



AGREEMENT BETWEEN
CONFUCIUS INSTITUTE HEADQUARTERS OF CHINA
AND
QUEEN MARY UNIVERSITY OF LONDON, UK
ON THE ESTABLISHMENT OF
CONFUCIUS INSTITUTE AT QUEEN MARY UNIVERSITY OF LONDON
(the "Agreement")

In the spirit of respect for the cultural traditions of the People's Republic of China ("China" or the "PRC") and the United Kingdom (the "UK"), in order to strengthen educational cooperation between China and the United Kingdom, to support and promote the development of Chinese language education, and to increase mutual understanding among people in China and the UK, in accordance with the *Constitution and By-laws of Confucius Institutes* (the "**Constitution and By-laws**"), the Confucius Institute Headquarters ("the **Headquarters**"), a non-governmental and non-profit organization affiliated to the Ministry of Education of China whose registered office is at 129 Deshengmenwai street, Xicheng District, Beijing, PRC, and Queen Mary University of London, whose registered office is at Mile End Road, London, United Kingdom, E1 4NS, United Kingdom ("**QMUL**") wish to establish a Confucius Institute at QMUL's premises in London, UK (the "**Institute**"). The Headquarters and QMUL hereby agree as follows:

Article 1 Purpose of this Agreement

The purpose of this Agreement is to set out the rights and responsibilities of the Headquarters and QMUL in relation to the establishment and management of the Institute and the terms under which the Headquarters shall authorize the same.

Article 2 Nature of the Institution

The Institute shall be a non-profit educational institution. It shall be established and operated in accordance with the Constitution and By-laws and the *Regulations for the Administration of Confucius Institute Headquarters Funds* (the "**Funding Regulation**") and applicable laws and regulations of the UK ("**English Laws**") and of the PRC ("**PRC Laws**").

Article 3 Executive Institution

1. QMUL shall collaborate with Shanghai University of Finance and Economics ("**SUFE**") to establish and operate the Institution, subject to agreement of the terms of that collaboration by QMUL and SUFE. The Headquarters shall authorize and appoint SUFE to act as the Chinese executive institution and collaborative partner of QMUL in the establishment and operation of the Institute. Subject to the agreement of QMUL and SUFE and the approval of the Headquarters, QMUL shall enter into an agreement with SUFE setting out the detailed terms of their collaboration in relation to the Institute ("**Implementation Agreement**").

2. In the event that QMUL and SUFE fail to agree the terms of the Implementation Agreement or the Implementation Agreement is terminated for any reason, then QMUL may enter into an agreement to collaborate with an alternative higher education institution in the PRC (the "**Alternative PRC Institution**"), which

agreement and institution shall be subject to the written approval of the Headquarters. In that event, all references to SUFE in this Agreement shall be deemed to be references to the Alternative PRC Institution.

3. Teaching operations at the Institute shall begin within one year after this Agreement is executed by the parties hereto (the "**Parties**"), failing which, this Agreement shall terminate eighteen (18) months after the date on which it is executed, unless extended by the Parties in writing prior to that date.

Article 4 Scope of Activities

The Parties agree that the Institute may carry out the following activities in accordance with the Constitution and By-laws and English Laws:

1. Teaching Chinese language, including providing Chinese language teaching resources;
2. Training Chinese language instructors;
3. Holding the HSK (Chinese language proficiency test) examinations and examinations for the certification of teachers of Chinese language;
4. Providing information and consulting services concerning China's education, culture, and so forth;
5. Conducting language and cultural exchange activities; and
6. Other activities authorized by the Headquarters in writing from time to time.

Article 5 Organization

1. The management of the Institute shall be carried out by a council, which shall be formed of members nominated by QMUL and SUFE (the "**Council**"). The Council shall appoint the Deans of the Institute and the Deans shall be responsible for

managing the daily operations and affairs of the Institute under the leadership and supervision of the Council.

2. Detailed provisions for the formation, duties and decision-making of the Council shall be set out in the Implementation Agreement. The duties of the Council shall include:

- (i) formulating and amending the constitution of the Institute;
- (ii) formulating development plans, annual plans, annual reports and project implementation schemes for the Institute;
- (iii) decision-making on all significant issues and matters concerning the Institute including in relation to the teaching, research and management carried out by and of the Institute;
- (iv) applying for funds for the Institute's establishment and operation, in accordance with the Funding Regulation;
- (v) appointing and dismissing the Dean(s) and Deputy Dean(s) of the Institute;
- (vi) examining and approving the budget proposals and final financial accounts of the Institute and submitting the same to the Headquarters for approval; and
- (vii) reporting to QMUL and SUFE on any management status and significant issues relating to the Institute.

3. There shall be two Deans of the Institute. QMUL shall nominate one Dean and SUFE shall nominate the other Dean but the appointment and dismissal of each shall be subject to the decision of the Council. Each Dean must have the qualities and skills set out in Chapter 6, Article 28 of the Constitution and By-laws.

