

## Vibracoustic General Terms and Conditions of Sale

(valid as from 1 August 2016)

### 1. SCOPE OF APPLICATION AND DEFINITIONS

1.1 All sale of goods or work- and service performances by the acting Vibracoustic company ("VC") including future transactions and the phase of initiation of a transaction, contract negotiations, quotations submitted by VC to Customer or answers of VC to inquiries shall be governed exclusively by these general terms and conditions for sales and deliveries ("VC Sales T&C"). All other general terms and conditions from Customer are strictly and expressly rejected in whole.

Silence of any representative of VC shall not be deemed as acceptance. Any deviation from the VC Sales T&C shall be effective only if signed in written form with two (2) signatures of VC's duly authorized representatives.

1.2 "Customer" as used in these VC Sales T&C is each buyer of VC products, work- or service performances (jointly "Products") based upon contractual agreement. VC and Customer are jointly "Parties" and each individually a "Party". Technical terms are primarily defined according to the definition of the respectively valid Technical Standards as DIN/ISO 8402.

1.3 Customer is herewith informed of and agrees that VC is entitled to process for its own purposes the personal data originating from the business relationship in accordance with applicable data protection law.

### 2. QUOTATIONS, OFFERS, PURCHASE ORDERS

2.1 Quotations or offers provided by VC are non-binding until VC's final purchase order confirmation.

2.2 In the event Customer submits a binding purchase order, VC may accept this purchase order within two weeks from receipt by sending a purchase order confirmation or by delivering the ordered Products. VC shall not have any liability to Customer or any third party if it cancels a purchase order within two weeks of receipt.

2.3 Each purchase order is only valid for the market for which the Products are destined according to the Parties' express agreement. VC shall be informed about the target market(s) by Customer in advance. In the event Customer may not deliver into a target country, e.g. because of an embargo, he - upon VC's request - must return to VC the Products delivered. Any non-compliance herewith obligates Customer to compensate VC for the damages arising out of such non-compliance.

2.4 In the event the purchase order is based on or reference is made to product-and/or material specifications used by VC, the respective work specifications applicable for these Products and materials at VC shall be mutually agreed ("VC Specifications"). Upon request of Customer VC shall provide information about such specifications. If Customer approves Products deviating from the particulars or VC's Specifications set out in the purchase order, the Products shall be deemed approved and accepted notwithstanding the particulars or VC's specifications. Further information, e.g. in brochures, pamphlets, catalogues etc. are not terms of any contract or agreement between the Parties unless expressly agreed upon in writing. Any statements or declarations in such brochures, pamphlets, catalogues, etc., are not binding on the Parties and are not statements, representations or warranties as to any assured qualities, independent assurances (guarantees) otherwise, merchantability or fitness or definite action directives. This limitation also applies in case of standard- or conformity designations used in such brochures, pamphlets, catalogues, etc.

2.5 The Customer shall assume responsibility regarding the fitness of the Products to be delivered by VC for the purpose chosen by the Customer or fitness of putting the Products into operation. A purpose of use of VC's Products determined by Customer only becomes part of the contract if expressly agreed in writing. This also applies to the extent VC was involved by Customer in the development of the Products created by Customer and may thereby have cooperated by giving advice and recommendations. Customer is barred from claiming that Products delivered by VC had not been or had not sufficiently been tested. In case of resale nobody shall be permitted to make further statements and specifications or undertakings without VC's prior written consent. Article 2.4 shall apply accordingly.

2.6 Customer shall assume responsibility for determining whether the Products are ready for use. Customer shall be precluded from claiming that delivered Products were not sufficiently.

2.7 Customer assures traceability of Products delivered by VC. Customer shall not exercise a right to refuse performance in this regard. At any time VC may request evidence on the keeping of proper documentation.

2.8 Customer shall inform VC in advance and in writing if Products are to be used as a safety related part or a part requiring special documentation including whether the Products are required to comply with the applicable local laws for any target market. Customer shall indemnify VC for all damages incurred by VC if Customer breaches this obligation. The Products may not be used in aviation or in nuclear plants without prior written consent by VC.

