

BeRex CORPORATION
PURCHASE ORDER TERMS AND CONDITIONS



APPLICABLE ONLY WHEN BeRex IS PURCHASING PRODUCTS OR SERVICES

1. ACCEPTANCE: The purchase order, together with these terms and conditions, and any attachments and exhibits (collectively the "Purchase Order"), constitutes the entire and exclusive agreement between BeRex Corporation and any of its direct and indirect subsidiaries (each referred to as "BeRex") and the supplier identified in the Purchase Order ("Supplier"). Acceptance of this Purchase Order by Supplier is expressly limited to the terms and conditions contained in the Purchase Order. Any additional or different terms and conditions stated by Supplier in any proposal on Supplier's acknowledgement form or otherwise are deemed to be a material alteration of this Purchase Order and are hereby objected to by BeRex and shall be inapplicable to this Purchase Order unless specifically agreed to in writing by BeRex signed by an authorized representative of BeRex. BeRex's failure to object to provisions contained in any communication from Supplier shall not be deemed a waiver of any of the provisions contained herein. Supplier shall issue an order acknowledgement within three (3) days from receipt of this Purchase Order, which shall include a scheduled delivery date.

2. PAYMENT: Unless otherwise agreed to in writing signed by an authorized representative of BeRex, payment to Supplier will be made at the following month-end (Net 30) from the date of invoice is received by BeRex or the date of receipt by BeRex of the products or services to which such invoice applies. Payment of any invoice shall not constitute acceptance of the products or services or a waiver of any right to test or inspect the products and shall be subject to adjustment in the event Supplier fails to meet the requirements of this Purchase Order.

3. PRICES: Unless otherwise specified on the face of the Purchase Order, prices include all applicable taxes except sales taxes, which are separately shown when applicable. Supplier warrants that the prices charged for the products or services will be as low as the lowest prices charged by the Supplier to any customer purchasing similar goods or services. Prices shall not be higher than those last quoted or charged to BeRex unless otherwise agreed to in writing.

4. PACKING AND SHIPMENT: All products shall be packed by Supplier in suitable containers for protection in shipment and storage. No charge shall be made for packaging or storage. Products must be packed and shipped in accordance with good commercial practices to secure lowest possible freight or express charges. Supplier shall mark on containers shipping instructions and information, order number, item and account number, shipment date, and names and addresses of BeRex and Supplier. Shipment of products shall be F.O.B. Unless otherwise specified in this Purchase Order, the F.O.B point shall be to BeRex's location designated in this Purchase Order. Supplier shall bear all risk of loss or damage to the products and title shall not shift to BeRex until delivery of the products to BeRex's location.

5. DELIVERY: Time is of the essence for this Purchase Order. Failure by Supplier to meet delivery dates specified in this Purchase Order shall constitute a material breach of the Purchase Order and BeRex may, in its sole discretion: (i) cancel the Purchase Order in whole or in part; (ii) extend the time for delivery; and/or (iii) require Supplier to ship all or part of the products by prepaid air freight at Supplier's expense until Supplier's deliveries are in accordance with the requirements of the Purchase Order. Supplier agrees to pay BeRex any penalty and/or damages imposed upon or incurred by BeRex resulting from Supplier's failure to deliver the products or services on the specified delivery dates. BeRex may return or store at Supplier's expense any products delivered more than ten (10) days in advance of the delivery date specified for such products, unless otherwise agreed to in writing.

6. CHANGES: BeRex shall not accept any changes to this Purchase Order, including but not limited to specifications, processes, key suppliers, or changes in Supplier's manufacturing location, unless agreed to in advance in writing signed by an authorized representative of BeRex. BeRex may make changes in the specifications and drawings on any item at

any time. Any delays or additional costs incurred by Supplier as a result of such changes shall be subject to an equitable adjustment of price and delivery schedule.

7. RESCHEDULE AND CANCELLATION: BeRex may reschedule, cancel or change all or any part of a Purchase Order at any time for convenience upon written notice to Supplier. Upon receipt of BeRex's notice, Supplier shall cease all work under the Purchase Order. BeRex shall only be liable to Supplier for services satisfactorily performed to the date of termination for custom products (but not standard products) and products or services delivered and accepted by BeRex. Supplier shall present to BeRex in writing any claim for reimbursement within ten (10) days of Supplier's receipt of BeRex's written notice. Supplier shall mitigate its claim to the fullest extent possible, and Supplier grants BeRex the right to audit Supplier's books and records related to such reimbursement claim. Cancellation or termination by BeRex will not constitute a waiver or release of any rights and remedies of BeRex.

