

MASTER CONSIGNMENT PURCHASE AGREEMENT

This Master Consignment Purchase Agreement (this "Agreement") is entered into and effective as of the 1st day of June, 2016, by and between Samsung (China) Semiconductor Co., Ltd. ("SCS") and Wonik IPS Co.,Ltd ("Vendor"). SCS and Vendor hereby agree as follows:

1. Scope of Agreement; Consignment Purchase Orders; Price and Payment Terms.

(a) **Scope.** Pursuant to the terms of this Agreement, Vendor shall provide, and SCS shall receive, hold, care for and, upon its use or consumption thereof, purchase the goods, products, materials and other items ("Materials") identified or described in one or more SCS consignment purchase orders issued by SCS pursuant to this Agreement (each a "Consignment Purchase Order").

(b) Consignment Purchase Orders.

(i) Consignment Purchase Orders may specify the statement(s) of work, specifications, warranties, delivery terms, Minimum Inventory Quantities (as defined below in Section 3(a)) and other terms regarding the Materials to be provided by Vendor pursuant to this Agreement that are in addition to, or more specific than, this Agreement ("Order Specific Terms"). Before issuing the Consignment Purchase Orders to Vendor, both Parties shall have further negotiation to determine that the Materials Customized for SCS (as described below in Section 1(b)(ii)) are stipulated in Consignment Purchase Orders. In the event that Material list or parts list specified in Consignment Purchase Orders shall be changed or modified, SCS shall provide prior written notice to the Vendor within 10 days before issuing such Orders and have further discussion with the Vendor.

(ii) Vendor expressly acknowledges and agrees that Consignment Purchase Orders are not an authorization to build Materials or an offer to purchase any certain amount of Materials, but rather a commitment by SCS to pay for only those Materials actually used or consumed thereafter by SCS at the price and pursuant to the terms of this Agreement and the applicable Consignment Purchase Order. Notwithstanding stated above, SCS represents and warranties that any parts, goods, products or other items of Materials customized or manufactured for only SCS ("Materials Customized for SCS") set forth in Consignment Purchase Orders shall be obligated to purchase and pay for them to Vendor as terms of payment mutually agreed by both Parties in advance. For clarity, SCS shall purchase and pay for the Materials Customized for SCS to Vendor within 30 calendar days after on-site inspection (shall be performed until 30 calendar days after delivery at SCS's destination) by SCS regardless of actual use or consumption of the Materials Customized for SCS.

(iii) Each Consignment Purchase Order is hereby incorporated in full into this Agreement by reference and will be subject to the terms and conditions of this Agreement. The terms of this Agreement will control over the terms in a Consignment



Purchase Order to the extent there may be a conflict; provided, however, Order Specific Terms that supplement, and do not restrict or limit the rights, remedies, warranties and benefits of and to SCS under, this Agreement shall not be considered to conflict with this Agreement. However, if the supplement of such Terms may limit the rights, remedies, warranties or extend duties and obligations of the Vendor hereunder, the Consignment Purchase Orders shall be deemed as a conflict with this Agreement. Other than as set forth in this Agreement, neither party accepts nor agrees to the other party's standard terms or conditions appearing on any form documents exchanged by the parties in furtherance of, or in the course of, the purchase or sale of Materials.

(c) Price.

(i) The purchase price for the Materials will be as set forth in attachment price book and shall not be changed unless pursuant to this Agreement or otherwise by written agreement between SCS and Vendor.

(ii) Prices shall indicate all charges individually, including, without limitation, individual components or materials, storage, management fees, travel expenses, freight charges, brokerage fees, and duties as stipulated in delivery terms for Inco-terms DDP. Prices shall also indicate any and all sales, use, excise and similar taxes. SCS will not pay for any Materials at any price above that indicated in the attachment price book.

(iii) Vendor represents and warrants that the prices charged SCS in any Consignment Purchase Order delivered now or after the date of this Agreement are not more than the reasonable price charged by Vendor to other purchasers of similar Materials at similar volumes and on comparable terms. SCS may, after separate agreement in writing mutually agreed by both Parties, engage an independent auditor designated by both Parties, reasonably agreeable to Vendor, to examine Vendor's records to verify that SCS is receiving such price. SCS will be responsible for payment of all costs of such auditor. Such audit shall be conducted during regular business hours at Vendor's offices or facility and shall not interfere unreasonably with the Vendor's business activities. The auditor's report and conclusions will be treated as Confidential Information pursuant to Section 10 below.

(d) Payment.

(i) Payments owed by SCS for Consignment Materials used or consumed during the previous calendar month will be paid by SCS to Vendor net thirty (30) days from the last day of such previous calendar month. Payments will be based upon goods issue records from SCS' inventory control system. Vendor shall send the signed/stamped validated invoice to SCS before 7 days of each payment day(S212, Doc. Date 1~15 _ Due on 27th, Doc. Date 16~31 _ Due on 12th), if Vendor failed to send out the invoice before the Cutoff day of SCS, SCS shall be authorized to postpone certain payment time to the next Payment Date. Amounts due to (or to be credited to) SCS due to returns or rejection of Materials supplied will be, at SCS's sole option, credited against future monthly payments or paid to SCS by Vendor, pursuant to SCS's written



instructions. Notwithstanding stated above, the payment for the Materials Customized for SCS specified in Section 1 (b) (ii) shall not be included as above paragraph, shall be separately discussed and determined by both Parties. Any and all payment terms in this Agreement shall be only for any parts, products, components and other items stipulated in Material List or Consignment Purchase Order other than the Material Customized for SCS.

(ii) Within 30 calendar days upon reasonable notice and no more than once per year, Vendor may, at its own expense, during normal business hours and with minimum disruption to SCS, inspect and audit the physical inventory counts at SCS's facilities. In the event that a physical count does not match Vendor's records, SCS and Vendor will perform a joint audit of both SCS and Vendor records to determine the reason for the discrepancy. If the discrepancy cannot be resolved, SCS will be responsible for payment to Vendor for any inventory reduction. The frequency of such inspection and audit may be changed by mutual agreement.