2.9 Any illustrations, drawings, calculations and other documents, models or patterns related to the Products made available to Customer shall remain the sole property of VC along with all copyrights or other proprietary rights therein. Customer shall be precluded from disclosing such documentation to third parties without the prior express written consent of VC. Any transfer of such documentation or the related Intellectual Property rights whatsoever must be subject to a separate written agreement, including a fair compensation to be paid for it, signed by both parties' representatives. Any documents obtained by VC from a third party for which VC is authorized to submit to Customer may be disclosed to Customer only after VC has permissibly sub-contracted such third parties in delivery of services or goods for the fulfillment of its contractual obligations towards Customer.

### 3. PRICES, INVOICES AND PAYMENT CONDITIONS

3.1 Only prices confirmed by VC in accordance with section 2.1 are binding. In the event deliveries and partial deliveries are - as per agreement - carried out later than two months after the date of the purchase order confirmation and in case that VC has meanwhile increased its sales price in general, VC is entitled to increase the agreed price accordingly. VC is entitled to reasonably increase prices as well in case the price for materials to be used for the manufacturing and supply of parts to customer has increased in general in the market.

3.2 Unless otherwise stated in the purchase order confirmation, VC's prices are understood net as *ex works* (EXW INCOTERMS 2010) VC's factory. Products will be provided in standard packaging only. Any special packaging required by Customer for transport is not included in the price. As *ex works*, the price does also not include freight, transfer, insurance, customs, assembly and the applicable value added tax. The value added tax applicable on the date of invoicing will be shown in its legal amount separately on the invoice.

3.3 Unless otherwise agreed, VC's claims are due net within 30 days as of date of invoice. No discounts are granted unless so agreed in writing. VC may request payment in advance or collateralization prior to delivery. In the event of default of Customer, VC is entitled to a default interest of at least 9% per annum over and above the applicable basic interest rate applicable by law or in absence of such rule set by the central bank in the jurisdiction of VC. VC reserves the right to assert further damages.

3.4 Payments are only to be made in the currency determined in the invoice. Bills of exchange and cheques will only be accepted subject to conclusion of separate agreement and only on account of payment. Any cost of discounting and charges for collection are to be borne by Customer.

3.5 Customer may only set off counterclaims which either have been expressly acknowledged by VC or are adjudicated by a final non-appealable judicial decision. Customer is only entitled to exercise a right of set off or retention insofar as his counterclaim is based on the same legal relationship for affected supply. Customer is not entitled to a right of partial retention in cases of partial performance. Claims of Customer against VC may only be assigned or pledged with the express written consent of VC.

3.6 Customer's rights and obligations resulting from another contract entered into with VC continue to be in full force and effect and shall not be subject to the set off rights set forth in section 3.5 including when a good delivered by Customer thereunder to VC becomes part of the Product to be delivered by VC hereunder and when such Products delivered by VC hereunder are not marketable for reasons which are not within VC's responsibility.

### 4. DELIVERY TIME AND DEFAULT IN DELIVERY

4.1 Timely delivery is subject to all documents (especially drawings), and necessary authorizations and releases, being provided by Customer to VC in due time as well as Customer's compliance with its payment conditions and other obligations. If Customer violates these obligations, VC may delay delivery times

4.2 Unless otherwise the delivery time is deemed to be met if readiness of the Products for collection by Customer or his freight carrier at VC's factory has been announced by the expiration of the time period agreed for delivery. The Product shall be deemed delivered upon VC's notification to Customer that the Product is available for pick up at VC's facility.

4.3 If delivery is delayed for reasons only VC is responsible for, the Customer is, unless actual damages are proven to be lower, entitled to a lump-sum compensation for each complete week of such delay of 0.5 % (one half of a percent), but not more than a total of 5 % (five percent) of the price of the delayed Products provided that Customer shows probable cause that it incurred damages solely due to such delay. Further compensation claims of Customer for delay of performance are excluded. The foregoing limitation does not apply in cases of damage to health, bodily injury or bodily injury followed by death as well as in cases of intentional or grossly negligent violation of cardinal contractual obligations by VC or its representatives and agents

4.4 Upon request of VC, the Customer is obliged to declare within an appropriate time frame, whether Customer still desires delivery of the Products despite a delay in delivery.

