

## LETTER OF INTENT

Tokyo, Japan

December 15, 2016

**Dalnevostochnaya Ptitsa**, a company incorporated and registered in the Russian Federation, having its registered office at 3 Fontannaya street, Vladivostok, Primorsky kray, Russian Federation represented by Dmitry Aveltssov, acting under a power of attorney dated 12 December 2016 (the **Producer**); and

**Mayekawa**, a company incorporated and registered in Japan, having its registered office at 3-14-15, Botan, Koto-ku, Tokyo 135-8482, Japan, represented by Hiroshi Nishikawa (the **Equipment Manufacturer**); and

**Marubeni Corporation**, a company incorporated and registered in Japan, having its registered office at 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6060, Japan, represented by Kazunori Takeda (the **Trader**); and

**Far East Investment and Export Agency**, a company incorporated and registered in the Russian Federation, having its registered office at 8 str. 1 Presnenskaya naberezhnaya, Moscow, Russian Federation, represented by Petr Shelahaev, acting under the charter (the **Agency**).

(each of the above are hereinafter referred to as a **Party**, and collectively, as the **Parties**),

**WHEREAS**, the Producer is a major poultry producer in Russia's Far East, which is interested in increasing its production capacity and exporting its products to Japan;

**WHEREAS**, the Equipment Manufacturer is a pioneer of the robotization for meat processing process and one of the most advanced companies in manufacturing industrial refrigeration compressors, cooling systems, freezers and food robotics;

**WHEREAS**, the Trader is one of Japan's major integrated trading groups, including in agri-products segment, having a strong domestic distribution network in Japan and seeks an opportunity to set up wholesale operations within the Asia-Pacific region with respect to agri-products; and

**WHEREAS**, the Agency is the Russian Far East investment promotion agency, which provides a one-stop shop for investors, offering a variety of services to those interested in conducting business in the region. The Agency is interested in attraction of investments and successful implementation of investment projects in the Russian Far East.

The Parties have entered into this Letter of Intent (this **LOI**) to set forth mutual understanding as follows.

### 1. Project

- 1.1 The Parties are interested in implementing an investment project on the construction of a modern poultry production farm in Primorskiy region (the **Farm**) and poultry products export to Japan and other countries in the Asia-Pacific region (the **Project**).
- 1.2 Key production indicators of the Farm to be defined upon consultations between technical experts of the Producer, Equipment Manufacturer and Trader.
- 1.3 Within six months after signing the Agreement the Producer and the Agency intend to prepare a business plan for the Project and submit an application to the Far East Development Corporation in order to allow the Producer or its subsidiary to use a premise of an advanced special economic zone or Free port of Vladivostok.

- 1.4 The Parties intend to ensure that the quality of the poultry production of the Farm satisfies the Japanese requirements and standards for its export to and consumption in Japan.
- 1.5 The sole purpose of this LOI is to encourage cooperation between the Parties and to further determine the separate and distinct roles of each Party in relation to the Project.

## **2. Cooperation**

The activities for the Project and Parties' roles within the framework of the Project will include, but not limited to the following.

- 2.1 *Producer.* The Producer directly or through its affiliates and/or business partners intends to design, construct and operate the Farm.
- 2.2 *Equipment Manufacturer.* The Equipment Manufacturer intends to enter into a supply agreement with the Producer through the Trader for the supply of necessary production equipment to be used and selected to the extent of its scope in accordance with master plan of the Farm provided by the Producer such as industrial refrigeration compressors, cooling systems, freezers and food robotics and so forth, currently available as lineup of its products. Further details as to scope of services of the Equipment Manufacturer shall be described in separate documents. Provided, however, that it is not the intent of the Equipment Manufacturer to make a direct investment in the Project.

On request by the Agency, the Equipment Manufacturer shall provide technical information to the Agency and the Producer related to the equipment produced by the Equipment Manufacturer and to be used at the Farm.

- 2.3 *Trader.* The Trader as a buyer intends to enter into purchase agreements with the Producer as a seller.

On request by the Agency the Trader provides information for the Agency and the Producer related to the export of the products produced at the Farm within the Asia-Pacific region.

