

COLLABORATION AGREEMENT FOR SKD BUSINESS

THIS AGREEMENT is made and entered into this ()th day of (), 2003 by and between 상대방회사명, a corporation organized and existing under the laws of the 상대방회사 국가명, with its principal office at 상대방주소 (hereinafter referred to as "Buyer") and Tiger Inc., a corporation duly organized and existing under the laws of the Republic of Korea and having its principal office at 회사 주소, Korea (hereinafter referred to as "Seller").

WITNESSETH:

WHEREAS, Seller is a company engaged in the manufacture and sale of the Products (as defined hereinafter) and is willing to engage Buyer to assemble, sell and distribute the Products in the Territory(as defined hereinafter); and

WHEREAS, Buyer desires to assemble, sell and distribute the Products in the Territory.

NOW, THEREFORE, in consideration of the foregoing premises and covenants hereinafter set forth, the parties hereto agree as follows:

Article 1, Definition

Whenever used in this Agreement, unless otherwise clearly required by the context, the following terms shall have the meanings set forth in this Article and no other.

1.1 "Contract Year" means the period commencing on the date of this Agreement and having a duration of one year and thereafter the period commencing in each subsequent year on the corresponding date of the date of this Agreement, having a duration of one year.

1.2 "Products" means 제품명, as set forth in Exhibit A attached hereto, which

Seller authorize Buyer to manufacture, assemble and/or sell in accordance with this Agreement. The type and model of the Products may be changed and modified during the term of this Agreement by mutual written agreement from time to time in accordance with this Article.

- 1.3 "Know-how" means any and all information, materials and assistance furnished in any form to Buyer by Seller to manufacture, assemble and/or sell the Products, as stipulated in Exhibit A attached hereto.
- 1.4 "Technical Assistance" means any and all technical assistance furnished by Seller to Buyer, Seller's direction relating to specification, advices, drawings, projects, manuals, data, and other information that Seller now has concerning the production methods, assembly process, quality control, training of technical personnel of Buyer and help of skilled technicians of Seller and any other assistance concerning the manufacturing of the Products.
- 1.5 "Territory" means 해당국가 또는 지역.
- 1.6 "Intellectual Property Rights" means any and all rights under patents, utility models, designs and/or their applications presently owned by Seller and/or which Seller has on the date of this Agreement and which is applicable to or may be used in manufacture and/or sale of the Products.
- 1.7 "Component Parts" means the parts and components of the Products to be supplied by Seller under this Agreement in the form of SKD (Semi-complete Knocked-Down) as described in Exhibit A.

Article 2. General Obligation

- 2.1 Subject to the terms and conditions set forth herein, Seller hereby agree to supply to Buyer, Buyer agrees to purchase from Seller, the Component Parts in order for Buyer to assemble, sell and distribute the Products in the Territory.
- 2.2 Buyer shall not, directly or indirectly, assemble, sell or distribute the Products or any Component Parts thereof outside the Territory without the prior written consent of Seller. Buyer shall not be able to change the specification of the Products without prior written approval of Seller.
- 2.3 Buyer may not change the specification of the Products without prior written approval of Seller.

Article 3. Responsibilities of the Buyer

- 3.1 Know-how, Intellectual Property Rights and Technical Assistance shall be used by Buyer for the sole purpose of its assembly, manufacture or sale of the Products in the Territory
- 3.2 Buyer shall not export the Products to any countries other than Territory without prior written consent of Seller.
- 3.3 Buyer shall not purchase, import, export, sell, distribute, advertise or otherwise deal in any products competitive with or similar to the Products in the Territory.
- 3.4 Buyer shall not use and/or register the Seller's trade marks and trade name without Seller's written permission.

Article 4. Sales of the Products

- 4.1 Buyer shall use at all times its best efforts to promote and extend sales of the Products throughout the Territory to all potential purchasers thereof and work diligently to obtain orders therefrom.
- 4.2 Buyer will promptly notify Seller of any information received by it which is likely to be of interest in use to Seller in relation to the marketing of the Products in the Territory.
- 4.3 Buyer shall cooperate with Seller on the sales of the Products in the Territory, and Buyer shall send to Seller:
 - (a) a monthly written report on its activities in the Territory, which is include sales by Products including recommended retail price lists, advertising and promotion, a recommendation on the marketing, sales and distribution matters affecting pricing policies, and achievements and major customers, and units, plans and proposals for the future and performance ; and
 - (b) a written monthly report on the stocks of the Component Parts and parts thereof.