4.5 In the event that the collection of the Products by the Customer or his freight carrier is delayed upon request of the Customer for more than 2 (two) weeks after (i) the agreed delivery time or, (ii) after VC has given notice of readiness, Customer shall pay a storage charge amounting to 0.5 % (one half of a percent) of the Product price per month, however not more than a total of 5 % (five percent) in aggregate. The right of VC to claim proven damages in excess of the percentage amounts above remains unaffected. After expiration of a reasonable time limit set by VC and communicated to Customer, VC is entitled at its discretion to either dispose of the Products or eventually deliver Products to Customer within an adequately prolonged time limit at Customer's expense.

4.6 At any time VC is entitled to have its delivery obligations fulfilled by an affiliated company or to have the Products manufactured by an affiliated company. Affiliated company shall mean all legal entities, including limited liability corporations and partnerships (including limited partnerships), which are directly or indirectly (i) controlled by VC, (ii) controlling VC or (iii) being under common control by a company which directly or indirectly controls VC. Control shall mean holding the majority of the shares or voting rights or otherwise being able to direct the affairs of such company.

4.7 With respect to a contract for work and services, acceptance must be given by Customer at an acceptance appointment located at the premises of VC at Customer's cost. In case Customer does not attend an acceptance appointment set by VC and notified in writing to Customer with 1 (one) weeks' notice, acceptance will be deemed to have taken place at the time the minutes of acceptance are signed by VC.

4.8 Delivery of the Products in accordance with logistic systems, e.g. just-in-time, requires a written agreement.

### 5. DELIVERY, PASSING OF RISK

5.1 Unless otherwise stipulated in the purchase order confirmation, the delivery term *ex works* (EXW INCOTERMS 2010) at VC's factory is agreed.

5.2 Partial deliveries are permissible and shall be accepted by Customer.

5.3 The risk of loss, including accidental loss, passes with the dispatch of the Products, meaning the handing over of the Products to the Customer or its designated freight carrier, at VC's factory. In the event Customer has given express acceptance of the Products prior to the dispatch date, then such acceptance date shall be the date on which risk of loss is transferred. In the event either dispatch or acceptance is delayed due to the fault of the Customer, the risk of loss shall pass to the Customer on the date of notification of dispatch.

5.4 The date on which risk of loss passes shall not be affected even in instances where VC agrees on the account of Customer to arrange for insurance coverage of the Products.

### 6. FORCE MAJEURE

6.1 In case of a force majeure event or other unforeseen, extraordinary circumstances not due to either Party's fault (including interruption of business, strike, lockout, interventions by authorities, difficulties in power supply, delayed supply or of supply of defective raw material, semi-finished or finished preliminary products necessary for the production of the Products, etc.) both Parties are released from rendering their obligations under the contract to the extent and for the duration of the force majeure event plus an appropriate start-up time thereafter. This also applies if such force majeure events occur at third party sub-suppliers. Either Party will inform the other Party without undue delay on the commencement and end of such force majeure events.

6.2 In case delivery or performance becomes impossible or unreasonable for VC due to such impediments, VC is released from the delivery obligation. To the extent VC is released from the delivery obligation advance payments will be returned to Customer.

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Customer shall not be entitled to any damages including those set forth in section 4.3 in case the delivery is delayed or VC fails to fulfill any of its other obligation hereunder due to a force majeure event.

