

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
FINANCIAL REGULATORY COMMISSION  
OF MONGOLIA  
AND  
THE KOREA SECURITIES FINANCE CORP.**

THIS MEMORANDUM OF UNDERSTANDING is entered into this as of BETWEEN:

(1) Financial Regulatory Commission of Mongolia ("FRC"), a juristic organization established by the Legal Status Law of Financial Regulatory Commission, and having its official address at Government building 4, Baga toiruu 3, Ulaanbaatar 15160, Mongolia; and

(2) The Korea Securities Finance Corp. ("KSFC"), a juristic person established by the Financial Investment Services and Capital Markets Act in Korea, and having its registered office at 10, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 150-884, Republic of Korea.

Hereinafter the parties hereto this MOU shall be referred to collectively as the "Parties" and individually as a " Party."

## **1. PURPOSE**

FRC and KSFC intend to create a mechanism for long-term co-operation by developing channels of communication to foster the continuing relationship between the parties for the benefit of the respective securities markets in both Mongolia and Korea as well as to promote the development of the parties, and accordingly have reached this Memorandum.

## **2. CONTACTS**

2.1 Each party shall appoint a suitable person to act as a principal responsible for coordinating the exchange of information and facilitating co-operation between the parties in the terms referred to hereof. These principals, who will act for the parties as of the date of this Memorandum, shall be:

For FRC: Mr. Ider Tumurbaatar

Title: Senior Officer, International Relation and Cooperation Division

Telephone: +976 51 264124

Facsimile: +976 11 329084

E-mail: [ider@frc.mn](mailto:ider@frc.mn); [info@frc.mn](mailto:info@frc.mn)

For KSFC: Mr. Sangjo Jeong

Title: Team Manager, Planning Department, Future Strategy Team

Telephone: +82-2-3770-8526

Facsimile: +82-2-3770-8879

E-mail: [sjjeong@ksfc.co.kr](mailto:sjjeong@ksfc.co.kr)

2.2 In the event that one party chooses to change its principal, it shall immediately inform the corresponding party in writing.

2.3 All communication under this Memorandum shall be in writing (including electronic ways such as e-mail or fax) and addressed to the Party to be notified the above.

### **3. SCOPE OF COOPERATION**

#### **3.1 PROVISION OF GENERAL INFORMATION AND MARKET INFORMATION**

FRC and KSFC from time to time may provide upon request the general information and market information to the other party on the understanding that each party may evaluate and use such information to further develop each party's business. The information that may be provided includes but not limited to the information and data on capital markets and securities finance system and related businesses of each country, as well as the relevant information on mutual interest.

#### **3.2 SENIOR MANAGEMENT INTERACTIONS**

Senior management of each party may meet periodically or irregularly to exchange views on strategic development and cooperation in furtherance of the collaboration outlined herein.

### **3.3 EXCHANGE, SECONDMENTS AND TRAINING OF STAFF**

Exchange, secondments and training of staff may be conducted to enhance understanding of both parties to the related business systems and operation models of each other, as well as to improve the professional competence of staff and facilitate the cooperation types mentioned hereinabove.

### **3.4 JOINT RESEARCH**

FRC and KSFC may conduct joint research on the related businesses of securities markets that are of mutual concern to the parties, including but not limited to the development of new business model and financial products, and the exploration into new markets in each case from time to time and to the extent permitted by applicable law or regulation or guidelines of the two parties.

### **3.5 OTHER RELATED MATTERS**

Both parties agree to consider the possibility of further cooperation on any other matter to the mutual benefit of either party, subject to the laws and regulatory policies of the parties' respective countries.

## **4. COMPLIANCE**

Nothing in this Memorandum shall apply where such an application would be in breach of any national laws or regulations in force in either Mongolia or Korea, or such treaties or accords as may be entered into from time to time between the governments of Mongolia and Korea, or where such co-operation would be contrary to the Articles of Association or rules of either party.

## 5. GENERAL RIGHTS AND OBLIGATIONS OF BOTH PARTIES

### 5.1 RIGHTS

5.1.1 By signing the Memorandum, both FRC and KSFC have the rights to cooperate to the mutual benefit of either party, share experience, facilitate the senior management interaction, exchange of staff, information provision and joint research, and promote mutual development.

5.1.2 Either party may charge the other for the actual cost incurred in connection with the provision of information under this Memorandum. No charges shall be due or payable unless:

(a) The party providing the information notifies the other party in writing for the charges payable in advance of furnishing the requested information; and

(b) The party seeking the information agrees in writing that it will be responsible for payment. If a party seeking the provision of information does not agree in writing to be responsible for such costs, the other party shall be under no obligation to proceed to provide the information in question.

### 5.2 OBLIGATIONS

#### 5.2.1 Confidentiality

(a) Under the Memorandum, both parties agree to respect and abide by the laws of Mongolia and Korea on guarding state secrets.