(iii) No payment or partial payment made hereunder shall be or construed to be final acceptance or approval of the Materials to which such payment or partial payment is attributable, nor will it relieve Vendor of any of its obligations hereunder with respect to such Materials. The acceptance of final payment by Vendor shall constitute a waiver of all claims in connection with payment or price by Vendor except those previously made in writing and identified by Vendor as unsettled at the time of the final request for payment.

(iv) Vendor shall properly pay all bills for labor and material performed and provided by others in connection with the Materials as the rules of Vendor's in-house payment policies or regulations to its suppliers.

(v) SCS shall have the right to verify the details set forth by Vendor billings certificates and statements subject to mutual agreement in writing, either before or after payment therefore by:

- (A) inspecting the books and records of Vendor at mutually convenient times;
- (B) examining any reports relating to the performance of this Agreement or a Consignment Purchase Order;
- (C) interviewing Vendor's employees;
- (D) visiting any place where performance of all or any portion of this Agreement or a Consignment Purchase Order occurs; and
- (E) taking any other reasonable action.

(vi) SCS shall comply with any and all Vendor's internal security regulations, confidentiality policies and safety rules at Vendor's facilities when SCS visit Vendor's site for verifying the details of billings.



(vii) Notwithstanding any other provision hereof, SCS shall not be obligated to make any payment to Vendor hereunder under any one or more of the following circumstances:

(A) Vendor is in breach or default under this Agreement or any Consignment Purchase Order;

(B) any portion of a payment owed to Vendor is attributable to Materials that are not provided in accordance with this Agreement or the applicable Consignment Purchase Order; provided, however, such payment shall be made as to the portion attributable to the Materials provided in accordance with this Agreement and the applicable Consignment Purchase Order; or

2. Consignment Materials.

(a) Ownership, Title and Storage. All Materials shall remain the property of Vendor until such time as they are used or consumed by SCS, at which time ownership and title shall pass to SCS. However, the ownership, title and even risk of loss of the Materials Customized for SCS shall pass to SCS upon completion of on-site inspection (shall be performed until 30 calendar days after delivery at SCS's destination) by SCS and making payment for them to Vendor. All Materials except for the Material Customized for SCS, until used or consumed by SCS, shall be segregated and designated as the property of Vendor. SCS shall be responsible for all expenses incurred in connection with the storage of such Materials. SCS agrees to designate space and provide warehouse personnel at its facility to accommodate deliveries and storage of Materials. SCS will bear all risk of property loss, damage, and destruction while the Materials are being accepted and stored at SCS's facility. .Vendor will bear the risk of property loss of the Materials if such property loss occurs as a result of Vendor's failure to properly instruct or advise SCS regarding the proper methods of handling or storing any Materials, provided that SCS shall provide Vendor with any justifiable proof and evidences to verify whether proper use or not as instruction by Vendor.

(b) Return to Vendor. Vendor acknowledges and agrees that occasionally Materials except for the Materials Customized for SCS will need to be returned to Vendor if ordered in error, not needed, or for any other reason. Vendor agrees that in such situations within 180 Days where Materials except for the Material Customized for SCS have been unused and are in new condition, as determined by mutual agreement in writing, title and ownership will pass back from SCS to Vendor and any amounts paid for such Materials will be included as a credit to SCS on the following monthly payment. However, any and all cost and expenses incurred by returning Materials to Vendor shall borne by SCS to Vendor including without limitation, freight fee, delivery (from SCS's warehouse to any place designated by Vendor), shipment, any taxes and other expenses in connection with such returning Materials.

(c) Materials Obsolescence. Vendor acknowledges and agrees that, from time to time, certain Materials may become obsolete during the Term of this Agreement. SCS shall provide thirty (30) days written notice of any pending change that will render any Materials

obsolete. SCS shall include in such notice the quantity (if any) of Materials that will be used or consumed between the date of such notice and the time when the Materials become obsolete. Upon receipt of such notice, Vendor will immediately limit production to meet the quantity needed by SCS. Obsolete Materials may be returned to Vendor at SCS's discretion and at Vendor's cost.

(d) Changes.

(i) *Vendor Changes.* No changes to the process, design, specifications or any other changes or alterations affecting the performance, the mechanical form, the compatibility or characteristics, or the reliability of Materials ("Changes") will be made without the prior written approval of SCS, which may be given or withheld in SCS's sole discretion; provided, however, in the event SCS has provided specifications for the Materials, no change, alteration or modification may be made without SCS's prior written consent, which may be given or withheld in SCS's sole discretion. Vendor will provide written notice of any proposed Change at least ninety (90) days prior to the implementation of the proposed Change. Vendor will provide to SCS information describing the proposed Change in sufficient detail so as to allow SCS to properly evaluate the impact of the proposed Change. For the purpose of proper evaluation of such proposed Change for feasibility, merchantability or any other reasons, Vendor may supply the samples of Changes to SCS at Vendor's cost. In the event SCS elects not to approve the Change, at SCS's sole discretion, any samples remaining at SCS's facilities may be returned to Vendor at Vendor's expense, including, without limitation, expenses such as labor, material, inspection and shipping to and from SCS's facilities, and Vendor will be liable and will assume all title and responsibility for such samples during transport. Vendor agrees to advise SCS of any process, design, or other changes or alterations relating to the Materials that it determines will not affect the performance, the mechanical form, the compatibility or characteristics, or the reliability of Materials. In the event that SCS determine to use or consume Vendor Changes, such Materials of Vendor Changes shall be considered as the Material Customized for SCS.

(ii) *SCS Changes.* SCS may change SCS drawings, designs, specifications, or any other aspect of a Material provided that (i) SCS gives written notice of such change to Vendor and (ii) the parties reach a subsequent agreement detailing the change. For the purpose of evaluation of SCS Changes, Vendor may provide the samples of SCS Changes at SCS's cost as request of SCS. If the parties cannot reach a mutual agreement detailing the change, including but not limited to pricing, then SCS may cancel any outstanding Consignment Purchase Order(s) for the samples of SCS Changes and, in SCS's sole discretion, any samples remaining at SCS's facilities may be returned to Vendor at SCS's expense, including, without limitation, expenses such as labor, material, inspection and shipping to and from SCS's facilities without any liabilities of Vendor. In the event that SCS determine to use or consume SCS Changes, such Materials of SCS Changes shall be deemed as the Material Customized for SCS.