- 2.4 *Agency.* Agency intends to facilitate the communication between the Parties and the Russian state authorities in connection with the implementation of the Project.
- 2.5 The Parties may enter into necessary agreements to further define the separate and distinct roles and responsibilities of each Party in relation to the Project.

## **3. Applicable Law and Dispute Resolution**

- 3.1 This LOI is governed by Russian law.
- 3.2 Any dispute, controversy or claim which may arise out of or in connection with this LOI, or the execution, breach, termination or invalidity thereof, shall be by settled by the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation in accordance with its Rules.

## **4. Confidentiality and announcements**

- 4.1 This LOI and all discussions relating to it held between the parties are strictly confidential and shall be kept confidential for two (2) years from the date first above written, except for the

following cases: (i) when the disclosure is required by law or by governmental authority or a judicial authority; (ii) when disclosure is made to the officers, directors, members of management and control bodies and consultants of the parties (in the case of paragraph (ii), on condition that the recipients are subject to confidentiality obligation and that the disclosing party is liable for breach of confidentiality obligation by such recipients); (iii) in case of disclosure by the Agency of the information on this LOI and the Project to governmental authorities in course of the regular reporting or upon separate requests.

- 4.2 No public announcement or press release in connection with the subject matter of this LOI shall be made or issued by or on behalf of either Party without the prior written approval of the other, except such as may be required by law or by any governmental authority.
- 4.3 Notwithstanding any agreement to the contrary, each Party (including its affiliates) will have the right, in its sole discretion without consulting with any other Party or receiving any additional consent or approval as to the substantive content or form, to announce publicly or communicate to any third party (i) the fact of the existence of this LOI, and (ii) the fact of signing of this LOI (including the names of such parties).

## **5. Non-binding nature**

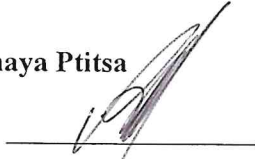
- 5.1 This LOI reflects the Parties' intention to discuss the terms of the future transaction in relation to the Project. With the exception of the provisions of sections 3 - 6 of this LOI shall not be legally binding document and does not imply the rights or obligations on the Parties. Unless and until a definitive agreement with respect to the Project has been executed and delivered by and between the Parties after necessary management approval of each Party is duly obtained, no Party shall be under any obligation of any kind whatsoever with respect to the Project by virtue of this LOI or any other written or oral expression with respect thereto, except those as set forth in sections 3 - 6 of this LOI.
- 5.2 This LOI is not and should not be construed as a preliminary agreement within the meaning of Article 429 of the Civil Code, a framework agreement, an option transaction (the option to enter into a contract or option contract), commitment on funding or an offer and does not create the Parties' obligation to enter into any contracts or agreements relating to the Project.
- 5.3 The Parties hereby confirm that the discussions held between the Parties in connection with the Project prior or after the signing of this LOI or in connection with this LOI shall not be qualified as the negotiations within the meaning of the Article 434.1 of the Civil Code, but as the discussions with a view to make a preliminary decision on the transition to the stage of negotiations on joint participation in the Project. Such transition to the stage of negotiations is confirmed in writing by the Parties by way of signing a separate document.

## **6. Miscellaneous**

- 6.1 This LOI, or any right and obligations under it cannot be assigned or otherwise transferred by a Party without the prior approval in writing of the other Parties.
- 6.2 This LOI shall enter into force once signed by all Parties and shall be valid for 2 years.
- 6.3 This LOI is made in four counterparts in the English language, one counterpart for each Party. Each counterpart shall have the same effect.

## Signatures

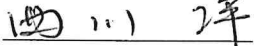
### Dalnevostochnaya Ptitsa

Signature: 

Name: Dmitry Aveltsov

Position: BoD member

### Mayekawa

Signature: 

Name: Hiroshi Nishikawa

Position: Manager, Russia & CIS

### Marubeni Corporation

Signature: 

Name: Kazunori Takeda

Position: Regional COO for CIS

### Far East Investment Agency

Signature: 

Name: Petr Shelahaev

Position: CEO