Article 5. Order

- 5,1 Buyer shall issue to Seller, on revolving basis, its order for the Component Parts covering two (2) months at least thirty (30) days prior to the requested shipping date, together with a non-binding estimate of orders for the

- Component parts to be delivered during the next three months.
- 5.2 The orders shall not be binding unless and until they are accepted by Seller in its discretion.
 - 5.3 The Component Parts shall be packed in the manner in which Seller normally ships such products for itself or other company. Special packing will be provided only if agreed to in writing by Seller and will be at Buyer's expenses.
 - 5.4 The prices of the Component Parts shall be as specified in Exhibit B and may be amended by mutual agreement. The Component Parts shall be delivered and priced F.O.B E[선적항구명] Korea, INCOTERMS 2000.

Article 6. Payment

- 6.1 Within 45 days before the expected shipping date of the relevant Component Parts, Buyer shall open an irrevocable and confirmed letter of credit in favor of Seller issued by a first class bank, acceptable to Seller in form and substance satisfactory to Seller.
- 6.2 All payments made by Buyer to Seller under this Agreement or any other agreements, instruments or documents in relation hereto shall be made without set-off, counterclaim, fee and without deduction for any levies, impost duties, charges and fees.
- 6.3 All payments due under this Agreement shall be made in United States Dollars, strictly in accordance with this Agreement, if necessary, converted from the currency in the Territory at the official telegraphic transfer selling rate of exchange prevailing in the Territory on the date of the actual payment.
- 6.4 In the event that any payment due under this Agreement remains unpaid after the due date, an interest at the rate of fifteen (15) percent per annum for the period commencing with the due date until the date of actual payment shall be added to such unpaid amount and paid to Seller.
- 6.5 If Buyer shall be prevented by order or regulation of the government of the Territory from transmitting any payment due hereunder, Seller shall nominate in writing an alternative method of collecting such payment which shall not be restricted by such order or regulation. Such alternative method shall be binding on Buyer until such order or regulation shall be withdrawn.

Article 7. Minimum Purchase Quantity

- 7.1 Buyer irrevocably guarantees that it will purchase from Seller the Component Parts in the quantities specified in Exhibit C during the original Contract Year. For the purpose of this Article, the Component Parts shall be considered purchased when shipped by Seller.
- 7.2 The parties hereto shall mutually agree upon the minimum purchase quantity at least three (3) month before the beginning of each subsequent Contract Year. In the event that Buyer and Seller fail to agree, the minimum purchase quantity for each month of that subsequent Contract Year shall be deemed to be the same as for the corresponding month for the preceding Contract Year.

Article 8. Inspection and Warranty

- 8.1 Seller shall perform an inspection of each shipment of the Component Parts prior to shipment in Korea, at the expense of Buyer, in accordance with shipping inspection standards as determined upon agreement between Buyer and Seller, and Buyer may attend such inspection. If any shipment of the Component Parts fails the shipment inspection standards, Seller shall withhold such shipment and replace or repair the failing shipment promptly. If Seller cannot effectively replace or repair such shipment within thirty (30) days, Buyer may cancel the order of such shipment.
- 8.2 Buyer may perform sampling tests on each shipment of the Component Parts, provided that such sampling tests shall be completed within ten (10) days after Seller has noticed to Buyer that the Component Parts are ready for shipment.
- 8.3 All claims for errors, damages, defects, shortages and non-conformity in any shipment discovered by reasonable inspection shall be made in writing to Seller within thirty (30) days after receipt. Failure to make such claim within such period shall constitute acceptance of the shipment and agreement that such shipment fully complies with applicable terms and conditions.
- 8.4 Seller warrants that each Components Parts sold by Seller shall be free from defect in material and workmanship for _____months from the date of shipment. The extent of Seller's liability under this warranty shall be limited to the repair or replacement as herein provided of any defective Component Parts with Component Parts free from defect.
- 8.5 In the event of a breach of such warranty, Seller shall be liable for repairing the Component Parts or furnishing to Buyer replacement of defective part,

within 수리교환/기간 months after Buyer notifies thereof. Seller shall bear the costs for repairing the Components Parts and for necessary replacement parts, freight, insurance and other expense in repairing the Component Parts and furnishing such replacement parts to Buyer. However, Seller's obligation hereunder is conditioned upon the submission to Seller by Buyer of a satisfactory service report which specifies the defect. If practicable and at Seller's request, the defective Component Parts shall be returned as promptly as is feasible either to Seller's factory or to some other place mutually agreeable to Seller and Buyer.

