**PROCUREMENT AGREEMENT**

This Procurement Agreement (the “Agreement”) is entered into this *«effect\_day»*(the “Effective Date”) by and between Wonik IPS Co., Ltd., a corporation duly organized and existing under the laws of Republic of Korea having its registered office of business at 75 Jinwisandan-ro, Pyeongtaek-city Gyeonggi-do, Republic of Korea (“Purchaser”) and «supp\_nm», a corporation duly organized and existing under the laws of (“Supplier”) (each a “Party” and collectively the “Parties”).

WHEREAS, Purchaser desires to procure from Supplier the products and services which are set forth in Exhibit A attached hereto (“Products”) and have them delivered and installed by Supplier for its own operation; AND

WHEREAS, Supplier desires to plan, design, manufacture, and sell Products to Purchaser pursuant to the terms and conditions set forth in this Agreement.

**NOW, THEREFORE,** in consideration of the premises and mutual covenants contained herein, the parties hereby agree as follows:

**1. Definition**

In this Agreement, the following terms have the following meanings:

1. “Business Day” means a day other than a Saturday, Sunday or other public holiday in Korea.
2. “Dollars” means the lawful currency of the United States of America;
3. “Intellectual Property Rights” means any and all intellectual property rights related to a given technology, including procedures, registered and unregistered designs, inventions, discoveries, know-how, show-how and works of authorship, and patents issued or issuable thereon (including patent applications, reissues, re-exams, divisions, continuations, continuations-in-part thereof and extensions thereof in any jurisdiction), utility models, mask works, tools and accessories, copyrights, trade secrets, trademarks, trade names, and other forms of corporate or product identification, and any other form of protection afforded by law in any jurisdiction to any division, continuation, modification, enhancement, derivative work or license of any of the foregoing.
4. “Products” means products, related spare parts, consumables, upgrades, software and/or services as stipulated in Exhibit A attached hereto which will be supplied from or rendered by Supplier and shall be in compliance with the Specifications (defined under Section 1.d) below herein);
5. “Purchase Order” means a purchase order in the form of Exhibit B attached hereto that shall be issued by Purchaser to Supplier for the purpose of placing an order of the Products subject to the terms and conditions hereunder.
6. “Specifications” means the specifications of the Products as set forth in Exhibit C hereof;

**2. Sales of Products**

The Supplier shall sell the Products to Purchaser subject to the terms and conditions hereunder.

**3. Quantities**

The quantity of the Products to be purchased by the Purchaser from the Supplier shall be determined subject to a mutual agreement prior to or after the specification thereof in the Purchase Order, which will be issued by Purchaser to Supplier. The Products which fails to comply with the criteria as set forth in the Specifications attached hereto under Exhibit C shall be excluded from the quantity of Products provided from the Supplier to the Purchaser.

**4. Specification**

The particulars of Specifications of the Products shall be as set forth in the Exhibit C hereof. .

**5. Price**

(a) The price for the Products to be sold hereunder (the “Purchase Price”) shall be as set forth in the Exhibit B attached hereto. The Purchase Price of each Product shall be determined after negotiation between the Parties based on their mutual good faith. The unit price for each Product may be reviewed for adjustment on a quarterly basis or as otherwise requested by Purchaser. Product prices shall not be increased without a prior mutual agreement between the Parties.

(b) The unit price set forth in the Exhibit B hereof shall remain unchanged (except for the occurrence of a Force Majeure event described under Article 16 herein) during the execution of the Agreement. The price includes all charges incurred to the point of delivery, including without limitation, any fees or charges arising out of or in connection with design, manufacturing, packing, hauling, and transportation, freight, freight insurance, labeling, packing and crating, any finishing or inspecting fees, any applicable royalties, duties and all other taxes. However, if the Supplier reduces its published or standard price for the Products covered by this Agreement, the Supplier agrees that such reduced price shall apply to any Products undelivered at the time of reduction.

(c) The Supplier warrants that the prices quoted for the Products are not in excess of normal price charged by the Supplier to other similarly situated customers for similar quantities of products of like kind and quality. If the Supplier lowers its prices to others during the term of this Agreement for the Products, the Supplier shall reduce the prices to Purchaser for such Products correspondingly.