(e) Materials Furnished by SCS. Vendor shall provide its employees and contractors with all tools, manual for use, uniforms, safety equipment, and any other materials or property necessary to perform this Agreement. In the event Vendor fails to provide its employees and contractors with such materials and SCS provides such materials or property, Vendor will be charged for such property in the form of a credit against the payments owed to Vendor in the amount determined by SCS. In such event, Vendor agrees that it will indemnify and hold harmless SCS and all employees, officers, and directors for any claims, damages, actions, losses, liabilities, suits, demands, proceedings and expenses threatened, asserted or filed by any party including Vendor's employees and/or contractors relating to the use of any such property and/or materials furnished by SCS. Any such property remains the property of SCS and Vendor must return such property to SCS in good condition.

3. Consignment Inventory Requirements

(a) Minimum Inventory Quantity Obligation. Each Consignment Purchase Order shall specify the amount of each Material that Vendor must maintain in stock at all times at SCS's facility (the "Minimum Inventory Quantity"). Vendor acknowledges and agrees that the Minimum Inventory Quantity is not a re-order point or target level, but rather the absolute minimum quantity of such Material required by SCS, and that failure to meet the Minimum Inventory Quantity will result in a potential loss of business to SCS and is therefore deemed a material breach of this Agreement. The Minimum Inventory Quantity shall be determined and may be changed solely in the discretion of SCS with at least thirty (30) calendar days prior written notice to Vendor. Vendor agrees to plan, deliver and maintain at SCS's facility the Minimum Inventory Quantity of each Material for the term of the applicable Consignment Purchase Order. Vendor is solely responsible for setting target stock levels and re-order points, making timely deliveries and taking all other steps necessary to ensure that the Minimum Inventory Quantity is maintained for each Material at all times. Vendor must maintain sufficient Material production and distribution capabilities that will enable Vendor to deliver (i) one hundred and twenty percent (120%) of the Minimum Inventory Quantity throughout each twelve (12) month period during the Term of this Agreement. For compliance with this Section, upon request of Vendor in writing, SCS shall provide Vendor with a written, rolling 3-month forecast of SCS's demand for Minimum Inventory Quantity.

(b) Minimum Inventory Quantity Change. Vendor acknowledges and agrees that Minimum Inventory Quantities will need to be adjusted periodically by SCS. SCS shall provide at least thirty (30) calendar days written notice of any change in a Minimum Inventory Quantity. If Vendor is unable to meet the new within the term specified in such notice Minimum Inventory Quantity required by SCS, Vendor shall immediately provide written notice to SCS specifying when it will be able to meet the new Minimum Inventory Quantity. Vendor must notify SCS within ten (10) business days of SCS's change notice if it cannot perform to the new Minimum Inventory Quantity Change, in which case SCS may, in its sole discretion: (i) terminate this Agreement and any Consignment Purchase Order(s); (ii) procure Material(s) from another supplier or suppliers as needed to meet the new Minimum Inventory Quantity, in which case Vendor agrees to use best efforts to assist SCS in doing so, including, without limitation, meeting the obligations specified below in Section 5(c) owed to SCS in the event of a termination for cause; (iii) take any other reasonable steps necessary to satisfy its need for the Material(s). If Vendor accepts the new Minimum Inventory Quantity but cannot satisfy SCS's



requirements for a Material after SCS's notice of a Minimum Inventory Quantity change, Vendor shall immediately notify SCS, and SCS is authorized to procure such Material from another supplier until such time that Vendor can meet the new Minimum Inventory Quantity, in which case Vendor agrees to use best efforts to assist SCS in doing so, including, without limitation, meeting the obligations specified below in Section 5(c) owed to SCS in the event of a termination for cause. If Vendor does not provide SCS with written notice of its inability to meet the new Minimum Inventory Quantity within ten (10) business days of SCS's Minimum Inventory Quantity Change, Vendor will be obligated to perform to the new Minimum Inventory Quantity.

(c) Minimum Inventory Quantity Tracking and Reporting. SCS will track Vendor performance daily by comparing physical quantities to the required Minimum Inventory Quantity. SCS will consider each item each day as one "Item-Day". For example, if there are ten (10) items of a Material each day for a thirty (30) day month then there will be three hundred (300) Item-Days in that month. Using this method, at the end of each month SCS will measure Vendor's performance as a percentage of total Item-Days below the Minimum Inventory Quantity. SCS will supply Vendor with a report detailing current stock and current Minimum Inventory Quantities at least once per week. Vendor agrees that this report will serve as a formal notification by SCS to Vendor of any changes in the Minimum Inventory Quantity as required by Section 3(b).

(d) Shipments. All Materials shipped by Vendor pursuant to this Agreement shall be packaged, marked, and otherwise shipped in a manner which is (i) in accordance with good commercial practice; (ii) adequate to insure safe arrival of the Materials at SCS's designated facility; (iii) at the lowest transportation rates possible (if otherwise chargeable hereunder to SCS); and (iv) in accordance with the Materials specifications and packaging or shipping requirements set forth in the applicable Consignment Purchase Order. Vendor will ship Materials via Vendor's vehicles or Vendor's subcontract carrier with Inco-terms DDP SCS. All shipment relating to the Materials for SCS shall not be more than 2 times on a monthly basis. If SCS additionally require the Vendor to ship the Materials over 2 times within a month, the terms of shipment shall be changed from Inco-terms DDP SCS to FOB Incheon starting from the 3rd shipment in the month.

(e) Delivery. Vendor will deliver Materials to SCS at the time(s), and in the installments or quantities set forth in the applicable Consignment Purchase Order or as set forth in SCS's written instructions ("Delivery Request") if time of delivery is not stated in such Consignment Purchase Order.