(b) Apart from the confidentiality obligations stated in the aforesaid laws, the Confidential Information stated herein refers to the information that is any and all information disclosed or provided or has been disclosed or provided by a Party (hereinafter referred to as the "Disclosing Party") to the other Party (hereinafter referred to as the "Receiving Party") or obtained or learned or has obtained or

learnt by the Receiving Party from the Disclosing Party through training, visiting or other occasions, whether prior to or on or after the date hereof, in connection with this MOU. Neither party shall disclose such Confidential Information or permit such Confidential Information to be disclosed to any third party without obtaining prior written consent from the party providing the Confidential Information.

(c) The aforesaid obligation of confidentiality shall no longer apply to any Confidential Information that may enter the public domain through no fault on the part of either party, or which is disclosed to, or recorded by, either party prior to their entering into this Memorandum.

(d) Where required by law, it may become necessary for one party to share information obtained under this MOU with a third party in its jurisdiction or for the purpose of any legal proceedings or arbitration. In these circumstances and to the extent permitted by law, the party disclosing the information to a third party shall notify the other party prior to passing on the information, and shall receive adequate assurances concerning the third party's use and confidential treatment of the information, including, as necessary, assurances that the information will not be shared with other parties without getting the prior consent of the party that provided the information hereunder.

5.2.2 Neither Party shall assign, sub-contract or delegate its rights or obligations under this Memorandum without written consent of the other party. Also, nothing in this Memorandum shall give either party any rights to use any trade names or trademarks or any service marks (or the goodwill associated therewith) that are used by the other party, save as may be authorized by the latter in writing.

### 5.3 AUTHORITY

5.3.1 No partnership or joint-venture is hereby created or will be deemed to exist between the parties, and each party agrees that it has no authority to make any contract or representation or give any warranty, undertaking or other commitment for or on behalf of, or purporting to be binding on, the other party save as is

expressly authorized by the latter in writing.

5.3.2 Neither party makes or implies any warranty as to:

(a) The accuracy or completeness or suitability of any information furnished pursuant to this Memorandum or

(b) Its ability to provide information pursuant to this Memorandum

Furthermore, neither party holds any liability to the other party or any person resulting from a failure to provide information pursuant to this Memorandum or from the other party's use of information provided pursuant to this Memorandum. The information is provided solely on the basis that the other party will be responsible for its own independent evaluation and assessment of such information.

#### 5.4 LEGAL EFFECT

Other than clause 5.2, 5.3, 6.1, 6.2 (c) and this clause 5 which are intended to be binding upon the parties, this Memorandum does not impose any legally binding obligations on either party.

### 6. AMENDMENT AND TERMINATION

#### 6.1 AMENDMENT

No alteration, modification or addition to either this Memorandum or waiver of any of the terms hereof shall be valid unless made in writing and signed by the duly authorized representatives of both parties.

#### 6.2 DURATION AND TERMINATION

(a) This Memorandum shall take effect from this date of signing and will continue for a period of 2 (two) years unless otherwise terminated pursuant to

clause 6.2 (b). Upon expiry of each duration of this Memorandum, it may be renewed in writing for an additional 2 (two) years upon mutual consent of the parties concerned.

(b) This Memorandum may be terminated by either party and expire at any time, upon 3 (three) months written notice given by either party.

(c) Notwithstanding the foregoing, clause 5.2 through 5.4, 6.1 and this clause 6.2 (c) shall survive the termination of this MOU.

## **7. CONSULTATION**

Any matters not set for in this MOU or any doubts as to the interpretation of any provisions hereof shall be resolved upon mutual consultation between the parties in good faith

## **8. MISCELLANEOUS**

8.1 The headings in this Memorandum are for ease of reference only and thus shall not affect the interpretation of the Memorandum.

8.2 The entire agreement including any representation made prior to the establishment of this Memorandum by and between FRC and KSFC with respect to the subject matter herein is contained in this Memorandum only and any representation made during the performance of this Memorandum is expressly excluded.

8.3 This Memorandum may be executed and delivered (including by facsimile or electronic mail transmission) in one or more counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Memorandum of Understanding has been signed by

both parties through their authorized representatives here below, on the above mentioned day, month and year.

For and on behalf of the  
Financial Regulatory Commission of  
Mongolia

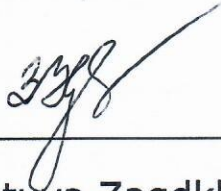
For and on behalf of the  
Korea Securities Finance, Corp.

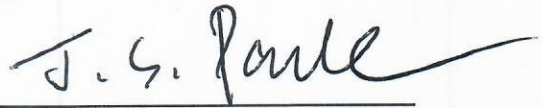
02/10/2015

02/10/2015

on

on





by Narantuya Zagdkhuu  
Chair

by Park Jaeseek  
President & CEO