(d) Unless mutually agreed otherwise, all price for cross-border transactions shall be in U.S. Dollars and all price for local transactions in the applicable local currencies. Unless mutually agreed otherwise, Supplier shall bear the cost of all taxes and other governmental fees, charges, surcharges and assessments of whatever nature, except for any applicable international, federal or state taxes when the imposition of such taxes is by operation of law on Purchaser, including value-added, sales, use, excise or similar taxes (collectively, “Purchaser’s Taxes”). Purchaser’s Taxes shall be added to the price as applicable and stated as separate items on the invoice applicable to each Purchase Order. The price stated herein shall not include any tax for which an exemption is available, or for which Purchaser has furnished Supplier evidence of a lawful exemption or withholding documentation, if applicable. Supplier agrees to pay and hold Purchaser harmless from and against any penalty, interest, additional tax or other charge that may be levied or assessed as a result of the delay or failure of Supplier for any reason to pay any tax or file any return or information to be filed or paid by Supplier.

**6. Purchase Orders**

(a) Purchaser may issue, from time to time, the Purchase Order to the Supplier for Purchaser’s purchase of the Products, in such a form attached as Exhibit B hereto. The Purchase Order constitutes Purchaser’s offer to the Supplier and is not binding on Purchaser until accepted by the Supplier in writing within three (3) days from the Supplier’s receipt of the applicable Purchase Order and prior to either delivery of the Products or rendition of the services pursuant to the Purchase Order. If any discrepancy is found between this Agreement and the Purchase Order, The Purchase Order shall prevail.

(b) If Purchaser issue the Purchase Order to Supplier, Supplier shall respond to such Purchase Orders within three (3) Business Days of receipt of a Purchase Order with (i) full acceptance of Purchase Order confirming the quantity, delivery date and delivery location(s); (ii) partial acceptance of Purchase Order suggesting different quantity, delivery date or delivery location(s); or (iii) rejection of the Purchase Order. If a Purchase Order is partially accepted, the Parties may agree to a revised Purchase Order, which if mutually confirmed shall become an accepted Purchase Order. Supplier shall fulfill all such Purchase Orders and shall use commercially reasonable efforts to reduce the lead-time during the term of this Agreement. If Supplier once issues a notice rejecting a Purchase Order but thereafter desires to withdraw such rejection, Supplier shall express in writing its wish to do so and also its wish to concurrently accept the previously rejected Purchase Order. The contract as to the individual Purchase Order shall be formed only after a prior written consent to such formation is obtained from Purchaser. Supplier’s delivery of Products to Purchaser pursuant to the applicable Purchase Order which was once rejected but accepted thereafter shall be deemed to be delivered only after such formation is mutually agreed upon. If Supplier believes any shipment may not be delivered on schedule (and without waiver of any rights by either Party), Supplier must provide advance notification to Purchaser, along with proposed solutions and recovery plans.

**7. Payment**

Unless mutually agreed upon otherwise, Supplier shall invoice Purchaser for each shipment of Products upon delivery of such shipment to the place designated by Purchaser. Purchaser shall pay the undisputed amounts payable to Supplier under this Agreement within thirty (30) days after the date on which the Products are received in accordance with terms of shipment as set forth under Article 8 herein. Purchaser may withhold payment of particular charges that Purchaser disputes in good faith. The terms of payment stated herein apply to all Products purchased hereunder. Purchaser shall have no obligation to honor invoices for Products at any increased price or additional charge, unless such change or addition is agreed to in writing by Purchaser. All payments shall be conditional upon Purchaser’s acceptance of delivery of the Products. If any discrepancy is found between this Agreement and the Purchase Order, The Purchase Order shall prevail.