(f) Delays. Time is of the essence of this Agreement and each Consignment Purchase Order. All deliveries by Vendor to SCS must conform to the delivery requirements set forth in this Agreement and the applicable Consignment Purchase Order or Delivery Request. Any modification or change to the delivery requirements must be agreed to in writing by SCS. Vendor must maintain at all times an adequate reserve of Materials such that Vendor can remain in compliance with such delivery requirements even if an unexpected event jeopardizes timely delivery of the Materials to SCS. Except as provided in Section 3(g) below, failure to timely deliver Materials as required will constitute a material breach of this Agreement and the Consignment Purchase Order, and SCS will have the right to immediately procure similar



substitute Materials from an alternate Vendor, and, at SCS's option, to terminate this Agreement for cause. Vendor will be liable to SCS for any and all additional costs or expenses reasonably incurred by SCS in procuring such substitute Materials, as part of the damages from such breach.

(g) **ICP Language.** All deliveries, unless otherwise stated in the accepted Purchase Order, shall comply with the delivery terms otherwise mutually agreed in writing. Vendor acknowledges that Materials and any related materials or information provided along with Materials may be subject to export control laws and regulations of the United States or any other countries, and Vendor agrees to comply with all applicable export statutes, rules and regulations of any governmental authority having jurisdiction and shall obtain all necessary permits, licenses and consents of governmental authorities necessary for the manufacture, sale, export, import or other performance stipulated by this Agreement.

(h) **Force Majeure.** Neither party will be held responsible for any delay or failure in performance of any part of this Agreement to the extent such delay or failure is caused by force majeure, which shall mean acts of God, strikes not reasonably anticipated, lockouts, acts of terrorism, civil riot, floods, hurricanes, tornadoes, or other natural disaster, and any other cause not within the control of either party. A party who is delayed or fails to perform as a result of such an event ("Affected Party") will use its best efforts to mitigate and minimize any delay in the performance of the affected obligation. The Affected Party will provide written notice to the other party within twenty-four (24) hours of discovering such an event stating the nature and cause of the event, the anticipated delay, the actions taken or planned by the Affected Party to minimize the delay, and the timetable for implementation of such actions. If such an event occurs as to either party, SCS may (i) suspend this Agreement in whole or in part for the duration of the delay; (ii) procure Materials elsewhere and deduct such Materials and all costs thereof from any ordered Materials or Consignment Purchase Order, in which case Vendor agrees to use best efforts to assist SCS in doing so, including, without limitation, meeting the obligations specified below in Section 5(c) owed SCS in the event of a termination for cause; and/or (iii) extend the Term of this Agreement up to the length of time of the delay. If the Vendor is the Affected Party, SCS may terminate this Agreement or any Consignment Purchase Order without penalty if the delay or failure in performance continues beyond fifteen (15) days.

(i) **Containers.** Each shipping container shall be labeled to show the SCS address to which it is shipped, the SCS Consignment Purchase Order number, the part number(s) for the Material(s) contained therein, and the quantity of the Material(s) contained therein. A packing list showing the Consignment Purchase Order number shall be included on or in each container. Absent the express written agreement of the parties to the contrary, title to and risk of loss of returnable or reusable Material containers, including but not limited to, bottles, canisters, drums, tanks, trucks, and other returnable or reusable Material containers and packages in which the Materials are delivered ("Containers") and title to any residual Material or materials remaining in or that are removed prior to refilling such Containers will remain with the Vendor. Vendor is responsible for performing maintenance on Containers and for ensuring that an adequate number of extra Containers are available at all times to prevent the disruption of Material supply. Vendor will at all times be responsible for all transportation, cleaning, recycling, and disposing of its Containers.



(j) Country of Origin. Vendor hereby agrees that upon written request from SCS, Vendor will identify the country of origin of the Materials and provide written notification of such country of origin for SCS. SCS may rely upon such information and Vendor agrees to indemnify SCS for all costs, expenses, or other damages incurred by way of such reliance, including, without limitation, those resulting from any a violation or alleged violation of the Foreign Corrupt Practices Act or Bribery Act.

4. Term of Agreement.

This Agreement will commence on the date of this Agreement and will remain in full force and effect until the 1st anniversary of the date of this Agreement (the "Initial Term"), and will continue from year to year thereafter unless and until terminated pursuant to Section 5. The Initial Term and any continued term of this Agreement are referred to as the "Term." Each Consignment Purchase Order will remain in full force and effect for the term specified therein. In the event that the term of a Consignment Purchase Order exceeds the Term of this Agreement, then this Agreement will continue to govern the purchase and sale of Materials pursuant to such Consignment Purchase Order until the Consignment Purchase Order expires or is terminated.

5. Termination.

Termination without Cause. SCS may, by providing the Vendor with at least thirty (30) days prior written notice of termination, terminate this Agreement and/or a Consignment Purchase Order without cause. Upon such termination, SCS shall have obligation to purchase any remaining unused Materials. In addition, SCS may cancel any Consignment Purchase Order without cause by providing Vendor written notice at least fourteen (14) days prior to delivery of the Materials.

(a) Termination for Cause. If Vendor commits a material breach of any provision of this Agreement or of any Consignment Purchase Order or is unable to provide Materials as required by an issued Consignment Purchase Order or Delivery Request, if applicable, then SCS may terminate this Agreement and/or any Consignment Purchase Order for cause, in whole or in part upon providing written notice to Vendor. Upon a termination pursuant to this Section 5(b), SCS may procure similar Materials from an alternate Vendor, and Vendor will be liable to SCS for any and all additional costs or expenses reasonably incurred by SCS in obtaining such substitute Materials as part of the damages recoverable by SCS. Further, should Vendor (i) become insolvent; (ii) have any proceedings instituted by or against it in bankruptcy, under insolvency laws, or for the party's reorganization, receivership, dissolution, or liquidation; (iii) make an assignment for the benefit of creditors; or (iv) discontinue business or adopt a resolution calling for same, SCS may immediately terminate this Agreement for cause upon written notice. Notwithstanding the above provisions, SCS will have the right to seek any other remedy that may be available to it at law or in equity.