- 8.6 Notwithstanding the foregoing, the warranty above shall not apply, if the Components Parts have been subjected to misuse, abuse, negligence, improper installation, improper maintenance, improper assembly, improper transportation, accident, alteration or design change by anyone other than Seller, or if the original name and/or serial number and/or identification markings have been defaced, altered or removed or used in violation of instructions furnished by Seller
- 8.7 Any claim arising under this Article shall be settled by amicable cooperation between Buyer and Seller in the best possible way to minimize and to avoid unnecessary expense and time.
- 8.8 THE WARRANTY PROVIDED IN THIS ARTICLE AND THE OBLIGATIONS OF SELLER THEREUNDER ARE IN LIEU OF, AND BUYER HEREBY WAIVES, ALL OTHER WARRANTIES, GUARANTIES, CONDITIONS OR LIABILITIES, EXPRESS OR IMPLIED ARISING BY LAW OR OTHERWISE (INCLUDING, WITHOUT LIMITATION, ANY OBLIGATION OF THE SELLER WITH RESPECT TO ANY LOST PROFITS OR LOSS OF BUSINESS, OR INDIRECT, INCIDENTAL, SPECIAL AND CONSEQUENTIAL LOSS OR DAMAGES FOR ANY REASON REGARDING THE PRODUCTS) AND WHETHER OR NOT OCCASIONED BY SELLER'S NEGLIGENCE AND SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT BETWEEN SELLER AND BUYER, PROVIDED, THAT IN THE EVENT THE PROVISION RELIEVING SELLER FROM LIABILITY FOR ITS NEGLIGENCE SHOULD FOR ANY REASON BE HELD INEFFECTIVE THE REMAINDER OF THIS ARTICLE SHALL REMAIN In FULL FORCE AND EFFECT.

Article 9. Technical Assistance

In accordance with the delivery schedule of the Technical Assistance agreed upon later by Seller and Buyer, Seller shall supply Buyer with the Technical Assistance.

- 9.1 Upon written request from Buyer, Seller shall perform the appropriate service of Technical Assistance related with:
- a) The organization of manufacturing plant of Buyer if necessary, or the modification of its plant.
 - b) The selection of the machinery, equipment, testers, production and manufacturing tools necessary for the assembly and manufacturing of the Products at Buyer's plant.
 - c) The schematic diagrams, drawings, material lists, user's manual, service manual for manufacturing and assembling procedures of the Products.
 - d) Quality control methods for the Products and Component Parts.
 - e) Sample measurements and homologations of the Products.
 - f) The methods for mass production and industrial organization, inventory quality control, supply system to the production lines, in connection with the Products.
 - g) Training of Buyer's technicians at factories of Seller for the same purpose. The terms and conditions of the training of Buyer's technicians shall be specified in Article 11
 - h) Dispatch of technical instructors to Buyer to facilitate disclosure of Seller's Know-how. The terms and conditions of the dispatch of Seller's instructors shall be specified in Article 12.
- 9.2 Seller shall be free from any responsibility of any and all kinds of quality troubles of machines obtained or purchased from sources other than Seller, although Seller will, at its sole discretion, be willing to cooperate with Buyer at the expenses of Buyer in solving such quality trouble, should such troubles arise.

Article 10. Quality Control of the Products

The purpose of this Article is to establish the quality assurance guideline between Seller and Buyer for the Products.

- 10.1 During the Contract Year, Buyer shall be obliged to undertake and follow strict quality control, procedure and rules according to Seller's code of

quality. Seller reserves the right to inspect the manufacturing plants of Buyer with reasonable prior notice.