**8. Terms of Shipment (Delivery)**

(a) The obligation of Supplier to comply with the terms of shipment including but not limited to the delivery dates, specifications, and quantities, as set forth herein or stipulated in a Purchase Order, is of the essence in this Agreement. If any of Supplier’s deliveries fail to meet schedule, Purchaser, without limiting its other rights or remedies, may either direct expedited routing without any responsibility for any excess cost incurred thereby to Supplier or cancel all or part of a Purchase Order in accordance with the default provisions hereof. Products that are delivered in advance of schedule are delivered at the sole risk of Supplier and may, at Purchaser’s option, be returned at Supplier’s expense for proper delivery and/or Purchaser may withhold payment therefore until the date that the Products are actually scheduled for delivery. No substitution of materials or accessories may be made to Products without Purchaser’s written consent.

(b) All deliveries, unless otherwise mutually agreed in writing, shall comply with the terms of shipment stated in the accepted Purchase Order. Supplier acknowledges that the Products and any related materials or information provided along with the Products may be subject to export control laws and regulations of the United States or any other countries, and Supplier agrees to comply with all applicable export statues, 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 contemplated by this Agreement. In addition, Supplier shall provide Purchaser with all information necessary, including but not limited to, proper Product classification and ECCN numbers under applicable export control laws and regulations, as necessary.

(c) The Supplier shall be responsible for booking shipping space and arranging the shipment, and shall pay for the fright, so as to ensure that the Products will be delivered according to the time scheduled in this Agreement or Purchase Order.

(d) Immediately after the Products have been shipped or dispatched, by ocean or airway, Supplier shall notify Purchaser ASAP and no later than one (1) day by Fax or E-mail the contract number, name of goods, quantity, weight, total value, name and sailing date of carrying vessel and port of destination.

(e) In the event of a shortage of supply of the Products, whether due to Force Majeure or otherwise, Supplier shall allocate supplies of the Products to Purchaser on a first priority basis until the orders of Purchaser have been fully delivered, prior to allocating any such Products to other Supplier customers.

**9. Packing Requirements**

(a) The Supplier shall have the Products packed strongly and shall take measures to protect the Products from moisture, rust, shock and rough handing, etc. as well as long-distance transportation and to ensure the safe arrival of the Products at destination herein or site designated by Purchaser without any damage. Damage discovered after transfer of title that is determined to be a result of faulty packaging or handling by Supplier shall be Supplier’s responsibility.

(b) In the event that such requirements above are not applicable to the Products, then the Products shall be packaged in accordance with the best commercial practices, along with all required shipping documentation, and Purchaser shall not bear any liabilities arising out of the requirements not being applicable to the Products.

**10. Late Delivery**

TIME IS OF THE ESSENCE WITH RESPECT TO ALL DELIVERIES AND PERFORMANCE. If the Supplier cannot comply with the terms of shipment including the schedule as set forth in the applicable Purchase Order (deliver to the port of destination of Purchaser or place designated by Purchaser), Supplier must promptly notify Purchaser of any delay. Purchaser may agree to postpone the time of delivery as requested by the Supplier only when it is due to justifiable reason; however the Supplier shall agree to pay to Purchaser as liquidated damages, and not as a penalty, an amount equal to 0.1% the total contract price for each day between the originally scheduled delivery date and the actual delivery date, and Purchaser shall have the right to deduct the liquidated damages against the payment for the Products due and payable to Supplier. The total liquidated damages shall not exceed ten percent (10%) of the total contract price for the Products delivered. If, due to the reasons attributable to the Supplier (except for force majeure), the Supplier fails to deliver the Products no less than one (1) month after the original delivery date set forth in the Purchase Order, Purchaser shall have the right to terminate this Agreement, whereas the Supplier’s obligations to pay liquidated damages and promptly refund the proceeds already paid by Purchaser for the undelivered Products shall not be affected.

**11. Title and Risk**

All risks of losses or damages to the Products shall pass from the Supplier to Purchaser in accordance with the trade terms of INCOTERMS 2010 described in this Agreement. The title to the Products shall pass from the Supplier to Purchaser free of all liens at the time the Supplier is fully paid off the Contract Price for the Products which have been delivered to Purchaser.

**12. Inspection and Test; Verification**

(a) The Supplier shall thoroughly inspect and/or test every part of the Products in the Supplier’s premises before shipment at the Supplier’s expenses, and Purchaser may, in its sole discretion, decide to participate in such inspection. The Supplier shall submit to Purchaser a record of results of such inspection or/and test upon Purchaser’s request. Further, Purchaser reserves the right to inspect and evaluate all Products, including but limited to, the materials, tools and/or tooling used in their assembly or manufacture, at times and places designated by Purchaser.