(b) Obligations Upon Termination. Upon termination of this Agreement by SCS for cause, Vendor will promptly provide to SCS or an alternate vendor selected by SCS, at no additional charge, all necessary manufacturing information with respect to Materials that SCS cannot purchase as off-the-shelf or industry standard products from any other Vendor at the time



of termination, along with a transfer of know-how, technology, and IP exclusively owned by Vendor, royalty free, and/or grant of all licenses royalty free necessary to permit SCS or the alternate Vendor to manufacture and deliver such Materials to SCS. Additionally, upon termination with or without cause, in SCS's sole discretion, any Materials remaining at SCS's facilities may be returned to Vendor at Vendor's expense, including, without limitation, expenses such as labor, material, inspection and shipping to and from SCS's facilities, and Vendor will be liable and will retain all title and responsibility for all Materials during transport. The termination of any Consignment Purchase Order will not terminate or otherwise affect in any way the validity of this Agreement or any other Consignment Purchase Order in effect at such time unless such other Consignment Purchase Order, or this Agreement, is terminated pursuant to this Section 5.

(c) Equitable Relief. The parties acknowledge that SCS's operations depend upon the continuous timely and uninterrupted supply of Materials in adequate quantities and quality, and that SCS could suffer significant damages if this supply is discontinued, stopped, delayed or interrupted. Therefore, the parties agree that SCS will be entitled to injunctive or other equitable relief, without posting bond, to ensure Vendor's performance in accordance with Section 5(c) above, notwithstanding the fact that an adequate remedy at law may exist. The provisions of this Section 5 do not limit or otherwise restrict any rights of or remedies available to SCS under this Agreement, at law, or in equity.

6. Representations and Warranties of Vendor.

(a) Vendor warrants, represents, and agrees that if (i) it is a corporation or limited liability company, then it is a corporation duly organized, validly existing and in good standing under the business law in the Republic of Korea, or a foreign corporation or limited liability company duly authorized and in good standing to conduct business in the Republic of Korea, that it has all necessary corporate power and has received all necessary corporate approvals to execute and deliver the Agreement, and the individual executing the Agreement on behalf of Vendor has been duly authorized to act for and bind Vendor or (ii) if it is a partnership, limited partnership, or limited liability partnership, then it has all necessary partnership power and has secured all necessary approvals to execute and deliver this Agreement and perform all its obligations hereunder; and the individual executing this Agreement on behalf of Vendor has been duly authorized to act for and bind Vendor.

(b) Neither the execution and delivery of this Agreement by Vendor nor the performance of its obligation hereunder will result in the violation of any provision, if a corporation, of its articles of incorporation or by-laws, if a limited liability company, of its articles of organization or regulations, or if a partnership, by any partnership agreement by which Vendor is bound, or any agreement by which Vendor is bound or will conflict with any order or decree of any court or governmental instrumentality relating to Vendor.

7. Warranty.

(a) Warranty. In addition to other express warranties contained herein or in Consignment Purchase Order, Vendor warrants that all Materials provided by Vendor to SCS (i) meet all current industry standards with respect to materials, design and workmanship; (ii) are



and will be free from all defects in materials, design and workmanship for a period of one (1) year from the date of their accepted by SCS after inspecting or their successful installation (if such Materials are installed by Seller), whichever is longer, or throughout the warranty period stated in the applicable Consignment Purchase Order if longer; (iii) are merchantable and fit for the purpose for which such Materials will be used; and (iv) conform to the specifications set forth in this Agreement and the applicable Consignment Purchase Order, as well as to all of Vendor's applicable written specifications, drawings, samples, or other descriptions of the Materials and to any further specifications, standards, and/or other criteria agreed upon in writing between the parties, as determined in the sole reasonable discretion of SCS. These warranties shall apply to any replaced or repaired Materials to the same extent as to the Materials originally provided by Vendor. Vendor agrees to provide SCS with necessary spare parts or components for all Materials at a reasonable price that meets the requirements of Section 1(c) applicable to the Materials for a period of three (3) years from the termination of the warranties specified herein unless such parts or components are no longer available on the open market. Nevertheless, SCS reserves the right to require the compensation caused by defects of the materials from the Vendor.

(b) Remedies for Breach of Warranty. If any Materials purchased pursuant to this Agreement do not meet all warranties specified above, SCS may: (i) require Vendor to replace or correct at no cost to SCS any defective or nonconforming Materials pursuant to the Material return procedures set forth in Section 7(c) below, (ii) return any nonconforming Materials to Vendor at Vendor's expense and recover from Vendor the full sales price and any packaging, shipping, or freight costs and expenses, (iii) procure similar Materials from an alternate Vendor, in which case Vendor agrees to use best efforts to assist SCS in doing so, including, without limitation, meeting the obligations specified in Section 5(c) owed to SCS in the event of a termination for cause, or (iv) terminate this Agreement for cause. ~~Vendor~~ will be liable to SCS for any and all additional costs or expenses reasonably incurred by SCS in procuring such substitute Materials as part of the damages recoverable by SCS. The provisions of this Section 7(b) are in addition to and will not limit or otherwise restrict rights of SCS under this Agreement or at law or equity for failure of Vendor to supply conforming Materials.

(c) Return of nonconformance Materials. In the event that SCS elects to return non-conforming Materials to Vendor, SCS will notify Vendor of the nonconformance and of SCS's intent to return the nonconforming Materials. Upon receipt of SCS's notification to Vendor of the nonconformance, Vendor will promptly deliver replacement Materials, and will provide all the assistance and authorization required to return the nonconforming Materials to Vendor within 24 hours. The nonconforming Materials will be returned to Vendor at Vendor's expense, including, without limitation, expenses such as labor, material, inspection and shipping to and from SCS's facilities, and Vendor will be liable and will retain all title and responsibility for all Materials during transport. Vendor will immediately investigate to determine the cause of the nonconformance and will notify SCS of its findings.