- 10.2 Till the quality level of the Products is reached up to proper level, all process for production and quality control shall be under the control of the engineer dispatched from Seller.
- 10.3 The proper quality level shall be judged by Seller's engineer and after reaching the level, the process for production and quality control shall be replaced and accessed by Buyer's internal inspector for quality test under the mutual agreement between Seller and Buyer.
- 10.4 In case of epidemic failure and critical defects in the incoming inspection or assembling line, immediate action will be taken under mutual cooperation between Seller and Buyer, in a period no longer than three(3) weeks from notice. Technical visit and/or defective parts replacement will be required depending on the problem detected. When the defective parts are caused by manufacturing process at Buyer's side, those should be replaced by spare parts order. The party who caused the problem in connection with this Agreement will be responsible for property damage, loss, or injury arising out of or related to such problem.

Article 11. Training and Training Fee

- 11.1 Upon the prior written request of Buyer from time to time during the Contract Year, Seller shall agree to give reasonable number of Buyer's technicians ("Trainee") technical training which Seller consider appropriate at Seller's factories for a reasonable period of time in relation to the assembly, manufacture, maintenance and service of the Products.
- 11.2 Traveling and transportation expenses to and from the Territory to Seller's facilities, accommodation and living expenses, and local traveling expenses during the Trainee's stay in Korea and all other expenses occurred in relation to Article 11.1 shall be for the account of Buyer.
- 11.3 It is expressly agreed that Seller shall be under no liability to the Trainee of Buyer for any injuries and damages to the Trainee's body and property which may suffer whether in Seller's facilities or not.
- 11.4 Buyer shall at it's own expenses promptly enter into proper comprehensive accident and life insurance in favor of Trainee against such injuries and damages with the first class insurance company in such amount Buyer

considers adequate.

11.5 Buyer shall give Seller at least one (1) month prior notice to be approved by Seller before the Trainee leaves the Territory for Korea, stating the name of the leader, number of Trainees, and their names, position, personal profile, experience and subject matter of study, estimated time of arrival at Seller's facilities and period of stay desired of each Trainee.

Article 12. Dispatching of Engineers of Seller

Seller shall dispatch the engineers ("Engineer") to facilitate disclosure of Seller's Know-how.

The terms and conditions shall be as follows;

12.1 Local and overseas traveling expenses, accommodation expenses and any other expenses shall be borne by Buyer,

12.2 Buyer shall pay the following amount of remuneration for Engineer of Seller ten (10) days prior to their departure from Korea by banker's check.

'Training Fee: US Dollars ()/day/person

12.3 Buyer shall obtain any and all kinds of the government approval to assist the Engineers in their customs clearance procedure for entry into and departure from Buyer as the case may be and in case that the Engineers carry tools and other instruments that are necessary for performing duties, air freight and other expenses incurred in this connection shall be borne by Buyer,

Article 13. Patent, Trade Mark and Trade Name

Buyer recognize that any of the patents, trademarks, trade names and other Intellectual Property Right used on or embodied in the Products and Components Parts shall remain the exclusive property of Seller. Buyer shall not alter, deface, remove, cover, or mutilate in any manner the trademark, serial or model number, brand, or Seller's name attached or affixed to any of the Component Parts, without the prior written consent of Seller except as agreed expressly in this Agreement.

Article 14. Term and Termination

14.1 This Agreement shall continue in full force and effect until the 계약만료일

starting commencing on the date of this Agreement, unless sooner terminated as provided in this Agreement, and may be extended for successive one(1) year thereafter by mutual consent between parties.

- 14.2 Any of the both parties may terminate this Agreement, giving written notice of the termination to the other party, in case the other party shall default any obligation under this Agreement and such default is not corrected within sixty thirty(30) days after written notice specifying the nature of the default.
- 14.3 Either party may terminate immediately this Agreement without any compensation to the other party if any of them submits an application for bankruptcy or makes a general assignment for the benefit of creditors or otherwise acknowledges insolvency or shall be adjudged bankrupt or go or be placed into a complete liquidation or if a receiver shall be appointed for business of the other party.
- 14.4 If Buyer becomes owned or controlled directly or indirectly by any competitor or Seller in the Products specified in "Exhibit A", Seller may, at its sole discretion, terminate this Agreement immediately without any compensation to Buyer.
- 14.5 In the event of termination of this Agreement for any reason whatsoever:
 - a) Buyer shall promptly return to Seller all specified documents, tangible property belonging to and supplied by Seller in connection with this Agreement and shall keep confidential all information received from Seller.
 - b) Buyer shall promptly discontinue the use of Know-how and other confidential information and Intellectual Property Rights acquired under this Agreement, except those technical knowledge possessed by Buyer which is commonly available in the industry.
- 14.6 The termination of this Agreement shall be without prejudice to the rights of either party to payment or other claims due or accrued up to the termination of this Agreement.

