

Vertical Market Addendum

Version 1.0 (published on August 6, 2012)

- (1) This Vertical Market Addendum (“Addendum”) forms part of the Dealer Agreement between Dealer and Harman (“Agreement”). All capitalized terms in this Addendum shall have the same meaning as set forth in the Agreement, unless expressly stated otherwise herein. This Addendum sets forth additional terms and conditions relating to Dealer’s marketing and promotion of the Products (“Addendum Subject Matter”) that 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.
- (2) Dealer’s faithful compliance with this Addendum is necessary to protect the image, reputation and goodwill of the Trademarks and the Products. Nothing in this Addendum shall be deemed as creating a franchisor-franchisee relationship or furnishing Harman with any control over any methods of operation of the Dealer. Dealer agrees to establish its own marketing plan, develop its own operation manual, and shall independently determine (and not take any direction from Harman regarding) its retail site locations, site design or appearance requirements, hours of operation, production techniques, accounting practices, personnel policies and practices, promotional campaigns, repair or business training and accounting systems.
- (3) Dealer undertakes to promote the Products at least with the same prominence as its other products that compete with Harman (if any).
- (4) Dealer shall exert reasonable efforts to attend Harman Product training seminars when offered.
- (5) Dealer shall actively recommend and specify the Products to its customers.
- (6) Where required by the nature of the Products, which determination may be made by Harman in its discretion, Dealer shall provide design, installation and service for the Products.
- (7) Where Dealer purchases any Product that is capable of or is designed to be “flown” or suspended, Dealer shall engage a qualified professional engineer to verify safety of “flown” or suspended systems containing the Product. Dealer acknowledges and assumes all installation and deployment risks relating to such Products.
- (8) Where required by the nature of the Products, which determination may be made by Harman in its discretion, Dealer shall maintain an adequate area for construction and assembly of Product system components.
- (9) Where required by the nature of the Products, which determination may be made by Harman in its discretion, Dealer shall employ or retain at least one engineer for design of fixed Product installations.
- (10) Where required by the nature of the Products, which determination may be made by Harman in its discretion, Dealer shall own and maintain electronic test equipment that allows its customers to verify system performance and tuning.
- (11) Where required by the nature of the Products, which determination may be made by Harman in its discretion, Dealer’s staff shall have all appropriate contracting licenses as required by law.