- 6.3** In the event the force majeure event lasts longer than six months either Party may terminate the contract without penalty.
- 7. COLLATERAL, RIGHT OF RETENTION, SEIZURE BY THIRD PARTY**
- 7.1** VC reserves all rights of ownership in the Products delivered until the purchase price for the Products has been duly paid in full. VC further reserves all rights of ownership in the Products until all payments outstanding in the business relationship with Customer have been duly settled. For as long as the title to the Products lies with VC, the Customer is not allowed to pledge, to assign or to transfer the Products as a collateral to a third party.
- 7.2** In case of a breach of this contract or other agreements with VC by the Customer, especially in case of delayed payment, VC is, after having granted an adequate time period for cure, entitled to repossess and to utilize the Products for its own purposes. In case of successful utilization, the revenues less disbursements and costs including costs of repossession will be deducted from the debts of Customer. Retrieval of the Products by VC shall, however, not be construed as termination or rescission of the contract by VC.
- 7.3** For as long as the title to the Products lies with VC, Customer is obligated to handle the Products properly and to store them with appropriate care. Customer must clearly mark the Products as being the property of VC. Customer is further obligated to obtain at its own cost proper insurance for the Products at replacement value against damage by fire and water and theft. Claims against the insurer are herewith assigned to VC and VC accepts such assignment. Customer shall direct insurer to perform payment only directly to VC. Necessary maintenance and inspection work must be carried out by Customer in due time at his own cost.
- 7.4** In the event of seizures of or other interferences with the Products by third parties Customer shall inform VC in writing without undue delay, so that VC may take appropriate action to protect its property. Customer shall take all measures necessary for annulment and defense of such third party seizures, interventions and claims and shall support VC in securing Customer's and VC's rights in every manner. Customer shall reimburse VC for any in-court and out of court expenses which VC incurs and cannot recover in any such proceeding.
- 7.5** Customer is entitled to process the Products within the ordinary course of business and/or to resell them also during the time for which the title to the Products still lies with VC, provided, however, Customer receives complete payment from its business partners at the time of transfer of ownership or sells and transfers the Products to its business partners also only under retention of title. Independent of whether the Products are sold onward by Customer after further processing, Customer assigns to VC all receivables accruing as a result of such sales to its business partners up to the amount invoiced by VC (including value added tax).  
If Customer has established a current account agreement with its business partners, the assignment shall extend to the acknowledged balance or in case of insolvency of such business partner to the actual balance. Customer remains authorized to collect these receivables even after assignment. The right of VC to collect these receivables remains unaffected. Should the Customer fail to fulfill its obligations described herein, VC may request Customer to name all assigned claims and debtors along with all details necessary for collection; to produce the relevant documents and that to inform its business partners about the assignment. Customer herewith assigns also all claims under bills of exchange that are given by Customer's business partners for a sale of the property of VC to them. VC may also require at any time that Customer endorse and produce the bills of exchange. VC is at any time entitled to notify third parties of the above mentioned assignment. All assignments are herewith accepted by VC.
- 7.6** For as long as title to the Products lies with VC, regardless of whether the Products are processed, assembled or transformed by Customer, ownership of the Product lies with VC. Customer shall not obtain any rights from any transfer of possession. In the event the Products are processed with other goods not owned by VC, VC acquires co-ownership in the final good in the proportion of the value of the Products (final invoice amount including value added tax and any other charges) to the other processed goods at the time of processing. For the final good created by the processing, the same provisions apply as for Products delivered under reservation of title.
- 7.7** In order to secure all claims arising under this contract, VC retains a right of retention as well as a contractual pledge regarding all movable properties that are passed into its possession by Customer for the purpose of processing, repairing or other works.
- 7.8** Upon request of Customer, VC shall release the securities interests granted to it in accordance with applicable law the event of over collateralization. The choice of securities interests to be released is at the discretion of VC.
- 8. WARRANTY CLAIMS**
- 8.1** In the event the purchase order is based on product and/or material specifications or reference is made to them, the VC Specifications are binding. Upon request VC will provide to Customer information on the VC Specifications. The particulars of the VC Specifications exclusively determine the performance criteria if any as to the Products. In the event that Customer approves Products differing from the purchase order stipulations or VC specifications, these approved Products are deemed to comply with the purchase order, and Customer shall have no claim that such Products failed to comply or perform in accordance with the purchase order stipulation or VC Specification. It is solely Customer's responsibility to provide to VC accurate and complete purchase order stipulations and the documents related thereto.  
The VC Specifications or any references to norms labeling or conformity labeling do not constitute a guarantee granted by VC. Guarantees will only be granted in express written declarations. Likewise; drawings and technical stipulations or documentation, do not give rise to any guarantee or constitute any assurance to quality or can otherwise be a basis for claims against VC unless expressly agreed in writing in advance. Any documents, drawings etc., received from the Customer shall only be considered binding criteria for quality and performance if they are expressly agreed by VC in advance.
- 8.2** Customer undertakes to inspect the delivered Products without undue delay and to give to VC notice of a defect in writing by explaining its nature and extent. Apparent defects must be notified within 10 days after delivery, and defects which are despite proper examination not apparently detectable, within 10 days after their detection. In case Customer fails to give notice of a defect within these time limits, Customer shall not be entitled to claims and rights based on these defects.
- 8.3** Upon claiming a defect, the Customer is first of all obliged to immediately provide to VC the defective Products along with the entire corresponding documentation, description of the defect, any analysis carried out as well as information concerning maintenance, storage, utilization of any machinery, handling and delivery of the Products concerned.