(d) Inspection. Upon SCS's request, Vendor shall schedule and facilitate on-site visits and inspections by SCS. Such inspections shall take place during normal business hours at Vendor's facilities, and Vendor shall use reasonable efforts to assist SCS's personnel in facilitating any such inspection.



(e) No Waiver. No inspection or acceptance, approval or acquiescence by SCS with respect to Vendor's Materials will relieve Vendor from any portion of its warranty obligation or waive SCS's right of inspection and acceptance at the time the Materials are delivered, nor will waiver by SCS of any specification requirement for one or more items constitute a waiver of such requirements for remaining items unless expressly agreed by SCS in writing.

8. Indemnification.

(a) GENERAL INDEMNIFICATION. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, VENDOR AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS SCS, ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS FROM AND AGAINST ANY AND ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT OR ARBITRATION COSTS) ARISING OUT OF, IN CONNECTION WITH OR RESULTING FROM ANY ACT OR OMISSION IN THE PERFORMANCE OF THIS AGREEMENT, AND/OR FROM MATERIALS SUPPLIED, BY VENDOR OR ITS SUBCONTRACTORS, CONSULTANTS, AGENTS, OFFICERS, DIRECTORS, OR EMPLOYEES.

(b) INTELLECTUAL PROPERTY INDEMNIFICATION.

(i) VENDOR AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS SCS, ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS, AND CUSTOMERS AGAINST ALL DAMAGES, LOSSES, CLAIMS, ACTIONS, DEMANDS, LIABILITIES, COSTS, FEES, EXPENSES, AND INJURIES OF ANY KIND OR NATURE ~~ARISING~~ FROM ANY ACTUAL OR CLAIMED INFRINGEMENT OF ANY PATENT, TRADEMARK, SERVICE MARK, COPYRIGHT, OR ANY OTHER THIRD PARTY INTELLECTUAL PROPERTY RIGHT WITH RESPECT TO MATERIALS OR INCIDENTAL SERVICES PROVIDED IN CONNECTION THEREWITH.

(ii) IN THE EVENT THAT VENDOR LEARNS OF A CLAIM OF INFRINGEMENT RELATED IN ANY WAY TO THE MATERIALS SOLD TO SCS UNDER THIS AGREEMENT, VENDOR WILL PROMPTLY NOTIFY SCS OF SUCH CLAIM. SCS WILL PROVIDE REASONABLE ASSISTANCE, AT VENDOR'S EXPENSE, FOR ANY DEFENSE OF SCS AS REQUIRED PURSUANT TO SUBSECTION (i) ABOVE. VENDOR WILL UTILIZE COMPETENT COUNSEL ACCEPTABLE TO SCS IN ITS SOLE AND REASONABLE DISCRETION. ANY FINAL SETTLEMENT IS SUBJECT TO SCS'S PRIOR APPROVAL.

(iii) IN ADDITION TO THE REQUIREMENTS OF SUBSECTIONS (i) AND (ii) ABOVE, IF THE USE OF ANY MATERIALS ARE ENJOINED OR IF VENDOR BELIEVES THAT ANY MATERIALS ARE INFRINGING, VENDOR WILL, AT ITS EXPENSE, USE ITS BEST EFFORTS TO PROCURE ON SCS'S BEHALF A LICENSE ALLOWING SCS TO CONTINUE USING MATERIALS IN



ACCORDANCE WITH THIS AGREEMENT. IF VENDOR IS UNABLE TO DO SO, VENDOR WILL, AT ITS OWN EXPENSE, USE ITS BEST EFFORTS TO:

- (A) REPLACE THE MATERIALS WITH NON-INFRINGEMENT MATERIALS THAT MEETS ALL APPLICABLE REQUIREMENTS AND SPECIFICATIONS;
- (B) MODIFY THE MATERIALS TO BE NON-INFRINGING, SO LONG AS THE MODIFIED MATERIALS MEET ALL APPLICABLE REQUIREMENTS AND SPECIFICATIONS; OR
- (C) IF AFTER EXERCISING ITS BEST EFFORTS VENDOR IS UNABLE TO REPLACE OR MODIFY MATERIALS AS STATED ABOVE, REFUND IN FULL ALL COSTS PAID BY SCS FOR MATERIALS PLUS ANY ASSOCIATED COSTS, UPON WHICH SCS WILL HAVE THE RIGHT TO TERMINATE THIS AGREEMENT FOR CAUSE PURSUANT TO SECTION 5(b).

9. Intellectual Property Rights.

(a) Intellectual Property Ownership. Nothing in this Agreement or any Consignment Purchase Order shall convey, transfer or assign any right, title or interest in any party's "Proprietary Materials" (as defined below) to the other party. As such, each party retains exclusive ownership of its Proprietary Materials in existence as of the effective date of this Agreement or developed exclusively by it during the term of this Agreement. For purposes of this Agreement, "Proprietary Materials" means all patents, copyrights, design rights, trademarks and service marks, whether registered or unregistered, trade secrets and other proprietary rights owned or licensed by a party during the term of this Agreement, and the software, schematics, diagrams, information, and other tangible embodiments, if any, relating thereto.

(b) License Rights. If the Materials provided incorporate or require the use of Proprietary Materials or pre-existing works owned by Vendor or works licensed by Vendor from third parties, then Vendor grants to or will procure for SCS at no additional cost a perpetual, irrevocable, non-exclusive, worldwide, royalty free license to use, execute, produce, display, perform, modify, copy, distribute (internally or externally) copies of such Proprietary Materials, pre-existing works and/or third party works and any derivatives thereof, and to authorize others to do any, some, or all of the foregoing. Vendor warrants that Vendor has the right to include such third party or pre-existing Vendor intellectual property in Materials and that SCS shall have the right to use such third party or pre-existing Vendor intellectual property in any Materials to the same extent as SCS may use such Materials pursuant to this Agreement.

