



THE LONDON SCHOOL  
OF ECONOMICS AND  
POLITICAL SCIENCE ■

**AGREEMENT BETWEEN**  
**CONFUCIUS INSTITUTE HEADQUARTERS OF CHINA**  
**AND**  
**THE LONDON SCHOOL OF ECONOMICS AND POLITICAL**  
**SCIENCE, THE UNITED KINGDOM**  
**ON THE CONTINUATION OF**  
**CONFUCIUS INSTITUTE FOR BUSINESS LONDON**

In order to strengthen educational cooperation between China and the UK, support and promote the development of Chinese language education, and increase mutual understanding among people in China and in the UK, according to the *Constitution and By-laws of Confucius Institutes* (“the Constitution and By-laws”), the Confucius Institute Headquarters of China (“the Headquarters”) and the London School of Economics and Political Science (“LSE”), for the continuation of the Confucius Institute for Business London (“the Institute”), hereby agree as follows:

. . . . .

**Article 1 Purpose**

The purpose of this agreement is to identify the rights and responsibilities of the Headquarters and the London School of Economics and Political Science in the management of the Institute.

## Article 2 Character

The Institute shall be a non-profit educational institution.

## Article 3 Executive Institution

The London School of Economics and Political Science is desirous to continue collaborating with Tsinghua University. The Headquarters will authorize and appoint Tsinghua University to continue the Confucius Institute with the London School of Economics and Political Science as the Chinese executive institution. London School of Economics and Political Science and Tsinghua University will sign an implementation agreement on the details of cooperation. The implementation agreement should be audited by the Headquarters before signing.

## Article 4 Scope of Activities

The Institute can serve the following activities according to the Constitution and By-laws, and any other applicable rules, regulations or legislation:

1. Teaching Chinese language and providing Chinese language teaching resources;
2. Training Chinese language instructors;
3. Holding the HSK examination (Chinese Proficiency Test) and tests for the Certification of the Chinese Language Teachers;
4. Providing information and consultative services concerning China's education, culture, and so forth;
5. Conducting language and cultural exchange activities;

6. Other activities with authorization and by appointment of the Headquarters.

## Article 5 Organization

1. The Institute at LSE shall adopt a Director Responsibility System under the leadership of the Steering Committee and shall act in accordance with the Constitution and By-laws, as well as any other applicable rules, regulations or legislation, such as the LSE Ethics Code.

2. The Steering Committee is formed with members nominated from the two parties, and its duties include, but are not limited to: formulating and amending the Constitution of the Institute; formulating development plans for the Institute; decision-making on significant issues including teaching, research and management; fund raising; appointing and dismissing Directors of the Institute; examining and approving the budget proposal and final financial accounts of the Institute; reporting to the two parties on management and significant issues.

3. The two collaborating parties appoint one director respectively, whose work is overseen by the Steering Committee.

4. The Headquarters shall, in consultation with LSE, be responsible for assessing the quality of teaching in the Institute.

5. The Institute's activities must be in accordance with the Constitution and By-laws. Wherever possible, it must respect cultural customs in both China and the UK, although at all times it shall comply with all applicable legislation, including that of the UK when operating in the UK.

6. The Institute draws up annual budget proposals and final financial accounts independently and submits these to the Headquarters. The

London School of Economics and Political Science will be in charge of its daily operation and management. It should finally assume sole responsibility for its profits or losses by charging language course fees and for other programs.

## Article 6 Obligations

### 1. The obligations of the Headquarters:

- (1) To authorize the use of the title “Confucius Institute”, logos and institute emblems;
- (2) To provide teaching materials, courseware and books for the purpose of delivering the courses of the institute;
- (3) To authorize the use of online courses;
- (4) To provide indirect costs to meet the fundamental needs of the institute. Without the building, maintenance, IT, support services etc., the Institute could not continue to operate. At LSE, all units operate on a full economic cost (FEC) basis, whereby overheads are attributed to all types of activity and therefore fully costed. Any type of incremental activity represents additional costs to the School and as such these are attributed to the activity. Indirect costs to run the CI successfully include building maintenance costs, as well as all professional services which are integral to operations such as Estates, IT, HR and Finance. Each financial year, the Headquarters will cover any outstanding indirect costs (up to a maximum total of £50,000) that cannot be covered by the income generated by the Institute in that particular year.
- (5) To send numbers of Chinese instructors' based on the requirements of teaching, and pay for their air fares and salaries.