A part shall be deemed to be free from a defect, when it complies with the agreed specification and is of good workmanship. Upon request of VC, the Customer shall allow inspection of its site to evaluate the storage or manufacturing processes used for or applied to the Products or other impacts the Products are exposed to. VC assumes no liability as to defects occurring due to processing or remedy or misuse by the Customer, as well as due to wear and tear.

- 8.4** If the Products show a defect within the limitation period prescribed by Article 9.5 below, Customer shall have the right to claim supplementary performance by way of, at VC's sole discretion, either removal of defect or replacement of the Products. In case of removal VC may reimburse the proven necessary and foreseeable expenses caused by the removal, especially agreed transport and transportation charges, labor and material costs but only insofar and to the extent these are not increased due to the Products having been transferred to a place different from the place of delivery, unless such transfer is in accordance with the specified use of the Products. VC shall be entitled to recovery for subsequent improvement or replacement delivery in case of material defects.
- 8.5** After coordinating with VC, Customer shall grant the necessary time to allow VC to carry out all subsequent improvement and replacement deliveries deemed necessary by VC in its sole discretion. Otherwise VC is released from any damages caused by failing to conduct such improvement or replacement delivery.
- 8.6** Subject to Article 9 below, claims for damages or compensation claims for expenditures are excluded unless expressly provided for in Article 8.1 through 8.5.
- 9. GENERAL LIABILITY, LIMITATION OF LIABILITY AND LIMITATION PERIODS**
- 9.1** VC is liable for reimbursement of claimed and proven expenses under applicable law, if the claim is based on intent or gross negligence by VC, its representatives or its agents. In case of a claim for gross negligence, however, liability shall be limited to foreseeable and typical damages.
- 9.2** If it is determined that VC is in breach of essential contractual obligations, liability shall be limited to foreseeable direct and typical damages. The contribution of third parties impact, or possible refunds of insurances of customer shall be taken into respect as well.
- 9.3** Liability for culpable injury of life, body or health remains unaffected. The same shall apply to mandatory liability under applicable enforceable product liability laws.
- 9.4** Any claims of Customer for damage or compensation for expenditures going beyond those laid out in these VC Sales T&C, regardless of which reason, are excluded. Section 9.3 applies accordingly.
- 9.5** All obligations of VC to reimburse or indemnify Customer hereunder must be expressly accepted by VC in accordance with the terms herein in advance of any debiting. Debit notes, invoices, set-off or similar statements by Customer without such prior acceptance are hereby rejected.
- 9.6** All claims of Customer under these VC Sales T&C for damages or compensation become time barred after one year (i) from acceptance by Customer of the Products in case of work performances or (ii) from delivery of the Products to Customer in all other cases. This shall not apply if and to the extent mandatory law provides for longer time periods.
- 9.7** As far as the liability of VC is excluded or limited this applies as well to the liability of the employees, staff members, representatives and agents of VC.
- 9.8** Customer undertakes to maintain sufficient insurance coverage for liability cases, especially fault and no fault insurance. Customer has to inform its insurer of its obligations hereunder.
- 10. TOOLS AND INVENTOR'S RIGHTS**
- 10.1** Tools assembled by or on behalf of VC in connection with the delivery of the Products to Customer and all rights, title and interests including intellectual property rights therein shall belong exclusively to VC, irrespective of cost contribution by Customer.
- 10.2** Where Customer provides tools for the manufacture of Products to VC or otherwise is or becomes the holder of tools for the manufacture of Products, VC shall for the duration of the supply relationship have an unrestricted, royalty -free, non-cancellable right to possess, license and use such tools.
- 10.3** For contracts which involve development work on the part of VC, Customer does not acquire an inventor's right in objects or procedures, in the know-how of VC, and in the assembly method of VC developed for manufacturing the Products independent of whether Customer contributed part or all of the development and/or manufacturing costs. Rights pursuant to laws governing inventions made by employees in connection with their work tasks remain unaffected.
- 11. CONFIDENTIALITY**
- Customer agrees to treat confidential all knowledge, documents and information resulting from the business relationship with VC which is not already in the public domain. This includes knowledge of VC's know-how independent of whether proprietary or not to VC and VC's manufacturing methods and procedures regardless of how acquired, including if acquired through audits of VC or inclusion of VC in the co-development of Customer's products. Customer agrees to impose these confidentiality obligations on any third parties involved by Customer. Customer is liable to VC for all damages arising from the violation of this obligation. A continued violation of this obligation shall not be considered a continuous offence especially where such continuous offence could give rise to arguments against causation of continuing damages by Customer. The confidentiality obligation hereunder constitutes an independent legal duty that survives the termination of the Customer's business relationship with VC.
- 12. WAIVER, MODIFICATION**
- No waiver of any right under any of the provisions in these VC Sales T&C will constitute a waiver of any other right hereunder. These VC Sales T&C including this clause may only be modified in writing signed by authorized representatives of VC and Customer.
- 13. PAPERLESS COMMUNICATION**
- No electronic communication shall legally bind VC or otherwise be construed as a declaration of legal content unless such form of communication has been approved and agreed by the Parties in a written document signed by the Parties.
- 14. ETHICS POLICY**
- VC's agents and employees are prohibited from soliciting or accepting kickbacks, bribes and inappropriate gifts and entertainment. Customer is required to avoid any action to induce VC's agents and employees to accept or offer any improper consideration, whether