4. The Headquarters shall be entitled, on reasonable written notice to the Council, to enter the Institute to assess the quality of the teaching carried out by the Institute. The Institutemust accept the assessment of the Headquarters on the teaching quality.

6. The Institute shall draw up annual budget proposals and final financial accounts independently. It shall be treatedas an independent entity for financial and budgeting purposes and may charge fees for language courses and other programs and shall assume the sole responsibility for its own profits or losses. Accounting procedures for the Institute shall be set out in the Implementation Agreement.

Article 6 Obligations

1. The obligations of the Headquarters:

(i) To authorize the use of the title “Confucius Institute”, logos and institute emblems and the use of online courses for and by the Institute.

(ii) To timely provide teaching materials,coursework and other books asmay be needed for the activities set out in Article 4 above, including 3,000 volumes of Chinese books, teaching materials, and audio-visual materials (“**Start-up Materials**”).

(iii)To provide USD150,000by way ofstart-up funds for the Institute ("**Start-up Funds**") and, subsequently,additional fundingon an annual basis (“**Annual Funding**”)in accordance with the Funding Regulation. The Council shall apply for the Start-up Funds and the Annual Funding, and the Headquarters shall review such applications and provide approved funding in accordance with the Funding Regulation.

(iv) To send Chinese instructors from the PRC ("**PRC Teaching Staff**") based on the requirements of teaching as decided by the Council and agreed in writing by the Council and the Headquarters. Subject to the Funding Regulation, the Headquarters shall be responsible for the air fares, salaries and other expenses of the PRC Teaching Staff who will remain employees of SUFE and will receive their salaries direct from Hanban. They shall not be employees of QMUL and shall not receive salary income from the UK.

2. The obligations of QMUL

- (i) To provide a fixed office place and appropriate sites for teaching and other activities of the Institute; equipped with office and teaching facilities, and to manage and maintain such sites.
- (ii) To provide necessary administrative personnel (full time or part-time) and provide the related payment; to provide necessary working facilities for the PRC Teaching Staff.
- (iii) To assist the PRC Teaching Staff with visa applications and residence procedures to allow them to lawfully live and work in the UK.
- (iv) To ensure that all funds received by QMUL in relation to the Institute, or contributed by QMUL for the purposes of the Institute are used exclusively for the purposes of establishing and operating the Institute through a separate budget code.
- (v) To provide funding for the Institute in accordance with the Funding Regulation and the Implementation Agreement. Each year, annual funding provided by QMUL shall be not less than the annual funding 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. The Headquarters hereby grants to QMUL a royalty-free licence to use all such intellectual property during the term of this Agreement. QMUL cannot continue applying or transfer the title, logo, and emblem in any form, either directly or indirectly, after this Agreement has been terminated.

QMUL and SUFE shall consult with owners of intellectual property in any teaching programs that they intend to implement at the Institute and may enter into agreements with those owners for the use of such intellectual property as appropriate.

Article 8 Revisions to this Agreement

Any amendment to this Agreement must be made in writing, both in English and Chinese, and will take effect upon execution by the authorized representatives of both Parties.

Article 9 Term

The Agreement shall take effect on the date on which it is signed by both Parties. The Agreement shall have a period of 5-year validity. Either Party, if it wishes to terminate the Agreement upon its expiry, must notify the other Party in writing at least 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 temporarily 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 (a "**Force Majeure Event**"). In the event of such circumstance, the Party under the situation shall inform the other Party in writing that its performance may be delayed and must take all reasonable measures to mitigate the losses caused to the other Party by such delay.

Article 11 Termination

1. Either Party may terminate this Agreement pursuant to Article 9 or at any time during the term of this Agreement by giving six (6) months' prior written notice to the other Party.
2. Either Party (the "**Notifying Party**") may notify the other Party in writing at any time prior to the expiration of its term that it desires to terminate this Agreement if:
 - (i) it notifies the other Party in writing that that other Party has materially breached this Agreement, and such breach is not cured to the reasonable satisfaction of the Notifying Party within sixty (60) days of the written notice;
 - (ii) the other Party breaches the confidentiality obligations under Article 15.1 of this Agreement;
 - (iii) the conditions or consequences of a Force Majeure Event continue for a period in excess of six (6) months; or
 - (iv) the Notifying Party reasonably believes that the other Party's notified act, omission or conduct has seriously damaged the reputation of the Notifying Party and such act, omission or conduct is not cured to the reasonable satisfaction of the Notifying Party within sixty (60) days of the written notice.

3. The Parties may, by written agreement terminate this Agreement at any time on the grounds that the aims of this Agreement cannot, or can no longer, be achieved or for such other reasons as the Parties may agree.

4. On expiration without renewal or on early termination of this Agreement:

(i) QMUL shall formulate and approve a suitable transitional and run-off plan and put in place arrangements to ensure that all students of the Institute can complete courses that they have begun or are compensated appropriately.

