 

**MEMORANDUM OF UNDERSTANDING BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF KOREA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA WITH RESPECT TO STRATEGIC INVESTMENTSTHE GOVERNMENT OF THE REPUBLIC OF KOREA (“KOREA”) AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA (“UNITED STATES”),**

**AFFIRMING** the importance of a strong and cooperative bilateral relationship;

**COMMITTED** to faithfully and swiftly implementing the Agreement between the United States and Korea announced on July 30, 2025;

**RECOGNIZING** that it is in best interests of both nations for Korea and Korean companies to invest in the United States of America in various sectors to advance economic and national security interests, including but not limited to shipbuilding, energy, semiconductors, pharmaceuticals, critical minerals, and artificial intelligence/quantum computing;

**RECOGNIZING** that the aggregate investment pursuant to this Memorandum will include US$150,000,000,000 of investment in the shipbuilding sector as approved by the United States (the “Approved Investments”);

**RECOGNIZING** that the aggregate investment will also include US$200,000,000,000 of additional investment from Korea committed to be invested pursuant to this Memorandum (the “Investments”); and

**HAVE COME** to the following understanding:

**INVESTMENT SELECTION**

**1.** The President of the United States of America shall select Investments that have been recommended by the Investment Committee. The Investment Committee intends to only recommend Investments to the President which it believes are Commercially Reasonable.

**INVESTMENT EXECUTION AND MANAGEMENT**

**2.** Investment commitments shall be made from time to time beginning on the date hereof until January 19, 2029; provided, that there shall be no obligation to liquidate or dispose of any Investment by a certain date or time or otherwise.

**3.** Pursuant to this Memorandum, the President of the United States establishes an Investment Committee (the “Investment Committee”) to recommend and oversee Investments and Approved Investments.

4. The Investment Committee shall be chaired by the United States Secretary of Commerce and include such other members selected by the Investment Committee from time to time. Any prospective Investment or Approved Investment that involves or materially affects the equities or strategic interests of one or more U.S. federal departments or agencies will involve, as determined by the Chairman of the Investment Committee, such department or agency.

5. The Investment Committee will consult with Korea directly or through a Consultation Committee, chaired by the Korean Minister of Trade, Industry and Resources and comprising designees from Korea and the United States prior to its recommendation of any Investment to the President. The Consultation Committee should, inter alia, provide input to the Investment Committee as to each nation's relevant strategic and legal considerations.

6. The U.S. Investment Accelerator shall be responsible for executing and documenting Investments, Approved Investments (as applicable) and investment activities (including interfacing with the applicable Korean institutions providing the financing) and managing and administering Investments and Approved Investments pursuant to this Memorandum.

## FUNDING

7. The United States will from time to time present Investments to Korea for review and Korea shall fund the related Investment Amount in tranches, as required to meet the relevant project's specific funding and capital expenditure milestones, on such date that is no less than forty-five (45) Business Days after the date that Korea has been informed that the President has selected such Investment, in immediately available funds denominated in United States dollars into the account or accounts specified by the U.S. Investment Accelerator.

8. In any calendar year, Korea will not be required to fund an aggregate Investment Amount of greater than US$20,000,000,000.

9. Korea may, in its sole discretion, elect not to fund an Investment Amount for an Investment and will consult with the United States prior to any decision to not so fund. The United States reaffirms that if following the consultation process pursuant to this Memorandum, Korea does not fully fund any Investment Amount on or prior to the requested date (the "Unfunded Amount"), Korea will forfeit its entitlement to Distributions pursuant to the Deemed Allocation Amount and will instead receive Distributions pursuant to the Revised Allocation Amount and the reference to Deemed Allocation Amount in Section 15(A) will rather be a reference to the Revised Allocation Amount. The difference between the amount that the United States would have received pursuant to the Deemed Allocation Amount and the amount it actually receives pursuant to the Revised Allocation Amount will be referred to as the "Catch-up Amount". Until the United States has received a Catch-up Amount equal to the Unfunded Amount, Distributions will be made in accordance with the Revised Allocation Amount and once the United States has received such amount Distributions will resume pursuant to the Deemed Allocation Amount. In the case where Korea elects not to fund Investments, the United States may also impose tariff rate or rates on Korean imports into the United States at the rate determined by the President. During the period that Korea is faithfully implementing this Memorandum and has not failed to fund any Investment Amount, the United States intends to adhere to the commitments described in the section of the Joint Fact Sheet issued on November 14, 2025 entitled Rebuilding and Expanding Critical Industries.