10. Confidentiality.

(a) Obligations. All communications and information obtained by a party from the other party or delivered or disclosed by a party ("Disclosing Party") to the other party ("Receiving Party") relating to this Agreement or the Materials furnished pursuant to this Agreement, and all information developed by either party under this Agreement, are confidential ("Confidential Information"). Except as required by law or otherwise provided in this section,



without the prior written consent of an authorized representative of the Disclosing Party, the Receiving Party will neither disclose to, nor discuss with, any third party the Confidential Information. Prior to any disclosure of Confidential Information, whether as required by law or otherwise, the Receiving Party will inform the Disclosing Party in writing of the nature and reasons for such disclosure. The Receiving Party will not use any communication or information obtained from the Disclosing Party for any purpose other than the performance of this Agreement, without the Disclosing Party's written prior consent. At the conclusion of the performance of this Agreement, Receiving Party will return to the Disclosing Party all written materials constituting or incorporating any communications or information obtained from the Disclosing Party. Upon Disclosing Party's specific approval, the Receiving Party may retain copies of such materials, subject to the requirements of this Section 10(a).

(b) Exceptions. The parties' obligation of confidentiality will not apply to any information disclosed if the disclosing party establishes that (i) the information was publicly known at the time of its receipt by the recipient party or has become publicly known other than by a breach of this Agreement or other action by the recipient party; (ii) the information was already known to the recipient party or independently developed by the recipient party, without obligation to keep it confidential, at the time of its receipt from the disclosing party; or (iii) the information was received by the recipient party in good faith from a third party lawfully in possession of such information and having no obligation to keep such information confidential.

(c) Approved Disclosure. Vendor may disclose to any subcontractor or third party approved by SCS, any information otherwise subject to Section 10(a) above that is reasonably required for the performance of the subcontractor's or third party's work related to the provision of Materials to SCS. Prior to any such disclosure, Vendor will obtain the subcontractor's or third party's written agreement to the requirements of Section 10(a) above and will provide a copy of such agreement to SCS.

(d) Public Relations; Advertising. Each party agrees that it will not publish or cause to be disseminated through any press release, public statement, or marketing or selling effort any information that relates to the other party or this Agreement without the prior written approval of the other party, which may be granted or withheld in the discretion of such party.

11. Insurance Requirements

Vendor and SCS shall each carry such insurance, or self-insure its operations, in a manner that it deems appropriate.

12. Regulatory Provisions.

(a) SCS Policies and Procedures. Vendor will strictly comply with SCS's environmental, occupational, health and safety, and security site policies and procedures that may apply to the Vendor's obligation to provide Materials. It is Vendor's responsibility to



ensure that Vendor's employees and subcontractors comply with such policies and procedures. Vendor agrees to provide Materials in compliance with such policies and procedures.

(b) Occupational Safety and Health. All laws, rules, and regulations of the Occupational Safety and Health Act, and all state and federal laws and regulations relating to safety and health standards are incorporated into this Agreement by this reference. Vendor agrees to perform the Services in compliance with such laws and regulations.

(c) Releases to Environment. While on SCS's site or transporting Materials to or from SCS's site, Vendor will not discharge, release, or emit, or cause to be discharged, released, or emitted, any hazardous substance into the environment without the prior written approval of an authorized representative of SCS's Environmental, Health, and Safety Department. If any discharge, release, or emission not so approved by SCS occurs, Vendor will inform SCS immediately, promptly undertake all reasonable efforts to contain and cease such activity, and promptly restore all affected property to its original condition.

(d) Hazardous Materials. While on SCS's site, whenever Vendor uses or stores flammable, explosive, or other hazardous materials or hazardous equipment, or uses hazardous methods necessary for its performance under this Agreement, Vendor will exercise utmost care and will carry on such activities under supervision of properly-trained personnel and in accordance with all applicable laws, regulations, and SCS policies and procedures related to hazardous materials. Vendor will not take any remedial action with regard to hazardous materials used or handled on SCS's site or enter into any settlement agreement, consent decree, or other compromise without first notifying SCS in writing of Vendor's intention to do so and affording SCS ample opportunity to protect its interests. Whenever Vendor is aware of any of the following actions regarding such hazardous materials that are instituted, completed, or threatened, Vendor will immediately notify SCS in writing of (i) any governmental or regulatory action; (ii) any claim against Vendor or SCS; and (iii) any reports, complaints, notices, or warnings of asserted violations to any governmental agency.

(e) Waste Handling. Vendor will properly manage, handle, and dispose of all wastes generated by its activities on SCS property in accordance with all applicable governmental requirements and all SCS policies and procedures related to waste handling, including but not limited to those applicable to hazardous waste. Vendor will promptly deliver to SCS copies of manifests or applicable shipping documents reflecting the legal and proper disposal of any hazardous materials that Vendor has caused to be removed from SCS's site. Except as otherwise approved in writing by an authorized representative of SCS, Vendor will not dispose of any waste on, in, under, or about SCS's site or any container on SCS premises.

(f) Entry on SCS's Facility and Accident Notification. In the event of any accident or other occurrence resulting in personal injury while Vendor is on SCS's site, Vendor will immediately notify SCS. Upon SCS's request, Vendor will provide SCS with documentation describing the accident and injury and the actions implemented to prevent similar occurrences.

(g) Site Preservation. Vendor will promptly repair or replace at its own expense all damages to any materials or property that is part of, or contained in, SCS's premises



that are the result of the methods or materials used or employed by Vendor, its personnel, or its other agents.

(h) Cooperation. Vendor will cooperate with SCS in providing Materials under this Agreement to minimize any interference or potential interference with SCS's other activities, to protect the safety and health of SCS's employees, agents, and visitors, and to protect the security and integrity of SCS's property.

13. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement and the terms and conditions in each Consignment Purchase Order constitute the complete agreement between the parties and supersede all prior or contemporaneous agreements or representations, written or oral, concerning the subject matter of this Agreement and such Consignment Purchase Order. Where there is any conflict or inconsistency with the express terms in this Agreement, the terms of this Agreement supersede such conflicting or inconsistent terms and conditions in any Consignment Purchase Order.