8. INSPECTION: All products are subject to final inspection and approval at BeRex's location or other place designated by BeRex. BeRex's failure to accept or reject products or detect defects during inspection does not relieve Supplier of its responsibilities to provide products in accordance with Purchase Order requirements.

9. CONFIDENTIAL INFORMATION: Any information that BeRex discloses to Supplier, including but not limited to, prints, designs, product development plans, marketing plans, business information, vendor lists, trade secrets, drawings, schematics, technical specifications, manufacturing techniques, forecasts, financial information, customer lists or other documents in connection with this Purchase Order, shall be deemed BeRex confidential, proprietary information. Supplier shall keep confidential and otherwise protect from disclosure such information. Supplier shall use all information only in the performance of and for the purpose of the Purchase Order. Supplier shall protect the information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, disclosure, dissemination or publication of the information as Supplier uses to protect its own comparable confidential and proprietary information. Upon BeRex's request, and in any event upon the completion or cancellation of the Purchase Order, Supplier shall promptly return to BeRex all information. Supplier represents that its employees are contractually obligated not to disclose information obtained by Supplier's employees in the course of their employment and agree that only those employees who have a "need to know" for the purpose of this Purchase Order shall have access to such information. BeRex shall at all times be the sole and exclusive owner of its confidential information. All tools, equipment, dies, drawings or other materials paid for or furnished by BeRex under the Purchase Order shall be and remain the sole property of BeRex.

10. WARRANTY: Supplier warrants that all products and/or services that are furnished hereunder: (i) are free from faulty workmanship or the use of defective materials; (ii) conform to the specifications, drawings, sample or other descriptions furnished or specified by BeRex or furnished by Supplier and accepted by BeRex; (iii) do not infringe any patent, trademark, trade secret, copyright or other intellectual property rights or proprietary rights of any third party; (iv) will be of merchantable quality and will be fit for their ordinary intended purpose as well as any special purpose specified by BeRex; (v) are new and have not been previously used. Supplier also warrants that it has good title to the items, free from all encumbrances. These warranties will survive any inspection, delivery, acceptance, or payment by BeRex for the products and/or services and are in addition to, and shall not be construed as restricting or limiting any warranties of Supplier, express or implied, that are provided by law or exist by operation of law. In addition to the warranties above, Supplier shall extend all warranties that it receives from its vendors to BeRex and BeRex's customers.

BeRex CORPORATION
PURCHASE ORDER TERMS AND CONDITIONS
APPLICABLE ONLY WHEN BeRex IS PURCHASING PRODUCTS OR SERVICES



In addition to the foregoing warranties, Supplier warrants the products against epidemic failure. An epidemic failure shall mean a substantially similar repetitive root cause, failure, mode or defect that occurs in such products indicating a common systemic failure and during the five year period following delivery of the products to BeRex. The party that discovers the epidemic failure shall notify the other promptly; provided, however, that in the event Supplier discovers a failure that creates a risk of injury or death, Supplier will notify BeRex without delay and will also provide BeRex with written notice within twelve (12) hours of any notification made by Supplier to any governmental body responsible for regulation of product safety. Supplier and BeRex shall establish, within ten (10) days notice by either party upon discovery of such epidemic failure, a mutually agreed upon emergency procedure to resolve and replace all defective products. Any and all costs associated with the emergency procedure are to be borne solely by Supplier. Supplier also agrees to inform BeRex in writing of any other epidemic failures occurring in products sold to Supplier's other customers.

11. TERMINATION: BeRex may terminate this order at any time by notice in writing to Supplier. In such event BeRex shall not be liable for any termination, cancellation, charge back or restocking charges and in no event shall BeRex be liable for any loss of profits on the Purchase Order or portion thereof so terminated.

12. OBSOLESCENCE: If production of any products or the performance of any services is to be discontinued at any time within one (1) year after final delivery of such products or performance of such services under any order, Supplier shall give BeRex at least 180 days prior written notice of such discontinuance, during which Supplier shall accept orders from BeRex for reasonable quantity of such products or services.