10. The United States, intends, where feasible, to (A) arrange leases for United States federal land, access, water, power and/or energy to projects underlying Investments and Approved Investments

as well as (B) arrange off-take arrangements. Subject to Applicable Laws (as defined below), the United States intends to expedite any applicable regulatory processes in connection with any of the projects underlying Investments and Approved Investments.

## KOREAN VENDORS, SUPPLIERS, AND PROJECT MANAGER

**11.** In selecting vendors and suppliers to provide goods and services to the Investment SPV, Project SPVs, any Investments and any projects underlying Investments, the United States should, where feasible and available, select Korean vendors and suppliers in lieu of comparable foreign vendors and suppliers. Korea may recommend such vendors and suppliers and the United States will in good faith consider such recommendations.

**12.** The United States should, where feasible and available, select a project manager for each project which may be suggested by Korea. Such project manager may charge reasonable fees to the project in exchange for services provided.

## CASH FLOWS AND DISTRIBUTIONS

**13.** The United States will form a new Investment SPV. Korea will fund, or arrange for Korean institutions or other entities to fund, Investments directly into the Investment SPV. The Investment SPV will be managed and governed by the United States or its designees in the capacity of a general partner. The Investment SPV is intended to have governance and distribution provisions substantially in the form agreed and consistent with the following Sections 14 through 17 (as may be adjusted as necessary for the ultimate corporate form of the Investment SPV).

**14.** The United States will cause all available free cash flows from Investments to be distributed pursuant to this Memorandum. The managing or governing body of any project underlying an Investment shall, from time to time, cause available cash flows from such underlying project to be distributed to the applicable Project SPV (each, a "Distribution") which in turn shall distribute such Distributions to Investment SPV.

**15.** Subject to Section 9, the Investment SPV shall distribute all Distributions received from any Project SPV on an annual basis in US Dollars in such amounts in the following order of priority:

(A) First, 50% to the United States and 50% to Korea (net of U.S. Taxes), until an aggregate amount equal to the Deemed Allocation Amount has been distributed to each; and

(B) Thereafter, 90% to the United States and 10% to Korea (net of U.S. Taxes).

**16.** Distributions will be in the form of cash and should be deemed to be made first toward the amount corresponding to (C) in the definition of Deemed Allocation Amount followed by (A) in the definition of Deemed Allocation Amount.

**17.** In the event it is reasonably apparent that Korea will not be able to receive the aggregate Deemed Allocation Amount within 20 years, the United States agrees to discuss in good faith the allocation of Distributions between the United States and Korea pursuant to Section 15(A) and equitable adjustments to such allocation.

## NO OBLIGATION TO REFER INVESTMENTS

**18.** Neither the United States nor Korea shall have any obligation to refer any potential investment opportunity to the Investment Committee.

## INVESTMENT SECTORS

**19.** Investments in the United States are intended to focus on sectors deemed to advance economic and national security interests, including but not limited to shipbuilding, energy, semiconductors, pharmaceuticals, critical minerals, and artificial intelligence/quantum computing.

**20.** As approved by the Investment Committee, Korea shall, directly or through the Consultation Committee, to the extent necessary, facilitate the Approved Investment including through direct investments by Korean companies in the U.S. shipbuilding sector, as well as loan guarantees to Korean shipbuilders and other measures to finance U.S. shipbuilding. To the extent that Korea fails to facilitate any Approved Investments in accordance with this Memorandum, the United States may impose such tariff rate or rates on Korean imports into the United States at the rate determined by the President.

## EXCULPATION AND LIMITATION OF LIABILITY

**21.** None of the United States, Korea, the Investment Committee, the Consulting Committee nor any of their respective divisions, departments, employees, agents, designees or related persons shall be liable to the United States, Korea or any other person for any exercise of judgment or action or inaction made in respect of any Investment or any Approved Investment other than with respect to gross negligence or willful misconduct. Notwithstanding any other provision of this Memorandum or any duty otherwise existing at law or in equity, each of the United States and Korea hereby agree that neither it nor its divisions, departments, employees, agents, designees or related persons shall owe, in respect of this Memorandum or any Investments or any Approved Investments, any fiduciary duties to the other, or any other person in relation to their respective roles or services, or to any action taken or any failure to take action in their capacity as such.

## EXPENSES

**22.** Each of the United States and Korea shall bear its own expenses in connection with the organization and operation of Investments and Approved Investments; provided that the United States and Korea may seek reimbursement of reasonable out-of-pocket expenses incurred in connection with Investment execution from available funds of any Project SPV.

## SETTLEMENT OF DIFFERENCES OR DISPUTES

**23.** It is the intent of the United States and Korea, that to the maximum extent possible, any difference or dispute which may arise between the United States and Korea as a result of an interpretation and/or implementation of this Memorandum be solved amicably through mutual consultations, including in the framework of the Consultation Committee.

