

MEMORANDUM OF UNDERSTANDING

Khabarovsk

28th June, 2017

Far East Investment and Export Agency, a company incorporated and registered in accordance with the Russian Federation regulations and having its registered office at 8 str. 1 Presnenskaya naberezhnaya, Moscow, 123112, Russian Federation, OGRN (Principle State Registration Number) 1167700054917, represented by **Mr. Leonid Gennadyevich Petukhov**, acting under the charter as CEO (the "**Agency**"), and

Sewon Mars Co., Ltd., incorporated and registered in accordance with the regulations of Republic of Korea, having its registered offices at: 205, Deoksan B/D, 28, Bangbae-ro, Seocho-gu, Seoul, Korea, 06715, represented by **Mr. Chang-Yoon Han**, acting under the charter the Chief Executive Officer (the "**Company**").

The Agency and the Company are hereinafter collectively referred to as the **Parties**, and individually as a **Party**, have signed this Memorandum of Understanding (the "**Agreement**") as follows:

1. Definitions

The terms set forth below shall have the following meanings:

The Far East Russia Forrest Resources Development Project or the Project means the investment project consisting of the design, construction and operation by the Company of the timber factory and wood pallet factory in the Far East of the Russian Federation. The Company's investment in the Project would be in the amount of approximately 5,800,000,000 Russian roubles;

Confidential Information means the information and documents of any nature in oral, written, electronic or other form, transferred by the Disclosing Party to the Receiving Party and containing information (1) on the Disclosing Party, (2) relating to information provided by the Agency for the purpose of this Agreement, (3) activities and transactions of the Parties contemplated by this Agreement and other agreements made or reached in furtherance of this Agreement, and (4) any other information in respect of which the Disclosing Party has explicitly emphasized its confidential nature, except for publicly available information and information that cannot be confidential in accordance with Russian law;

Receiving Party means a Party receiving the Confidential Information;

Disclosing Party means a Party disclosing the Confidential Information;

Representatives means in relation to each Party its affiliates and subsidiary companies, their respective directors, members of the managing and control bodies, officers, employees, financial, legal and other consultants, appraisers and advisers.

2. Subject matter of Agreement

- 2.1 The Parties hereby express and declare their mutual good faith intention and willingness to cooperate on the implementation of the Project by the Company in the Far East Region of the Russian Federation.
- 2.2 As part of such a cooperation contemplated herein, the Agency intends to contribute to the Project by way of the following:

- 2.2.1 Assistance with the Project's initial concept development, so as to account for the needs and potential of the Far East Region where the Project is to be implemented;
 - 2.2.2 Assistance with selecting the site for the Project;
 - 2.2.3 Assistance with securing the state support necessary for the successful implementation of the Project;
 - 2.2.4 Support of the Project in the negotiations with prospective investors and potential business partners;
 - 2.2.5 Ensuring the effective collaboration and communication between the Project's team and the development institutions and the bodies of the federal and regional authorities, which may be involved in the Project implementation.
- 2.3 As part of the Parties' cooperation contemplated herein, the Company intends to contribute to the Project by way of the following:
- 2.3.1 Best efforts with Korean partners for successful execution of the Project;
 - 2.3.2 Execution of a feasibility study to assess the practicality of the project;
 - 2.3.3 Ensuring the foundation of a Korean SPC(Special Purpose Company) in Russia;
 - 2.3.4 Ensuring Implementation and progress of the project, including search of factory site, construction of factories, installation of machineries, and operation of the factories.
- 2.4 This Agreement sets out the general terms and conditions for the Parties cooperation in connection with the Project and sets out the obligations of the Parties in relation to the exchange of the Confidential Information.

3. Transfer of the Confidential Information

- 3.1 Transfer of the Confidential Information under this Agreement shall be made by the Disclosing Party to the Receiving Party verbally, in writing, by email or in other form, as well as by any means agreed by the Parties, which ensures confidentiality of the transferred Confidential Information and confirms the transfer of the Confidential Information by the Disclosing Party and receipt by the Receiving Party of such Confidential Information.
- 3.2 If provided by email, the information shall be marked as the Confidential Information in the cover letter to such email. The same marking shall be used if the information is provided by fax.