13. INDEMNITY: Supplier shall, at BeRex's option, defend BeRex (and its agents, employees, officers and directors) against each and every demand, claim, assertion of liability or other legal action arising or alleged to arise, directly or indirectly out of: (i) the possession, use, sale handling or consumption of any goods sold or delivered by Supplier pursuant to this Purchase Order; (ii) any act, omission or failure to perform the obligations or requirements hereunder of Supplier or imposed by law; or (iii) with respect to the products provided by Supplier hereunder, one or more of the following situations arising from or related thereto: (a) any damages, sickness, injury or death to persons; (b) damages or injury to property, whether of BeRex's or otherwise; (c) inaccurate, incomplete or false labeling or description; (d) defects in quantity or quality; or (e) breach of any warranty, express or implied, whether included herein or otherwise, and, with respect to (i), (ii) and (iii) above, Supplier shall assume legal responsibility for, indemnify and hold BeRex free and harmless (and its agents, employees, officers and directors) against any and all loss, damage, fines, liabilities, costs and expenses (including, but not limited to attorney fees, court costs, and reasonable investigative and discovery costs) and other sums which BeRex (or its agents, employees, officers or directors) may reasonably pay or may become obligated to pay on account of each and every such demand, claim, assertion of liability or action. BeRex agrees to notify Supplier promptly in writing in the event any such claim, demand, assertion of liability or action, is brought to BeRex's attention.

14. PATENT INDEMNITY: Supplier shall defend any suit or proceeding brought against BeRex insofar as such suit or proceeding is based on a claim that any products manufactured and/or supplied by Supplier to BeRex constitute direct or indirect infringement of any patent, and Supplier shall pay all damages, including attorney's fees and costs finally awarded therein against BeRex. If the products manufactured and/or supplied by Supplier to BeRex shall be held to infringe any patent, and BeRex shall be enjoined

from using the same, supplier will exert reasonable efforts, at BeRex's option and at Supplier's expense to: (i) procure for BeRex the right to use such products free of any liability for patent infringement; (ii) replace such goods with a non-infringing substitute otherwise complying substantially with all requirements of this Purchase Order; or (iii) refund the purchase price and any costs associated therewith.

15. LIMITATION OF LIABILITY: Notwithstanding anything herein, or in any other document applicable to any transaction between Supplier and BeRex, both parties acknowledge that (A) in no event shall BeRex be liable for any loss of revenue, profit or for indirect, special, incidental, consequential or punitive damages to person or property arising out of or connected with the Purchase Order; and (B) in no event shall BeRex's liability in connection herewith or resulting from (i) the sale or use of any product supplied by Supplier or (ii) any services performed by Supplier hereunder, exceed the amounts paid to Supplier by BeRex under the applicable Purchase Order in the six (6) months preceding the action(s) which are the subject of and directly affected by such claims.

16. REMEDIES : If Supplier breaches its warranties as specified herein, Supplier shall, at BeRex's option, repair or replace any products which are returned by BeRex during the applicable warranty period set forth herein, or refund to BeRex monies paid by BeRex for such products or services. Supplier shall reimburse BeRex for any expenses or costs associated with such return, including transportation charges.

17. APPLICABLE LAW: This Purchase Order shall be governed by and construed under the laws of Korea law without reference to its conflict of laws rules or any other rules that would result in the application of a different body of law.

18. ALTERNATE DISPUTE RESOLUTION: Any dispute between BeRex and Supplier arising from or related to this Purchase Order or the subject matter hereof, including its validity, construction or performance thereunder, shall be exclusively resolved through arbitration by a mutually acceptable impartial and neutral arbitrator appointed by the Judicial Arbitration and Mediation Services (JAMS) in accordance with its rules and procedures. If the parties are not able to agree on an arbitrator within ten (10) days of the date of request for mediation is served, then JAMS shall appoint an arbitrator. Notice of arbitration shall be served and filed with the JAMS main offices in Seoul, Korea. Each party shall be responsible for all costs associated with the preparation and representation by attorneys, or any other persons retained thereby, to assist in connection with any such Arbitration. However, all costs charged by the mutually agreed upon arbitration entity shall be equally shared by the parties. The party seeking mediation and/or arbitration as provided herein agrees that the venue for any such mediation and arbitration shall be selected by the other party and that such venue must be Seoul, Korea; whereby the applicable law and provisions of the Evidence Code of the State selected thereby shall be applicable and shall govern the validity, construction and performance of this Purchase Order.