Article 15. Spare Parts and After Service

- 15.1 Buyer shall be responsible for any and all after-sales service on all the Products manufactured and distributed by Buyer in the Territory. Buyer shall provide at its own risks and expenses a prompt, proper and adequate after-sale service for the Products to its customers in such a manner as to maintain the reputation of the Products in the Territory.

- 15.2 Buyer shall always maintain at its own cost and expenses an adequate stock of servicing parts for the Products and shall keep them available and ready to supply upon its customer's orders.
- 15.3 Seller shall supply to Buyer Spare Parts for the Products so long as Buyer continues to purchase the Components Parts pursuant to the terms and conditions of this Agreement and for one (1) year after the last shipment of the Components Parts to Buyer.
- Notwithstanding the foregoing, if Seller decides to cease manufacturing of any of the said Spare Parts, it shall give Buyer not less than six (6) months notice of such decision during which Buyer may purchase such Spare Parts as it shall need for its support of the Products thereafter.
- 15.4 The price for Spare Parts shall be set forth in the price list in Exhibit D which price list may be changed by Seller from time to time.
- 15.5 Buyer may purchase standard Spare Parts from Seller's suppliers directly by prior written consent of Seller.
- 15.6 Seller shall from time to time provide Buyer with information as to service manual, parts list and such other servicing materials and/or information available.

Article 16. Limitation of Liability

- 16.1 Seller shall not be liable for any loss and damages caused by Buyer or other parties. In no event shall Seller be liable to Buyer under this Agreement or otherwise for any lost profits or loss of business or for indirect or incidental, consequential or special loss or damage for any reason with regard to the Component Parts or Products. The rights and remedies under Article 8(Warranty) constitute Buyer's sole remedies and Seller's sole and exclusive liability against Buyer.
- 16.2 For the term of this Agreement and the () years after the expiration or termination of this Agreement, Buyer shall defend, indemnify and hold Seller harmless from and against any or all loss, damage, liability or expense, including but not limited to the attorney's fees, arising out of or in relation to the Products including but not limited to the product liability brought by the third parties including Buyer's employee for death or injury to person(s) or damage to or destruction of property caused or resulting from the assembling, sale, resale, use, consumption or other disposal of the Products.

16.3 Buyer shall at all times during the term hereof and ()years after the expiration or termination of this Agreement maintain product liability insurance covering all Products sold by Buyer at its expense in aggregate limits of 110% (one hundred ten percent) of total sale amount. Buyer shall furnish Seller with a copy of a certificate of insurance evidencing the aforesaid coverage.

Article 17. Confidential Information

During the term of this Agreement and for () years after the termination or expiration hereof, Buyer shall maintain confidential any all and information concerning the Products and Components Parts, or Seller's business that could be disclosed to Buyer or from which Buyer should have knowledge during the term of this Agreement, and Buyer shall not without prior written consent of Seller divulge to third parties nor anyone except to those of its own employees who will use inevitably to fulfill the tasks under this Agreement. Buyer shall not use Seller's information for any purposes other than the performance of this Agreement.

Article 18. Governing Law

The validity, construction and performance of this Agreement shall be governed by and interpreted, enforced in accordance with the laws of the Republic of Korea.

Article 19. Arbitration

Any and all disputes, claims or differences arising out of or relating to this Agreement or the alleged breach thereto shall be settled by mutual consultation between the parties in good faith as promptly as possible, but failing such amicable settlement, shall be submitted to arbitration. The arbitration may then be held in the country of the party against whom the arbitration proceedings is instituted. The arbitration may be applied to the Korean Commercial Arbitration Board at the place most convenient to Seller when Buyer institutes the arbitration proceeding. The arbitration may be applied to the (Buyer가 원하는 중재기관명) at the more convenient to Buyer when Seller institutes the arbitration proceeding. The decision and awards of the arbitration shall be final and binding upon the parties hereto.

