

## CONSIGNMENT PROCESSING CONTRACT

This contract is made and enters into on . . . 2000 by and between  
(hereinafter referred to as A) and (hereinafter referred to as B)

### Article 1 (Products and Processing Charge)

Items	Unit	Spec.	Quantity	Unit Charge	Total Amount

B processes and delivers the finished product to A on the basis of the following  
Consignment Processing(CMT-Cutting, Making, Trimming) Charge.

### Article 2 (Raw Materials and Subsidiary Materials)

(1) A supplies B the following raw materials and subsidiary materials which are necessary  
for manufacturing the products under Article 1 at non commercial value.

Items	Unit	Spec.	Quantity	Unit Charge	Total Amount

(2) B shall use the above materials only to manufacture and process the products described  
at Article 1, and Shall not take out them outside factory without prior permission of A.

### Article 3. (Management of Raw and Subsidiary Materials)

(1) B shall admit that the materials under the previous Article are the property of A and  
shall not hand them over others, shall not exchange them for others and shall maintain  
them as a bona-fide manager.

(2) B shall take an insurance to the insurance company named by A, at B's expenses, for  
the raw and subsidiary materials and products being preserved.

### Article 4 (Processing)

(1) B shall make the products in accordance with the samples & the specifications presented  
by A and B shall obtain prior approval of A to any small changes.

- (2) B shall not make any other sub-consignment processing contract with others without A's prior approval.
- (3) A can give B technical instructions or working orders at any time, relating to processing, packing and transporting the products, and B shall follow them.

#### Article 5 (Shipment)

- (1) B, manufacturing the products under Article 1, shall make custom clearance and ship them after designated inspection by A's order in accordance with the shipping schedule in Letter of Credit.
- (2) A shall bear all costs and charges arising from warehouse to shipment.

#### Article 6 (Payment of Processing Charge)

A shall pay the processing charge without hesitation as B presents bill of lading and shipping documents required by Letter of Credit.

#### Article 7 (Claims)

On receiving disputes or complaint by buyer arising from B's export of the products, A shall notify it in writing to B and when such claims are to be certified as resulting from B/s fault, B shall take all liabilities. In this case, A shall make an effort to reduce the claims as much as possible in consultation with B.

#### Article 8 (Arbitration)

All disputes, controversies, or differences which arise between the parties out of or in relation to or in connection with this contract or for the breach thereof, shall be finally settled by arbitration in Seoul, Korea in accordance with Commercial Arbitration Rules of the Korean Commercial Arbitration Board and under the Laws of Korea. The award rendered by arbitrator(s) shall be final and binding upon both parties concerned.

After both parties make and sign two copies of contract, A keeps original copy stamped on and B keeps the duplicate.

A

B

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