## LEGAL CHARACTER

**24.** Each of the United States and Korea declare their intention to abide by their respective domestic agreements, laws, and policies (or any successor agreements, laws, or policies) (collectively, "Applicable Laws").

25. This Memorandum is an administrative understanding between each of the United States and Korea and does not create legally binding rights and obligations. This Memorandum does not confer any rights or benefits on any third party, and does not give rise to any rights or obligations under Applicable Laws of either the United States or Korea or under international law.

26. Nothing in this Memorandum shall conflict with Applicable Laws of each of the United States and Korea.

## AMENDMENTS AND DISCONTINUATION

27. This Memorandum will become effective upon last signature and will be in effect until discontinued. The United States and Korea acknowledge that it may be necessary to undertake the requisite domestic rule making process prior to the implementation of the subject matter of this Memorandum. This Memorandum may, at any time, be modified upon mutual written concurrence of the United States and Korea. Either country may discontinue this Memorandum at any time with written notice to the other country of its intent to discontinue, while endeavoring to amicably resolve differences or disputes in line with Section 23 of this Memorandum. In such cases, both countries should consult amicably the handling of existing Investments and Approved Investments that have already been made. Each of the United States and Korea is expected to provide written notice to the other regarding any changes to its Applicable Laws that affect the operation of this Memorandum.

## SIGNATURE

**SIGNED** at Seoul and Washington, D.C., respectively, in duplicate in English language, this 14th day of November, 2025.

| FOR THE GOVERNMENT OF THE REPUBLIC OF KOREA | FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA |
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| ____________________ | ____________________ |

## APPENDIX A

## DEFINITIONS

For the purposes of this Memorandum of Understanding ("Memorandum"):

**Amortization Carryover Amount** means with respect to a given period, the extent to which the distributable cash flow on any Investment at the time of a Distribution is not sufficient to pay the amount payable pursuant to clause B of the Deemed Allocation Amount definition (or, in the event of any failure of Korea to fully fund any Investment Amount, the Revised Allocation Amount definition).

**Base Rate** means the 20-Year U.S. Treasury Constant Maturity Rate.

**Business Day** means any day other than a Saturday, Sunday or other day on which banks are authorized or required by law to be closed in New York, NY or Seoul, Korea.

**Carryover Amount** with respect to an Investment means the Interest Carryover Amount plus the Amortization Carryover Amount (each to the extent unpaid).

**Commercially Reasonable** means Investments which the Investment Committee believes in good faith will produce cash flows over the life of the Investment sufficient to cover the distributions described in clauses (A) and (C) of the definition of Deemed Allocation Amount.

**Deemed Allocation Amount** with respect to an Investment means an amount equal to the sum of:

(A) the product of:

(i) the Deemed Interest Rate as of the date on which such Investment was funded by Korea and

(ii) the Investment Amount less prior distributions pursuant to clause (B) below in respect of such Investment (but in no event less than zero) plus the Interest Carryover Amount;

(B) the Investment Amount divided by the lesser of (x) the anticipated life of the project underlying such Investment (as expressed as a number of years) as determined in good faith by the United States upon consultation with Korea and (y) 20; and

(C) any Carryover Amount.

**Deemed Interest Rate** with respect to an Investment means the Base Rate plus the Spread.

**Interest Carryover Amount** means with respect to a given period, the extent to which the distributable cash flow on any Investment at the time of a Distribution is not sufficient to pay the amount payable pursuant to clause A of the Deemed Allocation Amount definition.

**Investment Amount** means, in respect of any Investment, the amount to be funded by Korea for such Investment.

**Investment SPV** means an umbrella special purpose vehicle formed for purposes of funding all the Investments.

**Project SPV** means, in respect of any Investment, a separate special purpose vehicle wholly-owned by the United States and formed for purposes owning the applicable project and making Distributions.

**Revised Allocation Amount** with respect to an Investment means an amount equal to the sum of:

(A) the Investment Amount divided by the lesser of (x) the anticipated life of the project underlying such Investment (as expressed as a number of years) as determined in good faith by the United States upon consultation with Korea and (y) 20; and

(B) any Amortization Carryover Amount.

**Spread** means for each Investment, a number of basis points that have been agreed in good faith by the United States and Korea as representing the funding costs and risk premium for such Investment; provided in no case shall the Spread exceed the spread plus 30 basis points on investments made pursuant to similar Memoranda of Understandings between the United States and other countries entered into prior to the date hereof.

**U.S. Investment Accelerator** means the U.S. Department of Commerce's United States Investment Accelerator.