

**AGREEMENT BETWEEN
CONFUCIUS INSTITUTE HEADQUARTERS OF CHINA
AND
UNIVERSITY OF LEEDS, UK
ON THE ESTABLISHMENT OF
BUSINESS CONFUCIUS INSTITUTE AT UNIVERSITY OF LEEDS**

In order to strengthen educational cooperation between China and United Kingdom, support and promote the development of Chinese language education, and increase mutual understanding among people in China and in United Kingdom, according to the *Constitution and By-laws of Confucius Institutes*, the Confucius Institute Headquarters of China ("the Headquarters") and University of Leeds for the establishment of Business Confucius Institute at University of Leeds (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 University of Leeds in the establishment and management of the Institute.

Article 2 Character

The Institute shall be a non-profit educational institution.

Article 3 Executive Institution

University of Leeds is desirous of collaborating with the University of International Business and Economics. The Headquarters will authorize and appoint the University of International Business and Economics to construct the Confucius Institute with the University of Leeds as the Chinese executive institution. The two parties of cooperation will sign the supplementary agreement on detailed matters of the cooperation. The supplementary agreement should be audited by the Headquarters before signing.

The Institute must be launched within one year after this agreement is signed.

Article 4 Scope of Activities

The Institute can serve the following activities according to the Constitution and By-laws, and local instance:

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 University of Leeds shall adopt a Director Responsibility System under the leadership of the Board of Directors.
2. The Board of Directors is formed with members nominated from two parties, and its duties include: formulating and amending the Constitution of the Institute; formulating development plans for the Institute; decision-making on the significant issues including teaching, research and management; fund raising; appointing and dismissing the director of the Institute; examining and approving the budget proposal and final financial accounts of the Institute; reporting to the two parties on the management status and significant issues.
3. Two collaborating parties appoint one director respectively.
4. The institute must accept the assessment of the Headquarters on the teaching quality.
5. The Institute activities must be in accordance with the Constitution and By-laws, and also respect cultural custom, shall not contravene concerning the laws and regulations, both in United Kingdom and China
6. The Institute draws up annual budget proposals and final financial accounts independently. University of Leeds will be in charge of its daily operation and management. It should finally assume the sole responsibility for its profits or losses by charging language course fees and other programs.

Article 6 Obligations

The obligations of the Headquarters:

1. To authorize the use of the title "Confucius Institute", logos and institute emblems.
2. To provide teaching materials, coursewares and other books according to the necessary, to authorize the use of online courses. To provide 3,000 volumes of Chinese books, teaching materials, and audio-visual materials for the first time.
3. To provide \$150,000 start-up fund, and provide a set amount of annual fund according to needs.
4. To send numbers of Chinese instructors based on the requirements of teaching, and pay for their air fares and salaries.

The obligations of University of Leeds

1. To provide a fixed office place and appropriate sites for teaching and other activities of the Confucius Institute; equipped with office and teaching facilities, and with responsibility for the setting, management and maintenance.
2. To provide necessary administrative personnel (full time or part-time) and provide the related payment; to provide necessary working facilities and life conveniences for the Chinese instructors.
3. To assist the Chinese party on the visa application and residence procedures.
4. To open the special account for the Confucius Institute in the local Bank of China or other bank approved by the Headquarters.
5. To provide a set amount of annual fund, which should not be less than

the amount provided by the Headquarters.

Article 7 Intellectual Property

The Headquarters exclusively owns the title of "The Confucius Institute", its related logo, and emblem as its exclusive intellectual property. University of Leeds cannot continue applying or transfer the title, logo, and emblem in any form, either directly or indirectly, after this agreement has been terminated.

The provider owns intellectual property of the certain program. The two parties can consult the owner of the co-operated programs. In the events of any dispute, the two parties should consult with each other friendly or submit to the jurisdictional organ according to the related laws and regulations.

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 as 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 party under the situation shall inform the other party in writing that the program may be delayed or terminated, and duly take the 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. The two parties have no aspiration of cooperation at the expiration of the term.
3. The Agreement cannot go through or cannot achieve the anticipated aim because of comedown of the condition.
4. If the act of one party of the Agreement severely harms the image and reputation of the Confucius Institute.
5. The Agreement cannot go through because of force majeure.

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

Before the Agreement is terminated, University of Leeds should make

appropriate arrangements on the enrolled students and other works.

Article 12 Dispute Settlement

In the events of any dispute, the two parties should consult each other friendly or submit to the jurisdictional organ of which this Agreement falls within the competence.

Article 13 Agreement Language

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 effectiveness.

Article 14 Other Terms

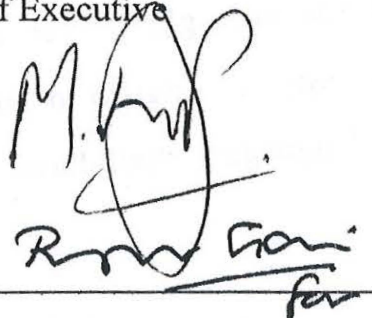
The parties to this Agreement will treat this Agreement as confidential and will not, without prior written consent, publish, release or disclose or permit supplied to, obtained by, or which comes to the knowledge of each parties as a result of this agreement except insofar as such publication, release or disclosure is necessary to enable each party to fulfill their obligations under this Agreement.

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

University of Leeds

Vice-Chancellor

Chief Executive

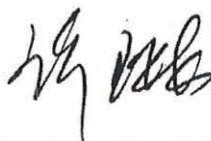
A handwritten signature in black ink, appearing to read 'M. Arthur', with a large circular flourish. Below the signature, the words 'Rory Goni' and 'for' are written in a smaller, cursive hand.

Michael ARTHUR

Date: 10 August 2012

Confucius Institute

Headquarters (HANBAN)

A handwritten signature in black ink, appearing to read 'Xu Lin', with a large, stylized flourish.

XU Lin

Date: 2012.7.12