amounts due to Harman, but shall be permitted to sell and transfer title to Products in the normal course of business. Upon Harman's request, Dealer will execute any and all financing statements and other documents that may be necessary to perfect such security interest. Dealer will properly store and care for and fully insure all Products purchased for which Harman has not received complete payment.
3. **Title and Risk of Loss.** Title and risk of loss to the Products in respect of each shipment shall pass to Dealer upon the placement of such Products by Harman (or its designated agent or supplier) in the custody of a carrier for shipment to Dealer, irrespective of the delivery method and which Party secures the shipping contract and makes payments thereunder. Harman shall have no responsibility for any damage caused to the Products during shipment, but will reasonably cooperate with Dealer to file any appropriate claims for such damages with the carrier or with Dealer's insurance company.
4. **Inspection.** On the date of receipt of Products by Dealer, Dealer shall reasonably inspect the Products and immediately notify the carrier and Harman in writing of any visible damage to the Products or packaging or any quantity shortages. Failure by Dealer to notify Harman of any such damage or shortage within ten (10) days after receipt of such Products shall be conclusive evidence that Dealer received all Products stated in the packing list without such damage or shortage.
5. **Records and Audits.** During the Term and for a period of two (2) years thereafter, Dealer shall keep, and furnish to Harman on request, complete, clear, and accurate records and books sufficient to evaluate Dealer's performance of and compliance with the Agreement, including but not limited to inventory, sales, and accounts information. At Harman's request and upon reasonable notice, Dealer will permit Harman or its authorized representative to review Dealer's facilities and records during normal business hours to determine Dealer's performance of and compliance with the Agreement.
6. **Costs and Expenses.** All costs and expenses incurred by Dealer in the performance of the Agreement, including, without limitation, all leases, facilities, salaries, commissions, taxes, licenses, utilities, promotional efforts, advertising, and travel, shall be paid by Dealer, and Dealer shall not be entitled to any payment or reimbursement from Harman, with the exception of expenses incurred for such programs (and only to the extent that Harman expressly authorizes incurring specific expenses on its behalf) as Harman may choose to engage in from time to time (as governed by bulletins and related materials provided to Dealer).
7. **Purchases.** Dealer undertakes and agrees to purchase Products and offer them for sale to customers in quantities adequate to meet reasonably anticipated market requirements or such greater quantities as Dealer and Harman may mutually agree upon.
8. **Forecasts.** Dealer acknowledges that any estimates or forecasts of Product purchases which may be provided by Harman are for planning and preparation purposes only and shall not in any way represent a commitment by Harman to sell, produce or stock any Products in any quantities or on any given schedule, or any representation or guarantee of how much Product Dealer may be able to sell.

9. **Product Changes; Cancellation of Orders.** Harman reserves the right, without notice and without incurring any liability whatsoever, to modify or change material content, technical specifications, product performance, labels, graphics, color variations, and/or construction of the Product ordered by Dealer, as well as the price for such, due to market conditions and/or material availability, which may or may not be beyond the control of Harman, or done in order to correct defects. Harman further reserves the right, upon notice to Dealer, to cancel any Purchase Order[s] (or any portion thereof) without any liability whatsoever to Dealer other than to refund any amounts pre-paid by Dealer towards such cancelled Purchase Order[s], notwithstanding any prior acceptance and confirmation by Harman thereof, upon any substantial increases in the cost, or any shortage, of materials involved in manufacturing any of the Products covered by such Purchase Order.
10. **Termination of Agreement; Repurchase of Products.** Within ten (10) business days following any expiration or termination of the Agreement, Dealer shall submit to Harman a list of all Products owned by Dealer as of the effective date of expiration or termination. Harman may, in its sole discretion, exercisable by written notice to Dealer within thirty (30) days after receipt of the list of Products owned by Dealer, repurchase from Dealer (or have a third party designated by Harman purchase from Dealer) any or all of the Products on such list, and Dealer shall be permitted to sell any Products on such list remaining after the exercise of Harman's option, subject to the terms and conditions herein, until Dealer's inventory of Products is exhausted. Should Harman elect to repurchase (or have its designated third party repurchase) any or all of the Products owned by Dealer, repurchase shall be made at the lesser of the last invoice prices charged or the prevailing prices for the Products, unless the Parties have mutually agreed otherwise, less any costs incurred by Harman (or its designated purchaser) for repair, refurbishing, or re-packing of the Products that Harman determines is reasonably necessary. After receipt and acceptance of the Products from Dealer, Harman (or its designated purchaser) will issue an appropriate credit to Dealer's account, or, if no amounts are owed by Dealer, will make payment to Dealer within sixty (60) days after such receipt and acceptance. Dealer shall deliver the repurchased Products to such location in the United States as Harman may designate in such notice. Harman (and/or its designated purchaser) shall have the right to inspect all such returned merchandise on Dealer's premises before delivery and upon delivery before accepting it for repurchase and shall be entitled to reject and return to Dealer, freight collect, any Products that do not conform with the agreed upon condition.