19. FORECAST: Any BeRex forecasts furnished under a Purchase Order are presented in good faith and are nonbinding on BeRex. BeRex shall only be liable for actual Purchase Order releases made by BeRex.

20. WAIVER: Each shipment made under any Purchase Order shall be treated as a separate sale and transaction, but in the event of any default by Supplier, if BeRex elects to continue to accept shipments, its action shall not constitute a waiver of any default by Supplier or in any way affect BeRex's legal remedies for any such default. If any provision of the Purchase Order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this Purchase Order shall not be affected hereby and shall remain in full force and effect.

21. COMPLIANCE WITH LAWS: Supplier agrees and warrants that it shall comply, at its own expense, with Korea laws, ordinance rules and regulations, including but not limited to all export control, import, employment, tax, environmental relating in any way to the production, manufacture, sale, and delivery of the products or performance of services. Supplier further agrees that it will comply with, and will use reasonable endeavors to ensure that any third party used by Supplier to fulfill its obligations will comply with, all applicable laws, rules, regulations, decrees, or official governmental orders of any applicable government, including the US and UK, relating to any applicable subject matter and relating to anti-bribery, anti-corruption and/or anti-money laundering, and any other anti-corruption laws, applicable to the Supplier or BeRex in connection with this transaction. Supplier will defend and hold BeRex harmless for any loss, damages or costs arising from or caused in any way by any actual or alleged violation of the aforementioned laws and regulations.

22. INSURANCE: Supplier shall provide insurance coverage for its liability and indemnity obligations hereunder with reputable carriers and in amounts commensurate with industry standards for the products or services involved.

23. PUBLICITY: Supplier shall not use BeRex's name, or any trademark of BeRex, or refer to BeRex directly or indirectly, in any advertisement, sales presentation, or news release without BeRex's prior written approval.

24. FORCE MAJEURE: No failure, delay or default in performance of any obligation hereunder shall constitute an event of default or a breach of this Purchase Order, to the extent that such failure to perform, delay or default arises out of a cause, existing or future, that is beyond the reasonable control and without negligence of the party otherwise chargeable with failure, delay or default, including, but not limited to; fire, flood; war; riot; theft; earthquake; natural disaster, act of terrorism, negligence or default of the other party (each of the foregoing shall be referred to herein as a "Force Majeure Condition"). Either party desiring to rely upon any Force Majeure Condition as an excuse for failure, default or delay in performance shall, when such Force Majeure Condition arises, give to the other party prompt notice in writing of the facts which constitute said Force Majeure Condition; and, when the Force Majeure Condition ceases to exist, give prompt notice thereof to the other party. Notwithstanding the foregoing, if such Force Majeure Condition persists for more than ten (10) days, then BeRex may cancel the affected Purchase Order upon written notice to Supplier, without any liability to Supplier.

25. EXPORT CONTROLS: Supplier further agrees and warrants that it shall comply with all export controls, including the International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"), and Supplier will not supply any services or products that are ITAR-controlled without first notifying BeRex in writing of the ITAR-controlled status of the product or service. If applicable, Supplier shall provide BeRex at time of sale with the appropriate HS Code (Harmonized Commodity Description and Coding System) for Supplier's product, as determined on the Commerce Control List of the EAR. Supplier further agrees to obtain all necessary export licenses for Supplier's products or for the provision of Supplier's services to BeRex.

26. ISO 9000 and ISO14001: In accordance with ISO 9000 and ISO14001 quality control systems and related certification, a physical inspection of Supplier's facility may be required for BeRex's customer to satisfy certification requirements. Upon written notice from BeRex's customer, Supplier agrees to make its facilities and procedures reasonably available for a site inspection for physical audit, if required for customer to meet ISO certification requirements.

27. ASSIGNMENT AND SUBCONTRACTS: Supplier will not delegate any duties, nor assign any rights or claims under the Purchase Order, or for breach thereof, without the prior written consent of BeRex. Any attempted delegation or assignment will be void.

28. SURVIVAL: The rights and obligations of the parties which by their nature survive termination or completion of this Purchase Order, including but not limited to those set forth herein titled Publicity; Indemnity; Patent Indemnity; Warranty; Confidential Information; Applicable Law; Alternate Dispute Resolution; and Limitation of Liability shall remain in full force and effect.