## 2. The obligations of the London School of Economics and Political Science:

- (1) To provide a fixed office and appropriate sites for teaching and other activities of the Confucius Institute; equip the office and teaching facilities, and be responsible for the management and maintenance of the office space;
- (2) To provide and fund necessary administrative personnel (full-time or part-time) and provide the related payment;
- (3) To provide necessary working facilities and life conveniences for the Chinese instructors;
- (4) To assist those Instructors provided by the Headquarters with any visa application and residence procedures;
- (5) To open the special account for the Confucius Institute in the local Bank of China or other bank approved by the Headquarters;
- (6) To contribute a level of financial support for the running of the Confucius Institute which should not be less than the amount provided by the Headquarters;
- (7) To set course, tuition and other fees of the Institute with a view to achieving a sustainable business model.

## Article 7 Intellectual Property

- (1) The Headquarters exclusively owns the title of “The Confucius Institute”, its related logo, and emblem as its exclusive intellectual property. LSE cannot continue applying or transfer the title, logo, and emblem in any form, either directly or indirectly, after this agreement has been terminated. LSE shall own the intellectual property rights in any work that it independently generates or produces for, or during, the delivery of the



Institute's courses.

The Headquarters and LSE shall jointly own the intellectual property rights in any work that they jointly generate or produce for, or during, the delivery of the Institute's courses.

The Headquarters and LSE shall follow the dispute resolution procedure set out in Article 12, if they are unable to agree on ownership of intellectual property rights.

#### Article 8 Revision

With the consent of both parties, this Agreement may be revised during its implementation and any revisions will be made in writing, both in English and Chinese, and will take effect when signed by authorized representatives of the parties.

#### Article 9 Term

The Agreement shall be in effect on the date when the two parties sign below. The Agreement shall have a period of 5-year validity. Either party, if it wishes to terminate the Agreement, must notify the other in writing during the 90 days before the end of the Agreement, otherwise it will automatically be extended for another 5 years.

#### Article 10 Force Majeure

Parties hereto will be released from their obligations under this agreement in the event of a national emergency, war, prohibitive government regulation or any other cause beyond the control of the parties hereto that renders the performance of this agreement impossible. In the event of

such circumstance, the affected party shall inform the other party in writing that the program may be delayed or terminated, and duly take effective measures to mitigate the loss of the other party.

#### Article 11 Termination

This Agreement shall be terminated in one of the following cases:

1. Either party intends to terminate this Agreement upon giving a written notice at least six months in advance of their intention to terminate;
2. In accordance with Article 9 of this Agreement, the two parties have no aspiration of cooperation at the expiration of the term;
3. Due to a change in circumstances, and no fault on the part of either the Headquarters or LSE, it is no longer possible to perform the Agreement, or fulfill its intended purpose;
4. If the act of one party of the Agreement severely harms the image and reputation of the other party;
5. In accordance with Article 11 of this Agreement, the Agreement cannot continue because of force majeure.

The termination of the Agreement cannot affect any other agreement, contract and program between the two parties.

Upon notice of the Agreement being terminated, LSE shall begin the process of putting in place measures to enable any registered student at the Institution to complete their courses.

#### Article 12 Dispute Settlement

In the event of a dispute arising between the Headquarters and LSE, the matter shall in the first instance be referred to the Directors to resolve. In the event that a resolution is not achieved, the Directors shall refer the matter to the Steering Committee for a final decision on the matter. The Headquarters and LSE reserve their right to pursue action if a resolution cannot be reached by the Steering Committee.

### Article 13 Other Terms

Other matters not settled by this Agreement shall be solved through friendly, cooperative negotiations between the two parties.

The undersigned hereby are duly authorized by each institution to execute this Agreement.

This Agreement is written in Chinese and in English. Each party shall keep one copy in Chinese and one copy in English of the signed Agreement. The Agreement, in both languages, shall have the same effect.

The Confucius Institute  
Headquarters  
Deputy Chief Executive

London School of Economics and  
Political Science  
School Secretary

*Louise Nadal*

Ma Jianfei

Louise Nadal

Date:

Date: 18.11.2019.