(ii) Each Party shall comply with the provisions of Articles 7 and 15.1 in respect of intellectual property rights and confidentiality.

5. The termination of this Agreement shall not affect any other agreement, contract or program that may be in place between the Parties at the date of termination.

Article 12 Notices

Any notice or written communication provided by either Party to the other in connection with this Agreement, shall be made in both English and Chinese by facsimile or electronic mail or courier service delivered letter, promptly transmitted and addressed to the appropriate Party. The date of receipt of a notice or communication hereunder shall be the date of delivery confirmed by the courier service in the case of a courier service delivered letter and the next business day after dispatch in the case of a facsimile or email. All notices and communications shall be sent to the appropriate address set forth below, unless the same is changed by notice given in writing to the other Party.

The Headquarters

Address: 129. Deshengmenwai Avenue, Xicheng District, Beijing, China

100088

Email address: tianlei@hanban.org

Attention: Tian, Lei

QMUL

Address: [Mile End Road, London, United Kingdom, E1 4NS]

Email address: k.kumar@qmul.ac.uk

Attention: Kevin Kumar

Article 13 Dispute Settlement

1. In the event of any dispute, controversy or claim (a "**Dispute**") arising in connection with this Agreement, or the breach, termination or alleged invalidity hereof or thereof, the parties shall attempt in the first instance to resolve such Dispute through friendly consultations.
2. In the event that a Dispute cannot be resolved through friendly consultations [within [thirty (30)] days of the date on which one Party formally requested the other Party to engage in such friendly consultations, the Dispute shall be settled as follows:
 - (i) Where the Dispute concerns matters relating to the Start-up Funds or Annual Funding, pursuant to the Funding Regulation, the Dispute shall be finally settled by the People's Courts in Beijing; and
 - (ii) Where the Dispute arises in connection with this Agreement but does not concern matters relating to the Start-up Funds or Annual Funding, either Party may refer the Dispute to the Hong Kong International Arbitration Commission

("HKIAC") for arbitration at the HKIAC in Hong Kong. The arbitration shall be conducted in accordance with the HKIAC Arbitration Rules in effect at the time when the Dispute is referred to the HKIAC. The decision of the HKIAC shall be binding upon both Parties.

Article 14 Governing Law

This Agreement shall be governed by PRC Laws.

Article 15 Other Terms

1. Each Party shall treat this Agreement and all information received by it in connection with this Agreement from the other Party or from Hanban ("**Confidential Information**") as confidential and shall not, without prior written consent, publish, release or disclose or permit the publication or disclosure of any Confidential Information to any third party except insofar as such publication, release or disclosure is necessary to enable each Party to fulfill their obligations under this Agreement, and except that QMUL shall be entitled to disclose this Agreement and/or its subject matter to SUFE. The provisions of this Article 15 shall not apply to Confidential Information that:

- (i) can be shown to have been known by the receiving Party prior to disclosure by the disclosing Party;
- (ii) is or becomes public knowledge otherwise than through the receiving Party's breach of this Agreement; or
- (iii) was obtained by the receiving Party from a third party having no obligation of confidentiality with respect to such information.

2. Each Party represents and warrants to the other Party that as of the date of this Agreement:

- (i) it is an independent legal person duly organized, validly existing in good standing under the laws of the place of its establishment;
- (ii) it has full authority to enter into this Agreement and it is qualified to perform its obligations hereunder;
- (iii) it has authorized its representative to sign this Agreement and the provisions of this Agreement shall be legally binding upon it;
- (iv) its execution of this Agreement and its performance of its obligations hereunder: (i) will not violate any provision of its charter, business licence, articles of incorporation, articles of association or similar organizational documents; (ii) will not violate any law, rule or regulation or any governmental authorization or approval authority; (iii) will not violate or result in a default under any contract to which it is a party or to which it is subject; and (iv) will not result in the breach of any judgment or ruling or award of any court, arbitration tribunal or of any government body or industry regulatory body to whose jurisdiction it is subject;
- (v) no lawsuit, arbitration or other legal or governmental proceedings exist, or are pending or, to its knowledge, threatened against it that would affect its ability to perform its obligations under this Agreement in accordance with the terms of this Agreement; and
- (vi) it has disclosed to the other Party all documents issued by any governmental department or industry regulator or other regulatory body relevant to the

subject matter of this Agreement and/or that may have a material adverse effect on its ability to fully perform its obligations under this Agreement, and the documents previously provided by it to the other Party do not contain any misstatements or omissions of material facts.

3. 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 two language versions of this Agreement shall have equal legal effect.

Signed for and on the behalf of

CONFUCIUS INSITUTE
HEADQUARTERS



XU Lin

Chief Executive

Date

2015.5.21

Signed for and on behalf of

QUEEN MARY UNIVERSITY OF
LONDON



Simon Gaskell

President

Date

11 May 2015