

CONTRACT AGREEMENT

ABC
(BUYER)

and

XYZ
(SELLER)

SELLER agrees to sell to BUYER and BUYER agrees to purchase from SELLER the material herein described according to the following provisions ;

MATERIAL : _____, 20% aqueous, Catalog #520, according to the attached specifications in Exhibit A

QUANTITY : 100% of BUYER'S requirements for material

AVAILABILITY : SELLER commits to having available production output sufficient to meet BUYER'S needs. SELLER will have drummed inventory in a local warehouse, located in Korea in an amount that equals or exceeds BUYER'S one month requirements at all times.

PRICE AND TERMS : BUYER shall receive a contract price as follows ;

- < 1,000 MT per year 3,300 Won per kg, delivered at BUYER'S site
- ≥ 1,000 MT per year 3,100 Won per kg, delivered at BUYER'S site

In order to effect the pricing structure described above, the parties shall begin the transactions for each one-year period at 3,100 Won per kg, delivered at BUYER's site and if BUYER does not achieve a volume of 1000 MT by the end of the given one-year period, BUYER shall pay to SELLER 200 Won per kg for the amount of material purchased in that year, provided that the first one-year period shall be extended by three months, to wit, until by August 31, 2002, in order to allow BUYER sufficient time for the initial set-up.

Pricing is firm for six (6) months from the date of execution. Thereafter, the prices may be adjusted only upon the written consensus of the parties at the end of each six-month period. The parties shall negotiate in good faith on the price adjustments and shall take into account the total amounts actually ordered by BUYER until the time of the negotiation and the changes in the relevant markets. BUYER shall not refuse to give the consent to SELLER when SELLER offers BUYER the most competitive price. At any rate, unless the parties expressly agree otherwise, a price change shall take effect no earlier than thirty (30) days after the parties agree on it. BUYER is responsible for any consumption tax.

BUYER agrees to use the services of SELLER'S designated representative for placing orders and paying invoices. The current designated representative is _____. Payment terms will be negotiated between BUYER and SELLER'S designated distributor.

CONTRACT PERIOD : The contract period shall commence on May 1st, 2001 and continue until April 30th, 2004. If this contract is not terminated as of the end of that period, it shall continue in effect from year to year thereafter until terminated. This contract may be terminated by either party as of the end of the contract period by delivering to the other party sixty (60) days prior written notice of termination.

The parties to this contract acknowledge and accept the additional terms and conditions attached ;

ABC

XYZ

Name / Title

Name / Title

Signature

Signature

Date

Date

Witness

ADDITIONAL TERMS & CONDITIONS

- 1. Warranties and Liabilities.** SELLER warrants it has title to Material delivered hereunder and may properly sell to BUYER and that such Material will conform to the specifications expressly referred to above. SELLER MAKES NO OTHER WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, CONCERNING THE MATERIAL OR THE MERCHANTABILITY OF FITNESS THEREOF FOR ANY PURPOSE. SELLER or BUYER shall not be liable for special, indirect or consequential damages of any kind under this Contract or otherwise, whether or not caused by negligence, and assumes no risk whatsoever as to the result of the use of Material either singly or in combination with other material. BUYER assumes responsibility to analyze Material, and Seller shall have no liability if BUYER uses Material that does not conform to the aforesaid specifications. BUYER represents that it is familiar with the characteristics of Material and assumes all responsibility and liability for and will indemnify and hold SELLER harmless from any and all loss to persons or property arising out of the mishandling or negligent use or possession of Material delivered to it.
- 2. Limitations and Waiver of Remedies.** NO CLAIM OF ANY KIND WHETHER BASED ON DELIVERY OR NON-DELIVERY, OR TORT (E.G. NEGLIGENCE, STRICT LIABILITY) SHALL BE GREATER IN AMOUNT THAN THE PURCHASE PRICE OF THE MATERIAL TO WHICH SUCH CLAIM RELATES. ANY CLAIMS BY EITHER PARTY MUST BE RECEIVED BY THE OTHER PARTY IN WRITING WITHIN 60 DAYS OF THE DATE OF DELIVERY OR NON-DELIVERY. FAILURE TO DELIVER NOTICE OF CLAIM TO THE OTHER PARTY WITHIN SUCH 60 DAY PERIOD WILL CONSTITUTE A WAIVER OF ALL CLAIMS IN RESPECT OF SUCH DELIVERY OR NON-DELIVERY.
- 3. Patent Infringement.** SELLER reserves the right to discontinue deliveries without liability if in SELLER'S opinion the manufacture, sale or use of Material as such would infringe any patent not held by or licensed to SELLER. Subject to section 2, Seller agrees to hold BUYER harmless from claims related to Seller's infringement of any patent concerning manufacture of MATERIAL.
- 4. Entirety of Contract.** This contract and attachments contain the entire understanding between the parties. Any other agreements between the parties concerning the purchase and sale of Material are hereby superseded. No interpretation, revision or amendment to this Contract shall be effective unless stated in writing and signed by a duly authorized representative of each of the parties hereto. All purchase orders or purchase acknowledgements which may be used to order or acknowledge orders for delivery of Material shall be deemed intended for record purposes only, and any terms or conditions contained therein shall not serve to add to or modify the terms and conditions of this Contract.
- 5. Assignment.** This contract shall not be assigned by either BUYER or SELLER without prior written consent. Such consent shall not be unreasonably withheld.
- 6. Force Majeure.** Neither party shall be liable for any failure or delay in performance hereunder which may be due, in whole or in part, to fire, explosion, strike or labor difficulty, accident, breakdown of machinery or equipment, curtailment in the supply of natural gas, inability to obtain power, whether pursuant to actions or proceedings already or hereafter commenced, act of God, act, order, regulation, or request of government or other public authorities, war, riot or civil disorder. Any accepted order which, due to any causes enumerated in this Section, shall not have been filled by the end of the contract term, may be cancelled by either party with respect to Material not then delivered.
- 7. Governing Law.** Any dispute which may arise out of or in connection with this contract, including any question regarding its existence, enforceability, validity or termination, shall be amicably settled by consultation between the parties. Any such dispute which cannot be amicably resolved shall be settled exclusively by final and binding arbitration in Seoul, Korea under the laws of the Republic of Korea if initiated by SELLER, and in Austin, Texas, USA under the laws of the State of Texas if initiated by BUYER. In either event, the arbitration shall be resolved in accordance with the Rules of the United Nations Commission on International Trade Law in force as of the date of this Agreement, as such rules are interpreted in accordance with the laws of England (the "UNCITRAL Rules"). Arbitration shall be before a panel of three arbitrators (who are fluent in English). If BUYER and SELLER are unable to agree upon the identity of arbitrators within thirty (30) days after a request for arbitration, then each shall select one arbitrator and the third arbitrator shall be appointed by the two arbitrators so appointed.

Exhibit A
Specifications