(b) Unless otherwise agreed in writing, any and all parts of the Products shall be subject to Purchaser’s test in order to verify their conformance with the Specifications set forth in Exhibit C, at Purchaser’s premises, individually or by each installment as delivered. Upon the completion of such testing and verification, Purchaser will provide written notice to Supplier of Purchaser’s acceptance or rejection of the Products delivered or any portion thereof. Should such inspection reveal that the Products or any parts thereof or any delivery unit does not conform to the Specifications in any respect, Purchaser may, at its option:

(i) reject the Products and demand prompt refund of all amounts paid by Purchaser to Supplier in respect thereof;

(ii) reject the Products and return it to the Supplier at the Supplier’s risk and expenses, in which case the Supplier shall promptly delivery new products as replacements to Purchaser’s premises, or make the returned Products conform to the Specifications and send them back to Purchaser’s premises at the Supplier’s risk and expenses.

(c) Nothing in Article 12 shall be construed as limiting Purchaser’s right to claim damages including, but not limited to, the overdue fine in Article 10 and/or terminate this Agreement as a result of the Supplier’s failure to comply with the Specifications.

**13. Warranty**

1. The Supplier warrants that the Products under this Agreement are new products, without any defect in raw materials, workmanship, design and manufacture, and all of them meet the requirements of specifications, technical parameters and quantity specified by the Exhibit C. The Supplier warrants that the Products will perform satisfactorily during the warranty period as long as the Products are properly installed, used and maintained. The Supplier warrants that Products shall be safe for any reasonable and foreseeable use and Products shall not contain materials which may be dangerous or harmful to health or cause health risks. As long as the instructions to use are followed properly, the Supplier shall warrant 12-month warranty period for the Products (“Warranty Period”) which starts from the date on which the Products are inserted or incorporated in Purchaser’s equipment successfully; however the period of warranty shall not be longer than 24 months after all Products arrive, except for the normal wear and tear and corrosion. Unless otherwise specified in this Agreement or the stipulations in the laws and regulations, the Supplier shall make no any other statements or warranty for the Products under this Agreement, whichever it is expressed or implied.

(b) If any defects or a breach of the Specifications set forth in Exhibit C with respect to the Products or any parts integrated in the Products are found by Purchaser during the Warranty Period, Purchaser may, at its option, (i) return them to the Supplier at the Supplier’s risk and expenses, and the Supplier shall promptly deliver new products as replacements to Purchaser’s premises or (ii) make the returned Products conform to the Specifications and send them back to Purchaser’s premises at the Supplier’s risk and expenses. Notwithstanding stated above, the Supplier shall have no liability for normal wear and tear or defects resulting from abnormal use which are not stipulated in Exhibit C.

**14. Intellectual Property**

(a) No right shall be granted to the Supplier under any Purchaser’s patent, copyright and/or other Intellectual Property Rights except as may necessary to fulfill the Supplier’s obligations under this Agreement

(b) Supplier shall guarantee that the manufacture, distribution, use and operation of all Products shall not infringe or otherwise misappropriate any third party’s Intellectual Property Rights

**15. Termination**

The Agreement may be terminated upon occurrence of any of the following events:

(a) Agreement in writing of the parties;

(b) By the non-defaulting party, upon default by the other party in the performance of any of its obligations under the Agreement, and such default is not remedies within thirty (30] days after receipt of written notice of the alleged breach from the non-defaulting party;

(c) By the other party, upon either party’s (i) making an assignment for the benefit of creditors, being adjudged bankrupt, or becoming insolvent; (ii) having a reasonable petition filed seeking its dissolution or liquidation not stayed or dismissed within ninety ( 90 ) days; or (iii) ceasing to do business for any reason;

(d) By either party, if a force majeure condition under Article 16 hereof makes it unreasonable to proceed with the Agreement in the foreseeable future.

Upon termination of the Agreement, neither party shall be discharged from any antecedent obligations or liabilities to the other party under the Agreement unless otherwise agreed in writing by the parties.

