

MEMORANDUM OF UNDERSTANDING

Moscow

November 24, 2016

Shin & Kim, a company incorporated and registered in Republic of Korea, having its registered offices at: 8th Floor, State Tower Namsan, 100 Toegye-ro, Jung-gu, Seoul 04631, Korea represented by Sinseob Kang, acting under the certified copy of corporate registration (the **Company**), on one side, 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 Shelakhaev, acting under the charter (the **Agency**), on the other side,

each the Agency and the Company are hereinafter referred to as a **Party**, and collectively, to as the **Parties**.

The Parties have signed this memorandum of understanding (the **Agreement**) as follows:

1. Definitions

The terms set forth below shall have the following meanings:

Project means an investment project for implementation in the Russian Far East in which a Korean company invests;

Confidential Information means, all information and documents of whatever nature, whether in verbal, written, electronic or in any other form, transferred by the Disclosing Party to the Receiving Party and containing information relating to (1) the Disclosing Party, (2) the purpose of this Agreement, (3) activities and transactions of the Parties, and (4) any other information which is clearly marked confidential by the Disclosing Party, except for the information which cannot be confidential in accordance with Russian law;

Receiving Party means a Party receiving the Confidential Information; and

Disclosing Party means a Party disclosing the Confidential Information;

Representatives means:

- (i) in relation to a Party, its affiliates, auditors, rating agencies, banks or other financial institutions providing, or contemplating providing financing to that Party group in relation to the Project; and
- (ii) in relation to each Party and each other person referred to in paragraph (i) above, its 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 agreed to conclude this Agreement in order to cooperate with each other in a more effective way to enable Korean companies to launch their investment Projects in the Far East of Russia (**Area of Cooperation**).

2.2 As part of the cooperation, the Agency intends to contribute to the Area of Cooperation by way of:

- ✓ assisting a Project in defining its concept to ensure that the Project accounts for the needs of and the opportunities in the region where the project is to be implemented and economic effect expected by the investor;
- ✓ assisting the Project in the process of site selection;
- ✓ ensuring effective communication between the management of the Project, including initiators of the project, regional and federal authorities of the Russian Federation;
- ✓ assisting the Project in securing the Russian State support needed for its successful implementation;
- ✓ assisting the Project in reaching the finance close;
- ✓ ensuring involvement in the Project implementation federal and regional development institutions in support for the Project; and
- ✓ to the extent required, providing “after-care” in support of the Project in the operational stage.

2.3 As part of the cooperation, the Company intends to contribute to the Area of Cooperation by way of:

- ✓ ensuring efficient communication between Korean and Russia parties with respect to the implementation of the Project;
- ✓ providing legal advisory support to Korean businesses willing to participate in implementation of the Project;
- ✓ providing the Agency with expectations and feedback from Korean investors.

2.4 Both Parties acknowledge and agree that any detailed legal support of the Company shall be available to potential investors on the basis of a separate binding agreement to be entered into between the Company and each specific investor.

3. Transfer of the Confidential Information

3.1 The Parties acknowledge and agree that any transfer of the Confidential Information under this Agreement shall be made by the Disclosing Party to the Receiving Party verbally, in writing or by email, as well as by any means the Parties agree as long as it ensures secure transfer of the Confidential Information and provide the ability to confirm both the transfer by the Disclosing Party and receipt by the Receiving Party of the 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:

- a) 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;

- b) use the Confidential Information solely for the purposes of preparation and implementation of the Agreement;
- c) 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;
- d) 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
- e) 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:

- a) 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);
- b) 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;
- c) 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;
- d) disclosure is of Confidential Information which has previously become publicly available other than through that Party's fault (or that of its Representatives);
- e) disclosure of Confidential Information was made upon written approval (consent) of the Disclosing Party; or
- f) 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. Applicable Law and Dispute Resolution

5.1 This Agreement is governed by Russian law.

5.2 Any dispute, controversy or claim which may arise out of or in connection with this Agreement, or the execution, breach, termination or invalidity thereof, shall be settled by the Moscow City Arbitrazh Court.

6. Miscellaneous

6.1 Except for Clauses 3-6 of this Agreement, the Agreement is not legally binding and is not intended to impose any obligation whatsoever on either Party.

6.2 Any right and obligations under the Agreement cannot be assigned or otherwise transferred by a Party without the prior approval in writing of the other Party.

6.3 This Agreement shall become effective once signed by both Parties and shall remain in force until the expiry of ten years thereafter or the term set out in Clause 4.2 (whichever occurs later).

6.4 This Agreement is not and should not be construed as a preliminary agreement, 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.

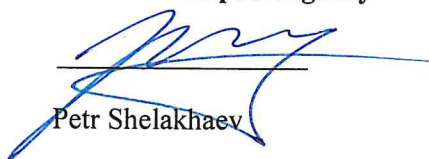
6.5 The Parties acknowledge that discussion of the Project before or after signing this Agreement do not constitute negotiations, but do constitute discussions aimed at working out possible ways of assistance by the Agency to the Company with respect to implementation of the Project.

6.6 This Agreement is made in two counterparts in the English language, one counterpart for each Party. Each counterpart shall have the same effect.

Signatures

Far East Investment and Export Agency

Signature:



Name:

Petr Shelakhaev

Position:

CEO

Shin & Kim

Signature:



Name:

Sinseob Kang

Position:

Managing Partner