Article 20. Force Maieure

Any party shall not be liable to the other party for nonperformance or delay in performance of any of its obligations under this Agreement due to causes reasonably beyond its control, including but not limited to the fire, flood, strike, labor trouble or other disturbance, unavoidable accident, government regulation, riot, and insurrection. Upon the occurrence of such a force majeure condition, the affected party shall immediately notify the other party of any further developments. Immediately after the cause is removed, the effected party shall perform such obligations with all due speed.

Article 21. Non-Assignability

Any party shall not, nor shall it attempt to assign, delegate, transfer or otherwise dispose of the benefits or the obligations of this Agreement without the written consent of the other party.

Article 22. Entire Agreement and Amendment

22.1 This Agreement constitutes the entire understanding of the parties relating to the subject hereof and supersedes all other previous agreement and understandings, whether written or oral.

22.2 This Agreement may be amended or modified only in writing signed by the duly authorized representatives of the respective parties.

Article 23. Notice

Unless otherwise specified herein, any notice under this Agreement may be in writing sent by registered airmail, fax, or email to the other parties at the address or fax numbers or email address as specified hereafter (or at such other addresses or fax numbers or email address as shall be specified by the parties by notice pursuant to this section), and shall be deemed to have been received by the other party within 15 (fifteen) days of dispatch if by registered airmail or within 24 (twenty four) hours of dispatch if by fax or email

If to Seller :
Address
Telephone
Fax

Email

Attn.

If to Buyer :

Address

Telephone

Fax

Email

Attn.

Article 24. Severability

This Agreement is intended to be valid and effective throughout the world and, to the extent permissible under applicable law, shall be construed in a manner to avoid violation of or invalidity under any applicable law. Should any provision hereof nevertheless be or become invalid, illegal or unenforceable under any applicable law, the other provisions hereto shall not be affected, and to the extent permissible under applicable law, any such invalid, illegal or unenforceable provision shall be deemed amended lawfully to conform to the intent of the parties.

Article 25. Miscellaneous

- 25.1 The obligations and rights of the parties hereto shall be adjusted to such reasonable regulations as either party may deem it necessary to make in order to comply with the laws, regulations, requirements and requests of its government of any agency thereof.
- 25.2 Know-how shall be provided "As-Is" basis hereunder. Seller shall use its best efforts to verify the accuracy of the Know-how furnished by it hereunder and in case there should be any mistake or error in such Know-how furnished by it and such fact is confirmed by Seller, Seller shall supply Buyer with the corrected information thereof. However, Seller shall not be liable for any damages arising out of or resulting from anything made available hereafter or the use thereof, nor be liable to Buyer for consequential damage under any circumstances,
- 25.3 Nothing contained in this Agreement shall be construed as:
- a) Imposing upon Seller any obligation to institute any suit or action against

any third party for infringement of any patent (including but not limited to the patent or other intellectual property rights) licensed hereunder, or to defend any such action brought by any third party which challenges or contests the validity of such patent or intellectual property rights: or

b) A warranty or representation by Seller that the manufacture, use, import, sale or other disposal of the Products and Components Parts hereunder will be free from infringement of any patent or other intellectual property rights owned or possessed by any third party.

25.4 Seller may sell to customer in the Territory the Products with its own trademark or the trademark of other than Buyer's.

25.5 The language to be used in rendering the Technical Information disclosed and furnished by Seller to Buyer hereunder and/or in corresponding any documentation between the parties hereto shall be English.

25.7 This Agreement or any right hereunder shall not be assigned or otherwise transferred by Buyer and shall not inure to the benefit of any trustee in bankruptcy, receivership or otherwise, without a written consent of Seller; and any assignment or transfer without such consent shall be null and void.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate by their duly authorized representatives as of the date first above written,

Exhibit:

- A. Specification of the Component Parts and the Products
- B. Price of the Component Parts
- C. Minimum Purchase Quantities for original Contract Year
- D. Price of Spare Parts
- E. The List of know-how