**16. Force Majeure**

Neither party hereto shall be liable for the failure to perform any of its obligations under the Agreement if such failure is caused by the occurrence of any force majeure beyond the reasonable control of such party, including without limitation fire, wars, riots, insurrections or acts of God.

**17. Indemnity**

(a) Supplier shall defend, indemnify and hold harmless Purchaser and its respective directors, officers, employees, agents, customers and distributors (collectively, the “Purchaser Indemnitees”) from and against any and all claims, liabilities, damages, losses, judgments, authorized settlements, costs and expenses (including without limitation, reasonable attorney’s fees), (i) resulting from, arising out of or in connection with any alleged or actual intellectual property infringement or misappropriation claims raised by a third-party (including any claim alleging that the manufacture, use and/or sale of any Product constitutes infringement or misappropriation of such third-party’s patent, trademark, copyright, utility right, design right, know-how, trade secret or other intellectual property right to the extent attributable to Supplier), (ii) resulting from, arising out of or in connection with the delivery, condition, manufacture, purchase, use, sale, import, distribution or other transfer of Products purchased hereunder, except to the extent solely caused by the gross negligence of Purchaser, (iii) resulting from Supplier’s breach of any agreement, covenant, representation or warranty contemplated in this Agreement, (iv) resulting from any failure of the Products to comply with the Specifications, (v) resulting from any damage to property and injuries (including death) to any persons arising out of or in connection with Products purchased hereunder or (vi) resulting from an act of the negligence, gross negligence, bad faith or intentional or willful misconduct committed by Supplier during the Supplier’s performance of its obligations contemplated hereunder, (vii) resulting from defects in the Products giving rise to claims based on general product liability laws, unless any such failure, act, omission, negligence or defects are attributable to Purchaser.

1. In addition to the foregoing, should any Product become or in Supplier’s reasonable opinion be likely to become, the subject of any claim for infringement or misappropriation, Supplier shall, at Purchaser’s option and Supplier’s expense, (a) procure for Purchaser the right to continue using Products as contemplated in this Agreement, or (b) replace or modify Products so that it becomes non-infringing while still providing substantially the same functionality. If the foregoing is not possible within a commercially reasonable time frame, then Supplier shall refund the full amount paid by Purchaser for all such allegedly infringing Product, without prejudice to any other remedies that are available to Purchaser.
2. The Supplier shall be liable for and hold Purchaser harmless from and against all losses and damages incurred and suits and claims brought by third party due to possible infringement of trademark, patent, copy-right or other proprietary rights of the third party in connection with the Products according to the Specification.

**18. Taxes/Duties, Contingent Charges**

(a) Any duties, tariffs for import and export or other taxes or charges which are now assessed or imposed or which may hereafter be assessed or imposed by *Supplier’s country* government or other competent authorities other than *Supplier’s country* in connection with the Products and/or transactions thereof shall be borne and paid by the Supplier, except for Purchaser’s Taxes set forth in Article 5 (d).

(b) Increase in freight, insurance premiums, and/or surcharge due to war, threat of war, warlike conditions, port congestion or other emergency or contingency unforeseen or not existent at the time of concluding the Agreement, shall be determined by mutual negotiation in good faith.

**19. Permit and Licenses**

(a) The Supplier, at its own expenses, shall obtain any and all necessary permit or licenses to export the Products from the country of shipment.

**20. Assignment**

Neither party shall assign the whole or any part hereof under this Agreement to any person or entity without the prior written consent to the other party.

**21. Survival Provisions**

After the termination or expiration of this Agreement, Article 10(Late Delivery), Article 13(Warranty), Article 15(Termination), Article 17(Indemnity), Article 19(Infringement), Article 22 (Confidentiality), Article 26 (Arbitration), Article 27 (Governing Law) shall survive and be valid.