4. Protection of the Confidential Information

- 4.1 Each Party shall (and shall ensure that each of its Representatives shall), in relation to the Confidential Information of the other Party:
 - 4.1.1. not disclose or transfer the Confidential Information to any third party other than the Representatives in accordance with Clause 4.3 of this Agreement, without the prior approval in writing of the Disclosing Party;
 - 4.1.2. use the Confidential Information solely for the purposes of preparation and implementation of the Agreement;

- 4.1.3. take all necessary measures to protect the Confidential Information received from the Disclosing Party using at least the same degree of care with which the Receiving Party secures the confidentiality of its own confidential information;
 - 4.1.4. notify the persons to whom the Receiving Party is disclosing the Confidential Information in accordance with this Agreement that the confidentiality of such Confidential Information must be ensured at a level at least equivalent to that set out in this Agreement; and
 - 4.1.5. promptly notify the Disclosing Party of any unauthorized disclosure of the Confidential Information that came to knowledge of the Receiving Party.
- 4.2 The Receiving Party shall remain responsible for the protection of confidentiality of the Confidential Information for the period of two years after the receipt of such Confidential Information from the Disclosing Party.
- 4.3 Each Party undertakes that it shall only disclose Confidential Information to its Representatives if it is reasonably required for the purposes connected with this Agreement or the Project and only if the Representatives are informed of the confidential nature of the Confidential Information.
- 4.4 This Clause 4 shall not prevent disclosure by a Party or its Representatives to the extent that it can demonstrate that:
- 4.4.1 disclosure is required by law or by any stock exchange or any court or state authority (including any tax authority) having applicable jurisdiction (provided that the disclosing Party shall, to the extent possible, first inform the other Party of its intention to disclose such information and take into account the reasonable comments of that other Party);
 - 4.4.2 disclosure by the Agency is made to the companies implementing the Project or persons controlling them, regional institutions of development and/or state authorities of Russia;
 - 4.4.3 disclosure is of Confidential Information which was lawfully in the possession of that Party or any of its Representatives (in either case as evidenced by written records) without any obligation of secrecy prior to its being received or held;
 - 4.4.4 disclosure is of Confidential Information which has previously become publicly available other than through that Party's fault (or that of its Representatives);
 - 4.4.5 disclosure of Confidential Information was made upon written approval (consent) of the Disclosing Party; or
 - 4.4.6 disclosure is required for the purpose of any arbitral or judicial proceedings arising out of this Agreement.
- 4.5 Upon the Disclosing Party's written request, the Receiving Party undertakes to return to the Disclosing Party any Confidential Information received in written or other tangible media and to destroy any Confidential Information and copies thereof in electronic form, save for the information to be kept by the Receiving Party for its mandatory reporting obligations.
- 5. Press releases and other public announcements**
- 5.1 Each Party shall agree that any press release, advertising, announcement, or public statement within the Agreement, containing a mention of the other Party, may be made only after prior written approval by the other Party.

- 5.2 Each Party shall be responsible for the accuracy and completeness of any of their statements or publications with a request for approval, which is addressed to the other Party. Other Party reserves the right, in its sole discretion to refuse to approve any such documents, advertisements or publications, and require the appellant to prevent the spread of or publication if in the reasonable opinion of the other Party, they are incomplete or in any way misleading.

6. Applicable Law and Dispute Resolution

- 6.1 This Agreement is governed by the Russian law.
- 6.2 This Agreement is not a preliminary contract, framework agreement, an optional agreement (agreement on granting an option to enter into a contract) and it is not legally binding on the Parties with the exception of the provisions of Articles 3-7 of this Agreement
- 6.3 Any dispute, controversy or claim may arise out of or in connection with this Agreement, or the execution, breach, termination or invalidity thereof, shall be settled by the Moscow Arbitration Court.

7. Miscellaneous

- 7.1 Neither Party may assign or otherwise transfer its rights and/or obligations, in whole or in part, under this Agreement without the prior written consent of the other Party.
- 7.2 The Agreement shall enter into force on the date of its signing by both Parties and it shall be valid for a period of 3 years or until the expiration of the period specified in Article 4.2 (depending on which of these periods expires later).
- 7.3 The Agreement is executed in English language in two originals, each having equal legal force, one original for each Party.

Signatures:

Far East Investment and Export Agency

Signature:

Name: Leonid Petukhov

Position: CEO

Sewon Mars Co., Ltd.

Signature:

Name: Chang-Yoon Han

Position: CEO