11. **Partial Shipments.** Harman shall have the right to make partial shipments, which shipments shall be separately invoiced and paid for when due, without regard to subsequent shipments. Where partial shipments occur, delay in delivery of an installment shall not relieve Dealer of its obligation to make payment for such installment or to accept the remaining installments.
12. **Price Lists.** Harman shall have the right to modify prices or terms set forth in the Price Lists in its sole discretion at any time upon notice to Dealer. Such modifications shall apply to all new Purchase Orders received by Harman after the date of such modifications, and to all open Purchase Orders received by Harman prior to the date of such modifications, provided that, in the case of such open Purchase Orders, if Dealer objects to such modifications, Dealer may cancel such open Purchase Orders upon written notice to Harman given immediately upon Dealer's becoming aware of the price modification affecting such open Purchase Order.
13. **Financial Information.** Dealer agrees to furnish to Harman, upon reasonable request, financial statements of Dealer and other financial information relevant to the creditworthiness of Dealer.
14. **Late Payment Interest.** All overdue amounts payable to Harman are subject to the lower between: (a) the interest or service charge rate set forth in the table above; or (b) the maximum interest allowed by law, until fully paid.
15. **Return of Property.** Upon request by Harman, Dealer shall, at its expense, return to Harman any and all documents, books, catalogs, mailing lists, brochures, signs, materials, and tangible property supplied to Dealer without charge by Harman, any Confidential Information and trade secrets received from Harman, as well as all copies, reproductions, translations, and tangible embodiments of the foregoing, provided that where any Confidential Information or trade secret is not in written form or where the Parties have agreed it is incapable of return, Dealer shall continue to maintain the confidentiality of such information or trade secrets.
16. **Misrepresentations.** Dealer acknowledges that it has read and understood, and hereby agrees to comply with Harman's Product Condition Claims Policy ("HPCCP"). Dealer shall accurately, fairly, and truthfully describe Products to customers. Dealer agrees to clearly identify any Products that are not "new" as "discontinued," "refurbished," "B-stock," or as appropriate. "New" shall be defined as Products that have never been purchased by, or sold, delivered or shipped to, any consumer at any time, and "discontinued," "refurbished," "B-stock," shall have those definitions set forth in the HPCCP. Dealer shall not describe "new" products as "discontinued," "refurbished," "B-stock" (or similar language), or vice-versa. Dealer shall make no false or misleading representations regarding Harman or the Products and may only use previously published or approved Product specifications or features in making any representations to Consumers. Dealer shall not engage in "bait and switch" practices, make any false or unsupported claims (such as claiming used or refurbished Products as new, or vice versa), or any other unfair trade practices with respect to the Products. Any specification or feature information provided by Harman is provided on an as-is basis.

17. **Dealer Portal.** For any transactions processed through Harman's "dealer portal" ("Portal"), Dealer further represents, warrants and agrees that: (a) where such orders have been placed by a Harman independent sales representative[s], Dealer has authorized such independent sales representative[s] to place such orders on behalf of the Dealer; (b) Dealer shall be responsible for the accuracy of any and all purchase order data entered by such sales representative[s]; (c) Dealer has apprised itself of Harman's latest pricing information for any products ordered through the Portal; and (d) Dealer has read and agrees to each of the "Terms of Use" applicable to the Portal. Dealer further agrees to fully and promptly pay Harman for all orders placed by any sales representative[s] purportedly on behalf of Dealer, regardless of any inaccurate information entered or supplied by such sales representative[s] (including but not limited to any inaccurate pricing or quantity information).