**22. Confidentiality**

(a) Any and all confidential and/or proprietary information disclosed or made available by Purchaser to the Supplier, including but not limited to, drawings, plans, data, instruction, designs, specifications, algorithms, inventions, unpublished patent applications, software, diagrams, know-how and all related technical and commercial information (including the existence of this Agreement and any contract between the parties) pursuant to this Agreement or any other contract entered into between parties shall be considered to be “Confidential Information.” Confidential Information shall not be used for any purpose other than performing this Agreement. Such Confidential Information shall be identified as “confidential” or “proprietary” in writing at the time of disclosure from Purchaser to the Supplier or if the information should reasonably be considered to be confidential or proprietary due to its nature of the context of its disclosure. Such confidential information shall not be reproduced and copied by the Supplier without Purchaser’s prior written consent.

(b) For a period of ( ) years from first disclosure of or access to Confidential Information, Supplier shall not disclose the Confidential Information to any third party other than to its employees or advisors for the purpose of this Agreement, and only if that applicable third party is bound by a confidentiality agreement with terms as least as restrictive as the terms of this Agreement.

(c) Supplier shall use the same degree of care to protect the Confidential Information from unauthorized use or disclosure as it would use to protect its own information of a similar nature, but in no event will use less than reasonable care.

(d) Upon Purchaser’s request or termination or expiration of this Agreement, the Supplier shall immediately return or destroy, at the Purchaser’s option, all confidential information described Article 22 (a).

**23. Notices**

All notices or communications required or permitted under this Agreement must be in writing and must be sent by registered or certified mail, postage prepaid, or telecopier (fax) to the intended recipient at the address and attention designated in the Agreement or to such other address or attention as the recipient may have designated in writing. Any such notice or communication will be deemed delivered as follows: if mailed, 10 business days after the date so mailed (except: if air-mail, depending on country); if telecopier, upon written confirmation by the sending machine of effective transmission.

**24. No waiver**

No waiver of any provisions, breach or default under this Agreement shall be deemed a waiver of any subsequent provision, breach or default, nor shall any such waiver constitute a continuing waiver.

**25. Entire Agreement**

This Agreement sets forth the entire agreement and understanding between the parties hereto with respect to the subject matter hereof whether written or oral. This Agreement may not be amended, supplemented or rescinded except by a written instrument duly executed by each of the parties hereto.

**26. Arbitration**

In the event of any dispute, the parties agree to settle any claim or controversy arising out this Agreement through consultation and negotiation in good faith and spirit of cooperation. Any dispute that cannot be resolved will be first submitted in writing to a panel of two (2) senior executives each from the Supplier and Purchaser, for a total panel of four (4) senior executives, who will promptly meet and confer in an effort to resolve such dispute. Any agreed decisions of the executives will be final and binding on the parties. In the event that the executives are unable to resolve any dispute within thirty (30) days after submission to them, then the disputes shall be finally settled by arbitration in Seoul, Korea in accordance with the Commercial Arbitration Rules of the Korean Commercial Arbitration Board. The proceedings shall be conducted in the English language. The award rendered by the arbitrator(s) of the Korean Commercial Arbitration Board shall be final and binding on the parties concerned.

**27. Governing Law**

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Republic of Korea without giving effect to its rules on conflicts of laws.

**28. Counterpart**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. This Agreement will become biding only when each party has executed and delivered to the other party hereto one counterpart.

**29. Effective Date and Term**

This Agreement shall become effective upon signing of the duly authorized representatives of both parties and remain in full force and effect up to one ( 1 ] year unless terminated earlier pursuant to Article 13 herein. The Term shall automatically renew for an additional one-year period unless either party gives to the other party written notice of termination at least three (3) months prior to the expiration of the then-current term.

IN WITNESS WHEREOF, the parties thorough their authorized representative have executed the Agreement as of the date first above written.

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| «ips\_sign»  SIGNED SEALED AND DELIVERED by | «supp\_sign»  SIGNED SEALED AND DELIVERED by |
|  |  |
| **WONIK Purchaser Co., LTD.** | **Supplier** |
| Name: «ips\_cr\_person» | Name: «supp\_cr\_person» |
| Title: «ips\_position» | Title: «supp\_position» |
| Date: «cr\_ymd» | Date: «cr\_ymd» |
|  |  |

**EXHIBIT A: Products**

**EXHIBIT B: Purchase Order**

**EXHIBIT C: Specification**