

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (“**Memorandum**”) is entered into as of this 10th day of February, 2017 (“**Effective Date**”) by and among YAMAHA MOTOR CO., LTD., a company duly organized and existing under the laws of Japan, having its principal place of business at 2500 Shingai, Iwata, Shizuoka, Japan (“**Yamaha**”); FLUID TECHNO CO., LTD., a company duly organized and existing under the laws of Japan, having its principal place of business at 1-7 Tokiwa-Cho, Sasebo, Nagasaki, Japan (“**FTC**”); and CONSIGLIO NAZIONALE DELLE RICERCHE – ISTITUTO NAZIONALE PER STUDI ED ESPERIENZE DI ARCHITETTURA NAVALE, a company duly organized and existing under the laws of Italy, having its principal place of business at Via di Vallerano n. 139, 00128 Rome, Italy (“**CNR-INSEAN**”). Yamaha, FTC, and CNR-INSEAN shall each be a “**Party**” and, collectively, the “**Parties**.”

RECITALS

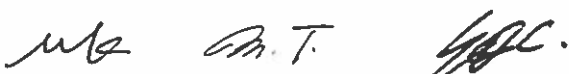
WHEREAS, the Parties acknowledge that the establishment of technical and scientific cooperation among the Parties will be of advantage to each of them, and they thus wish to establish such cooperation.

NOW, THEREFORE, the Parties enter into this Memorandum and agree on the points set forth below.

1. **General Intent.** The Parties intend to work together on projects requiring technical and scientific cooperation for the purpose of development of propeller, lowercase and any joint components to the lowercase of outboard motors and hull of recreational boats, including but not limited to any related tests, analysis and trial manufactures. The specific terms and conditions of each such project shall be set forth in separate definitive agreements (“**Definitive Agreements**”) that the Parties may enter from time to time during the Term.
2. **Structure of Cooperation.** The Parties agree that every project carried out pursuant to this Memorandum, as set forth in a Definite Agreement, shall be structured with Yamaha taking the role of principal, FTC acting as Yamaha’s primary contractor, and CNR-INSEAN acting as FTC’s subcontractor, in which role CNR-INSEAN shall be subject to FTC’s guidance and supervision, unless otherwise specifically requested by Yamaha.
3. **Confidentiality.** This Memorandum incorporates by reference all the provisions set forth in that certain Non-Disclosure Agreement entered by the Parties as of 10th day of February, 2017.
4. **Non-Competition.** Each of FTC and CNR-INSEAN agrees that during the Term and for a one (1) year period after the termination or expiration of this Memorandum or a Definitive Agreement, as the case may be, neither it nor any of its directors, officers, employees, or agents will, directly or indirectly, in any capacity, solicit, perform or provide, or attempt to solicit, perform or provide, any Conflicting Services, nor will it or they assist any other person to solicit, perform, or provide, or attempt to solicit, perform or provide, Conflicting Services, anywhere in the world.

The Parties agree that for the purposes of this Memorandum and any Definitive Agreement, “**Conflicting Services**” means any product, service, process, method, or research that is substantially similar to or competitive with a product, service, process, method, or research that is developed, conceived of, proposed, or conducted by or among the Parties pursuant to this Memorandum or a Definitive Agreement

5. **Term and Termination.** This Memorandum shall come into effect and become legally binding on all of the Parties from the Effective Date, and shall remain in full force until December 31, 2019 (“**Term**”).



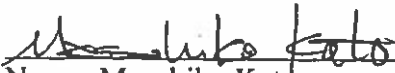
6. **Entire Agreement/Modification.** This Memorandum constitutes the entire agreement among the Parties relating to its subject matter, and integrates, merges, supersedes, replaces, and cancels any and all previous agreements, negotiations, commitments, representations, understandings, or arrangements among the Parties, whether oral or in writing, relating to its subject matter. This Memorandum may not be released, discharged, abandoned, amended, or modified, in any manner, except by written consent of the Parties.
7. **Governing Law/Dispute Resolution.** This Memorandum shall be governed by and construed in accordance with the laws of Japan. Any dispute arising out of or in connection with this Memorandum shall be finally settled by arbitration in Tokyo, Japan in accordance with the Commercial Arbitration Rules of the Japan Commercial Arbitration Association. The number of arbitrators shall be three (3), and the proceedings shall be held in the English language. The award rendered by the arbitrators shall be final and binding upon the Parties.
8. **Interpretation.** This Memorandum has been executed in English, and English shall be the controlling language for the interpretation and construction thereof. No translation of this Memorandum into another language shall be of any force or effect in the interpretation or construction of this Memorandum. Headings are included only for convenience, and shall not be used in interpreting or constructing this Memorandum. Unless the context requires otherwise, words in the singular shall include the plural and in the plural include the singular. The words "including," "includes," or "included," shall be deemed to be followed by the words "without limitation."
9. **Expenses.** Each Party shall be responsible for all costs (including third party costs) incurred by such Party in connection with this Memorandum.
10. **Public Statements.** No Party shall make any public announcement, press release, or public statement about this Memorandum or any transaction proposed or entered hereunder, without the other Parties' prior written consent.
11. **Survival.** Sections 3, 4, 6, 7, 8, 10, and 11 shall survive the termination or expiration of this Memorandum.

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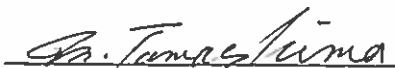
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IN WITNESS WHEREOF, the Parties have caused this Memorandum to be executed by their duly authorized representatives as of the Effective Date.

YAMAHA MOTOR CO., LTD.

By: 
Name: Masahiko Kato
Title: Senior General Manager

FLUID TECHNO CO., LTD.

By: 
Name: Masahiro Tamashima
Title: President

**CONSIGLIO NAZIONALE DELLE RICERCHE – ISTITUTO NAZIONALE PER STUDI ED
ESPERIENZE DI ARCHITETTURA NAVALE**

By: 
Name: Emilio Fortunato Campana
Title: Director