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- legal or illegal. Customer warrants that no such consideration has been offered or provided. VC reserves the right, and by placing any purchase order, Customer hereby agrees to permit VC, to audit any of Customer's relevant records that are deemed necessary by VC to ensure compliance with this Ethics Policy. An expanded version of VC's Code of Conduct is available on [www.vibracoustic.com](http://www.vibracoustic.com), Downloads, Code of Conduct which may be updated from time to time. Customer further represents and warrants that it and its subcontractors shall comply with all applicable domestic and foreign anti-bribery and anti-corruption laws, and other laws governing improper payments, in connection with the performance of this agreement/order/release or any obligation set forth therein, including but not limited to, the requirements of the U.S. Foreign Corrupt Practices Act, the UK Bribery Act of 2010, and any other applicable anti-bribery and anti-corruption laws and regulations in other jurisdictions (collectively, the "Anti-Bribery Laws"), and Customer shall not act in any way that could cause VC to be in violation of the Anti-Bribery Laws (such as, by way of example only, providing a kickback, bribe or inappropriate gift or entertainment to any employee or agent of VC or government official or political party in order to obtain or retain business or to secure an improper commercial advantage).
- 15. EXPORT**  
Products supplied by VC are for use in and shall remain in the country of delivery agreed on with the Customer. The re-exportation of products may be subject to authority approval and may be governed by the export regulations of the country where the supplying VC plant is located. Customer is responsible for complying with all applicable export control law. Customer has sole responsibility for applying for any necessary authority approval or permits with the competent foreign trade authority, prior to exporting such Products. Any onward delivery of Products by the Customer to a third party, with or without VC's knowledge, also shall obligate the Customer to impose on such third party all applicable export approval rules so as to comply with this agreement. The Customer shall be liable to VC for breach of this provision.
- 16. APPLICABLE LAW, VENUE**  
**16.1** The legal relationship between the Parties will be governed exclusively by local laws applicable at VC's principal place of business (registered office), without recourse to the rules on conflict of laws or international agreements such as the Convention on Contracts for the International Sale of Goods (CISG).  
**16.2** If the Customer is an entrepreneur or company, VC's principal place of business (registered office) shall be the place of proper fulfillment and place of venue; however, VC is entitled to institute legal proceedings against the Customer in any courts having jurisdiction over him.
- 17. SEVERABILITY**  
Should any provision of these VC Sales T&C be or become invalid or unenforceable, the validity or enforceability of the remaining provisions shall not be affected thereby. If any provision is invalid, VC and the Customer shall agree on a valid provision that comes as close as possible to the original provision in legal and economic terms.
- 18. APPLICABLE TO CONTRACTS GOVERNED BY US LAW ONLY**  
**18.1** If the Order is submitted to VC at an address or place of business in the U.S., Clause 16.1 reads: "The legal relationship between Parties will be governed by and construed in accordance with the state of Michigan without giving effect to the principles thereof relating to conflicts of law. Customer hereby submits and consent to the exclusive jurisdiction and venue of state courts sitting in Oakland County, Michigan or the United States District Court for the Eastern District of Michigan for the purpose of hearing and determining any disputes. Notwithstanding the foregoing, VC may institute legal proceedings against Customer in any court having jurisdiction over Customer." Clause 16.2 is deleted.  
