

# **Memorandum of Agreement**

This Memorandum of Agreement (“**MOA**”), dated as of Nov\_\_\_, 2017 is entered by and among The Montana Stock Growers Association (**MSGA**), Chinese internet retailer JD.com, Inc. (**JD.com**, together with its affiliates are collectively referred to as “**JD**”) and Bank of China (**BOC**). **MSGA**, **JD.com** and **BOC** shall hereinafter be referred to individually as a “**Party**” and collectively as the “**Parties**”.

The purpose of this MOA is to provide a framework of cooperation and facilitate collaboration on Montana sourced beef procurement as well as the potential investment in US Agriculture or Montana facilities (the “**Project**”) among the Parties and to record in this MOA the current status of the Project.

## **I. Import of Montana Sourced Beef**

Beef is the fastest growing sector in China and China is the world’s fastest growing overseas market for beef. The restart of beef import from US to China will benefit both US Cattle Ranchers and Chinese consumers.

JD intends to import Montana sourced beef from member companies of MSGA to China and directly sell to Chinese consumers through its E-Commerce platform. Bank of China will provide financial services to facilitate these imports and settlement process.

The term of the procurement agreement is proposed to set for an initial 3 – year, commencing from Jan 1<sup>st</sup>, 2018 and ending on Dec 31<sup>st</sup>, 2020, with a proposed minimum commitment of \$200 million Montana sourced beef imported by JD from MSGA cooperators at the fair market value during the term.

One member of MSGA, Cross Four Ranch has already exported Montana sourced beef to China through Tyson Foods, Inc. since July [2016]. According to the maximum export value quotation provided by MSGA, together with JD strategic sales plan, below are 3 - year term break down by estimate delivery per year (these estimates maybe subject to change):

2018 – Minimum of \$50 million purchase commitment

2019 – Minimum of \$70 million purchase commitment

2020 – Minimum of \$80 million purchase commitment

Based on the latest data from the USDA, estimated 2015 Montana sourced beef exports sales were approximately \$132 million, ranked # 13 among all States. The proposed procurement by JD will almost increase the Montana sourced beef export

sales by 40% in [2018]. The rapid growth of beef export will bring positive energy to fuel other grain commodities exports and the growth of the local economy.

## **II. Potential Investment**

To upgrade the local supply chain and buildup the Montana Sourced Beef export capabilities, in addition to the \$200 million proposed procurement, JD with its partner intend to invest up to another \$100 million to build a brand-new Slaughter House and Feedlot Infrastructures in Montana to support the Montana Beef production. Construction will begin as early as the spring of 2018.

The Project will set forth a new trade and investment cooperation paradigm between U.S. and China.

## **III. Non-Binding**

- (a) The Parties agree that this MOA shall not constitute a legally binding or enforceable obligation or agreement in any respect on the part of any Party.
- (b) The Parties do not intend this MOA to create any partnership, corporation, agency or fiduciary relationship among them. No Party shall have the right or power to bind any other Party without the written consent of such other Party.
- (c) No Party shall have any liability to any other Party for any failure to enter into any agreement or definitive document, and each Party may terminate any discussion, communication or negotiations with respect to the Transaction at any time for any reason or no reason at all.

## **IV. Signing Parties:**

- ♦ MSGA Cooperators: as Exporter
- ♦ JD.com: as Importer
- ♦ Bank of China: as Provider of convenient imports and settlement services and other financing servicers

## **V. Signing Party Introduction**

### **About MSGA**

The Montana Stock Growers Association (MSGA) is a non-profit membership organization that has worked on behalf of Montana's cattle ranching families since 1884.

The mission is to protect and enhance Montana ranch families' ability to grow and deliver safe, healthy, environmentally wholesome beef to the world.

The association works to achieve its mission by representing the members and the policy they set at the Montana Legislature and U.S. Congress, with governmental agencies, in the media, and by promoting the work of Montana's family ranchers to the public.

## **About JD.com**

JD.com is China's largest online retailer and its biggest overall retailer, as well as the country's biggest Internet company by revenue.

JD.com sets the standard for online shopping through its commitment to quality, authenticity, and its vast product offering covering everything from fresh food and apparel to electronics and cosmetics. Its unrivalled nationwide fulfillment network provides standard same- and next-day delivery covering a population of more than 1 billion - a level of service and speed that is unmatched globally.

Customers in China recognize that the JD.com brand guarantees quality. JD.com takes a strict zero-tolerance approach to counterfeits to ensure that only the highest quality, genuine products reach JD.com's customers. The company combines its business model of direct sales, where it controls the entire supply chain, with a marketplace that limits the number of sellers, to ensure that it can maintain strict quality oversight. This is combined with a variety of monitoring methods that identifies any suspicious products or sellers.

JD.com is the partner of choice for local and global brands who want to reach Chinese consumers online and provides a full suite of services to assist companies to reach Chinese consumers, including marketing, consumer targeting and big data-driven analytics, logistics and warehousing, and financing.

The company was founded in 2004 in Beijing by CEO, Richard Liu.

## **About Bank of China**

Bank of China, established in 1912, is China's most international bank that offers comprehensive financial products and services. It has a global footprint in 51 countries and regions. Bank of China ranks No. 42 in Fortune's Global 500 companies in 2017, the only Chinese company on the list for 23 consecutive years.

Since Bank of China made its US debut in 1936 and reopened its business in 1981, the Bank has become the oldest and largest Chinese Bank in the US, with a long-standing history of more than 30 years. With its four US operations located in New York

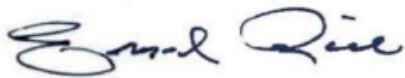
Manhattan and Queens, Los Angeles, and Chicago, Bank of China USA is a financial bridge linking the markets and businesses from China and the US. It is specialized in corporate lending, trade services, treasury business, US dollar clearing, and retail banking. Deep-rooted in the US market, Bank of China USA provides financial services for Chinese “going-global” companies in the US, Global 500 companies, US homegrown enterprises, major financial institutions, and high net-worth and affluent clients. In 2016, Bank of China New York branch was designated as the official RMB Clearing Bank in the US.

Throughout its hundred years of history, Bank of China is one of the most recognized brands among its peers and clients. In the context of global economic dynamics, Bank of China has always delivered excellent services while committed to compliance as its top priority. The bank will strive to be a top-notch foreign bank in the US, and further contribute to the vibrant China-US trade and economic relations.

**IN WITNESS WHEREOF**, the Parties have caused this MOA as of the date first written above.

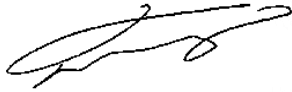
MSGA Cooperators by Errol Rice, Executive Vice President

Signature:

A handwritten signature in cursive script, appearing to read "Errol Rice".

JD.com, Inc. by Richard Liu, Chairman & CEO

Signature:

A handwritten signature in cursive script, appearing to be a stylized representation of "Richard Liu".

Bank of China by Chen Xu, President & CEO of Bank of China USA

Signature:

A handwritten signature in cursive script, appearing to be a stylized representation of "Chen Xu".