(b) Assignment; Waiver; and Amendments; Captions. Vendor will not assign its rights, delegate its duties, or subcontract any work performed under the terms of this Agreement or the manufacture, design, supply or assembly of any Materials or components thereof, without prior written consent of SCS. SCS may, at any time, upon written notice to Vendor, assign its rights or delegate its duties under this Agreement. The failure of either party to this Agreement to object to or to take affirmative action with respect to any conduct of the other party that is in violation of the terms of this Agreement will not be construed as a waiver, nor as a waiver of any future breach or subsequent wrongful conduct. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of each party; no other act, document, usage, or custom will be deemed to amend or modify this Agreement. Captions and headings in this Agreement are included for convenience of reference only and shall not affect the construction or interpretation of this Agreement or of any Consignment Purchase Order.

(c) Notices. All notices relating to this Agreement must be given in writing and will be deemed given (i) in the case of mail, three days after the date deposited in the mail, postage prepaid, and certified, with return receipt requested; (ii) in the case of personal delivery to an authorized representative or officer of the party, or in the case of express courier service or overnight delivery service of national standing, on the date of delivery or attempted delivery (if receipt is refused); or (iii) in the case of facsimile, the day after it has been sent with confirmation, including automated or electronic confirmation of receipt provided that a duplicate copy of such notice is also promptly sent pursuant to (i) or (ii) above. Notices will be sent to the Address for Notices set forth below, but each party may change its address by written notice in accordance with this section:

To SCS:

Samsung (China) Semiconductor Co., Ltd.
710119, #1999 North Xiaohe Road.
Xi'an, Shaanxi Province, China
Attention: Zhang Haibo



To Vendor: Wonik IPS Co.,Ltd
 75, Jinwisan-dan-ro, Jinwi-myeon
 Pyeongtaek-si, Gyeonggi-do, Korea
 Attention: Cholong Kim

(d) Governing Law. This Agreement is governed by and construed in accordance with the internal laws of People's Republic of China, excluding conflict of law rules. The parties exclude from application to this Agreement the United Nations Convention on Contracts for the International Sale of Goods and the United Nations Convention on the Limitation Period in International Sale of Goods.

(e) Dispute Resolution. Any dispute of the contract should be negotiate and solved at first base on Contract Law of P.R.C. If both Parties could not reach an agreement, it shall be submitted to and resolved by China International Economic and Trade Arbitration Commission (CIETAC) and conducted in Chinese under the Rules of CIETAC, the arbitration shall be held in Xi'an. The arbitral award shall be final and binding on the Parties.

(f) Severability; Survivability. Each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law. However, in the event that any provision of this Agreement becomes or is held to be illegal by any court of competent jurisdiction, or becomes otherwise unenforceable, such provision will be deemed deleted from this Agreement and all the remaining terms of this Agreement will remain in full force and effect. Except for termination of the obligations to provide Materials and to compensate for such Materials, the terms and conditions of this Agreement will continue and survive any termination of this Agreement.

(g) Expenses. In any arbitration or judicial proceeding involving SCS and Vendor arising out of or relating to this Agreement or Materials to be provided under this Agreement, the prevailing party will be entitled to recover all reasonable expenses associated with such proceeding, including reasonable attorneys fees and expenses and applicable court or arbitration costs.

(h) Taxes. Vendor will bear and pay all federal, state, and local taxes based upon or measured by its net income, and all franchise taxes based upon its corporate existence or its general corporate right to transact business. SCS will reimburse Vendor, or pay directly to the appropriate tax authority, or timely issue a valid tax exemption certificate, for sales or use taxes legally imposed upon the transactions arising out of this Agreement. Vendor agrees to make every good faith effort to notify SCS of any audit, notice, or assessment affecting sales, use, excise, or property taxes, or any other action taken against the Materials related to such taxes within thirty (30) days of such action. Vendor grants SCS the right to pursue a separate action against any governmental unit that asserts such taxes and Vendor agrees to cooperate in a reasonable manner with SCS if such action is taken.

(i) Compliance With Laws. In the performance of this Agreement, Vendor shall at all times comply with all applicable governmental laws, statutes, ordinances, rules, regulations, orders, and other requirements, including without limitation such governmental



requirements applicable to environmental protection, health, safety, wages, hours, equal employment opportunity, nondiscrimination, working conditions, import or export control, customs, and transportation. Vendor shall, without limiting the generality of the foregoing, comply with the Labor Laws of People's Republic of China thereunder. In the event that SCS's assistance is necessary to achieve such compliance, Vendor shall promptly notify SCS.

(j) Agency. For purposes of this Agreement, Vendor acknowledges that only officers of SCS or members of SCS's Procurement Department are authorized to provide notices, instructions, and directions regarding Vendor's performance. SCS will not be liable for any damages resulting from Vendor's reliance upon statements made verbally or in writing by other SCS representatives.

(k) Agreement Nonexclusive. It is understood and agreed between the parties that this Agreement and each Consignment Purchase Order is non-exclusive and that Vendor will be free to accept orders for Materials from customers other than SCS and that SCS will be free to order Materials from sources other than Vendor.

(l) Records Available. Vendor will keep full and complete accounting records, correspondence, instructions, receipts, specifications, and similar information relating to this Agreement. All records will be available to SCS or to SCS's authorized representative upon request of SCS, within a reasonable period of time after such a request, at a reasonable location, and during normal business hours for a period of three (3) years after the delivery of the applicable Materials.

[SIGNATURE PAGES FOLLOW]



This Agreement has been executed effective as of the date first written above.

Samsung (China) Semiconductor Co., Ltd

By: _____
Name: 
Title: VP/CEO

Address: #1999 North Xianhe Road.
Xi'an, Shaanxi Province, China

Wonik IPS Co.,Ltd

By: _____
Name: Cheong-woo Byun
Title: CEO

Address: 75, Jinwisan-dong
Jinwi-myeon Pyeongtaek
Gyeonggi-do, Korea

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