

**Agreement between the Confucius Institute Headquarters of China  
and Lancaster University (U.K.) on Improving the School Facilities  
of the Confucius Institute at Lancaster University, U.K.**

The Confucius Institute Headquarters of China (hereinafter referred to as the "Headquarters") and Lancaster University (U.K. )(hereinafter referred to as the "University") concluded in March, 2011, the agreement on the joint establishment and operation of the Confucius Institute at Lancaster University (hereinafter referred to as "the Confucius Institute"). In the past five years, the cooperation on the Confucius Institute proved a great success, with which both the Headquarters and the University (hereinafter referred to as "Parties") expressed satisfaction. For a further progress of the Confucius Institute and on the basis of friendly negotiations, both Parties have reached the agreement on the project of jointly improving the school facilities of the dedicated area of the Confucius Institute as follows:

**CHAPTER I CONTENTS OF THE AGREEMENT**

**ARTICLE 1** This Agreement prescribes the rights and obligations of both Parties with respect to the provision of the dedicated site, renovation, decoration and purchase, installation and use of the equipment (hereinafter referred to as the "Project").

## **CHAPTER II DEDICATED SITE OF THE CONFUCIUS INSTITUTE**

**ARTICLE 2** The University provides Round House located in Lancaster University (U.K.) as the dedicated site of the Confucius Institute (hereinafter referred to as "Dedicated Site"), covering an area of 712 square meters. For the *Feasibility Report on the Construction of the Dedicated Site*, see Annex, which is an integral part of this Agreement.

## **CHAPTER III SOURCES OF FUNDS AND PROVISIONS OF PAYMENT**

**ARTICLE 3** The total budget for the construction, renovation, decoration, equipment installation and other work of this Dedicated Site as well as other related expenses is [REDACTED]

[REDACTED] Based on mutual consultations of both Parties, the fund of the Project shall be raised as follows:

(A) The Headquarters' investment for the Project (hereinafter referred to as the "Special Fund") shall be GBP [REDACTED]

[REDACTED] for construction, renovation, decoration, equipment installation and other works plus some limited professional and project-related fees as per the detailed cost estimate.

(B) The University shall cover the costs for relocation of equipment and staff on B floor of the building in order to accommodate the expanded Confucius Institute. It will also cover the annual maintenance and

utilities costs of the proposed new building, currently estimated at

**ARTICLE 4** After this Agreement comes into force, The Headquarters shall allocate 80 % of the Special Fund to the bank account specified by the University, and the remaining fund will be allocated according to the progress of the project with mutual agreement. Upon a need for currency exchange, the exchange rate shall be in accordance with that of the bank on the day of receiving the fund.

**ARTICLE 5** The University is a non-profit institution of higher education in U.K., and it shall minimize management fees related to the use of the Special Fund, and shall also seek to exempt taxes related to the Special Fund.

#### **CHAPTER IV RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE UNIVERSITY**

**ARTICLE 6** The University shall agree and ensure that: the University shall have the exclusive right to use it at least for 50 years referred to in **ARTICLE 2** Hereof and there shall not be any third-party's joint financial obligation or debt on it.

**ARTICLE 7** The University shall accept the Special Fund from the Headquarters, undertake all the duties and obligations for the construction, renovation, equipment installation and other related issues to the Project, and entrust a third party for the implementation of the Project.

**ARTICLE 8** The University shall submit to the Headquarters within two months after this Agreement enters into force the plan for project

design and construction, the plan of equipment purchase, the timetable of project implementation and the budget report for the use of funds, and it cannot file an application for the examination and approval of the local government and receive the construction license until these documents have been approved by the Headquarters. In case of any modification to the said documents, the University shall apply for approval from the Headquarters in written form.

**ARTICLE 9** The University shall agree, in accordance with domestic laws and regulations in force, to select and entrust companies or institutes with qualification and cost benefit to undertake the engineering design, construction, supervision, equipment and furniture assembly and other work related to the project.

**ARTICLE 10** The University shall agree, in accordance with domestic laws and regulations in force, to carry out controlling and managing measures for the project investment so as to ensure the effective use of the fund. In the event that the actual project expenditures exceed the budget specified in **ARTICLE 3** hereof, the University shall be responsible for all the extra expenses.

**ARTICLE 11** The University shall agree to perform all the administrative functions and obligations in the design, application for approval, construction, check and acceptance and use of the Project, including but not limited to:

(A) The establishment of a project management team that is responsible for organizing, coordinating, implementing and completing such jobs related to the Project as coordination, quality supervision, investment management, accounting, auditing, and others.

(B) Signing necessary documents of check and acceptance so as to obtain the final project licenses, provided that the quantities and quality of the completed project work conform to the specifications in the constructors' contract.

(C) Inviting the working group of the Headquarters to cooperate on related work at the crucial stage of project implementation.

(D) Reporting the use of the funds to the Headquarters in line with the report on the project schedule.

**ARTICLE12** The University shall, after the Project is completed, hang a data plate at a notable place of the Dedicated Site with descriptions of the investment to this Project, of which the detailed contents shall be negotiated by the two Parties.

**ARTICLE13** The University shall ensure that the approval documents for the design, construction and use of the Dedicated Site can be obtained from the local municipal departments and shall be kept properly.

**ARTICLE 14** The University shall be wholly and solely responsible for any claim initiated by any third party or any administrative punishment imposed by local administrative authority during the implementation of the project.

## **CHAPTER V RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE HEADQUARTERS**

**ARTICLE15** The Headquarters shall be entitled to supervise the use of the Special Fund.

**ARTICLE 16** The Headquarters shall be entitled to provide proposals on the design paper, the scheme on the decoration materials and the

scheme on equipment installation of the Project offered by the University.