**18.2** Clause 2.1 reads: "Quotations or offers provided by VC are non-binding until VC confirms its receipt of a final purchase order from customer and approves the prices set forth therein."  
**18.3** A sentence is added to the beginning of Clause 2.5 that reads: "EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THE PRODUCTS ARE PROVIDED ON AN "AS IS" BASIS. TO THE FULLEST EXTENT PERMITTED BY LAW, VC MAKES NO WARRANTY, REPRESENTATION, OR INDEMNITY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE DELIVERY OR PERFORMANCE OF THE PRODUCTS INCLUDING ANY AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, SATISFACTORY QUALITY OR NON-INFRINGEMENT, OR ARISING FROM A COURSE OF DEALING, USE OR TRADE, AND ALL SUCH WARRANTIES ARE EXPRESSLY DISCLAIMED. THE WARRANTIES SET FORTH IN THIS AGREEMENT (IF ANY) CONSTITUTE THE ONLY WARRANTIES MADE BY VC TO THE CUSTOMER WITH RESPECT TO THE PRODUCTS AND ARE MADE IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED."  
**18.4** In Clause 3.3, the third sentence is replaced by the words: "In the event of default of Customer, VC is entitled to a default interest of at least the lower of (a) the highest interest rate permitted by law, or (b) 8% per annum over and above the applicable basic interest rate applicable by law or in the absence of such rule, set by the central bank in the jurisdiction of VC."  
**18.5** In Clause 4.3, the second sentence is replaced by the words "THE FOREGOING IS CUSTOMER'S SOLE REMEDY FOR DELAY OF PERFORMANCE AND ADDITIONAL CLAIMS FOR COMPENSATION OR DAMAGES FOR DELAY OF PERFORMANCE ARE EXCLUDED." The words "violation of cardinal contract obligations" are replaced by the word "misconduct."  
**18.6** In Clause 7.1, the words "reserves all rights of ownership" are replaced with the words "retains title." A sentence is added to the end of Clause 7.1 that reads "Customer shall assist VC in executing any documents or forms that may be required to prove or perfect VC's title or any other form of security interest in the Products."  
**18.7** In Clause 7.3, after the words "herewith assigned to VC", the following phrase is added: ", with such assignment effective until Customer has paid the purchase price and all invoiced amounts owing to VC in full."  
**18.8** In Clause 7.5, after the words "retention of title," the following words are added: "and with prior notification to such business partners of VC's retained right, title and interest in and to the Products". After the words "The right of VC to collect these receivables remains unaffected", the words "to the fullest extent permissible by law" are added.  
**18.9** In Clause 7.6, after the words "to the other processed goods at the time of processing," the following words are added: "or, if such VC co-ownership is invalid or without effect for any reason, VC shall acquire a security interest in the final good."
- 18.10** In Clause 8.6, the words "released from the consequences of damages possibly caused by" are replaced by the words "shall have no liability to Customer for any damages arising from."  
**18.11** In Clause 8.7, after the words "SUBJECT TO ARTICLE 9 BELOW," the words "THE WARRANTIES AND REMEDIES EXPRESSLY PROVIDED IN THIS ARTICLE 8 ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF PRODUCT DEFECT AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR REMEDIES" and the remaining words are deleted.  
**18.12** Clause 9.1 is replaced by: "VC shall indemnify Customer for direct losses proven under applicable law directly arising from intentional act or gross negligence by VC, its representatives or its agents in the performance of or related to VC's obligations under this Agreement. NOTWITHSTANDING THE FOREGOING, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL VC BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS OR REVENUE, WHETHER IN CONTRACT OR IN TORT."  
**18.13** Clauses 9.2 – 9.4 are deleted.  
**18.14** The last sentence of Clause 9.6 is deleted.  
**18.15** In Clause 9.7, the words "affiliates, parents, subsidiaries, officers, directors" are added after the word "employee."  
**18.16** In Clause 10.3, the words "inventor's right" are replaced by the words "any patent, copyright or other intellectual property right."