**ARTICLE 17** The Headquarters shall agree to allocate the Special Fund on time.

**ARTICLE 18** The Headquarters shall agree to send a working group to cooperate on related work at the crucial stages of project implementation.

**ARTICLE 19** The Headquarters shall not be responsible for any of the said claim or punishment specified in ARTICLE 14.

## **CHAPTER VI CONSTRUCTION PERIOD**

**ARTICLE 20** The Project shall be completed within 16 months after signing this Agreement by both Parties.

**ARTICLE 21** In case of any event of force majeure or any other event beyond the control of the University that makes it impossible for the Project to be completed on time, the University shall punctually notify the Headquarters in writing, and may, upon approval of the Headquarters, negotiate with the latter on the postpone time limits. Events of force majeure include but are not limited to: war, national emergencies, natural disasters, governmental bans and so on.

## **CHAPTER VII TERMS ON THE USE OF THE DEDICATED SITE**

**ARTICLE 22** The University shall agree that the Dedicated Site as specified in **ARTICLE 6** hereof shall be subject to the free and exclusive use of the Confucius Institute for 50 years (hereinafter the "Project

Service Period"), and that during this period, the University shall not modify the use purposes of the Dedicated Site, nor generate any third-party's joint financial obligation or debt such as mortgage of property ownership, pledge, guarantee or put any other burdens on the Dedicate Site.

**ARTICLE23** The University shall agree to bear the expenses for network, telephone, cable TV, water, electricity, heating, gas and other fees within the Dedicated Site during the Project Service Period.

## **CHAPTER VIII    TERMINATION AND LIABILITY**

**ARTICLE24** This Agreement shall be automatically terminated when the University unilaterally ends the Agreement on the Establishment of the Confucius Institute at Lancaster University (U.K.) with the Headquarters, in which case, the University shall assume the liability for breach of this Agreement, and pay a penalty in full (penal sum = the Special Fund÷ Years of Project Service × years of breach).

**ARTICLE25** From the date when this Agreement enters into force till the date when the Project is completed, in the event that the University is found to be incapable of fulfilling the obligations under this Agreement due to its own reasons, the University must submit to the Headquarters a written announcement on the termination of this Agreement. Termination of this Agreement shall not affect educational activities of the Confucius Institute at the University in the year of this termination. In such a case, the University shall be liable for breach of this Agreement, with compensation agreed by both Parties through friendly negotiations.

**ARTICLE 26** After the Dedicated Site specified in **ARTICLE 2** has



been put into use, if its use by the Confucius Institute cannot be continued due to land requisition by the country or any other reasons, the University shall submit a written statement on the issue to the Headquarters, and provide an alternative site equivalent with the original one with respect to space and facilities for the Confucius Institute. The University shall cover all the expenses stemming from the substitute of site.

## **CHAPTER IX SETTLEMENT OF DISPUTES**

**ARTICLE 27** In case of any conflict or dispute arising from the implementation of this Agreement, it shall be settled through friendly negotiation. If such negotiation fails to settle the dispute within two months, the dispute may be filed to the Court with jurisdiction for litigation.

## **CHAPTER X PERIOD OF VALIDITY**

**ARTICLE 28** This Agreement shall come into force upon the date of signature by both Parties. The period of validity of this Agreement shall be in accordance with the Project Service Period hereunder.

## **CHAPTER XI MISCELLANEOUS**

**ARTICLE 29** If any one of the provisions in this Agreement is invalid or incompatible with any domestic law of the University, the modification of such provisions shall be negotiated by both Parties, but it



shall not affect the implementation of other provisions.

**ARTICLE 30** Any modification to this Agreement can only be made in written form in both Chinese and English languages, and shall be signed by authorized representatives of both Parties before it comes into force.

**ARTICLE 31** All the notifications, documents, agreements, requests, statements, opinions and information related to this Agreement shall be sent by mail, fax or e-mail.

**ARTICLE 32** It is clearly announced that apart from those terms and conditions that have already been clearly written herein, no other promises, guarantee or warranties (whether made in written or unwritten form, with or without intention) are relied on by both Parties when signing this Agreement.

**ARTICLE 33** Both Parties shall agree to observe provisions that have been clearly specified in this Agreement. No Party shall rely on any statement, warranty or guarantee other than this Agreement to raise a contractual dispute.

**ARTICLE 34** Both Parties shall treat this Agreement as a confidential file. Without the other Party's written consent, any Party shall not publish, disclose, publicize, or allow others to publish, disclose or publicize any material or information concerning the other Party hereof that has been informed of or obtained, unless the release, disclosure, or publication of the material or information is necessary for one Party to fulfill its obligations under this Agreement.

Any matters not covered in this Agreement shall be settled through friendly negotiation between the two Parties.

The undersigned are duly authorized representatives for signing this

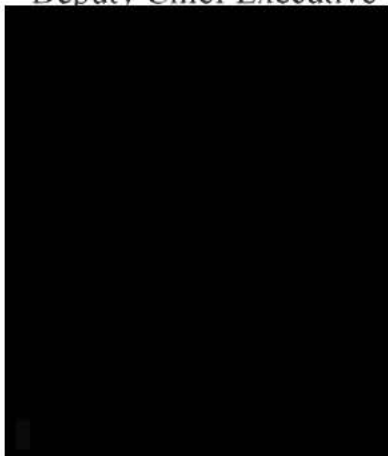
Agreement.

This Agreement is made in duplicate, each in the Chinese and English languages, and both are equally authentic.

*Annex: Feasibility Report on the Construction of the Dedicated Site*

Confucius Institute Headquarters

Deputy Chief Executive



Lancaster University

On behalf of the Vice Chancellor

A handwritten signature in black ink, appearing to read "A. M. Atherton", written over a horizontal line.

Andrew Atherton

Date: 21/12/2016