AGREEMENT BETWEEN THE CONFUCIUS INSTITUTE HEADQUARTERS OF CHINA AND

HEIDELBERG UNIVERSITY OF GERMANY FOR THE ESTABLISHMENT OF THE CONFUCIUS INSTITUTE AT HEIDELBERG UNIVERSITY

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

Article 2 Character

The Confucius Institute at Heidelberg University shall be a non-profit institute with the purpose of enhancing intercultural understanding between China and Germany.

Article 3 Executive Institution

Heidelberg University is desirous of collaborating with Shanghai Jiaotong University. The Headquarters will authorize and appoint Shanghai Jiaotong

University to construct the Confucius Institute with Heidelberg University as the Chinese executive institution. The two parties of cooperation can sign the supplementary agreement on matters not settled by this Agreement. The supplementary agreement should be audited by the Headquarters before signing.

Article 4 Scope of Activities

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

- 1. Teach Chinese using a variety of methods including multimedia and the Internet and provide teaching recourses;
- 2. Train teachers to teach Chinese in primary schools, high schools and Colleges;
- 3. Administer the HSK Examination(Chinese Proficiency Test) and tests to certify ability to teach Chinese as a foreign language;
- 4. Teach Chinese courses of various types in various areas for all circles of person;
- 5. Organize academic activities in connection with the Chinese language courses and Chinese cultural events (such as international Conferences, symposia and guest lecturers in cooperation with Heidelberg University) and Chinese language competitions;
- Show Chinese movies and TV programs;
- 7. Provide Consulting Services for individuals wishing to study in China;
- 8. Provide reference materials for the educational and other Professional individuals,

Article 5 Organization

1. The Confucius Institute shall have a Board of Directors. The Board of Directors is formed with members nominated from two parties. Two collaborating parties appoint one Director of the Institute respectively. Under the

leadership of the Board of Directors, the Directors shall take the responsibility for the daily Operation of the Institute.

- 2. The Board of Directors' 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 Directors 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.
- The Institute must accept the assessment of the Headquarters on the teaching quality.
- 4. The Institute activities must be in accordance with the Constitution and Bylaws, and also respect cultural customs, shall not contravene the laws and regulations, both in Germany and China
- 5. The Institute draws up annual budget proposals and final financial accounts independently. Heidelberg University will take a major responsibility for the management and Operation of the Institute. The Institute 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", and provide logos and institute emblems.
- 2. To provide multimedia course-wares and other teaching materials, supplementary materials, and audio-visual materials authorized by the Headquarters; and to authorize the use of online courses. To provide 3,000 volumes of Chinese books, audio-visual, and multimedia materials for the Start-

up of the Institute.

- 3. To provide a start-up fund, payable to the Special account opened by Heidelberg University for the Confucius Institute in the local Bank of China, and annually provide a set amount of fund according to the Institute's needs.
- 4. To send one or two Chinese instructors (to be appointed by the Board of Advisors unanimously) and pay for their air fares, health and social insurance and salaries.

The obligations of Heidelberg University:

- 1. To provide a basic fund for the Institute which is amounted to the following 5 years; to assist the Institute in acquiring annual funds from German sources (public funds, companies, foundations, etc.), which should not be less then the amount provided by the Headquarters annually;
- 2. To provide an appropriate site for the Institute to carry out its activities; to provide the necessary conditions and facilities to establish the Institute and takes charge of setting, management and maintenance;
- 3. To open a Special account for the Confucius Institute with the local Bank of China in its German place of business in 60323 Frankfurt am Main, Bockenheimer Landstr. 24:
- 4. To assist the Institute in providing and remunerating the necessary administrative personnel (füll time or part-time) and in providing the necessary working conditions for the Chinese instructors of the institute;
- 5. To assist the Chinese personnel at the Institute with all immigration procedures.

Article 7 Intellectual Property

The Headquarters exclusively owns the title of "The Confucius Institute", its

related logo, and plaque (or badge) as its exclusive intellectual property. Heidelberg University cannot continue applying or transfer the title, logo, and plaque (or badge) in any form, either directly or indirectly, after this agreement has been terminated.

The creator 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 through a process of negotiation and discussion in a spirit of cooperation and good will and any revisions will be made in writing, in both English and Chinese, and 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. However, during this time it can be terminated by both parties upon giving written notice at least six months in advance of their intention to terminate. 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 so the program may be delayed or terminated in order to mitigate the loss of the other party.

Article 11 Termination

This Agreement shall be terminated in one of, but not limited to, the following cases:

- 1. Either party may terminate this Agreement upon giving 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, the other party will terminate the Agreement immediately and reserve the right of claiming.
- 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, Heidelberg University should make appropriate arrangements on the students and other works.

Article 12 Dispute Settlement

In the events of any dispute, the two parties should consult with each other friendly or submit to the jurisdictional organ at the place, where the Confucius Institute referred to within this contract is located Heidelberg.

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 shall have the same effect in both languages.

Article 14 Other Terms

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

The Confucius Institute Headquarters (Hanban) Chief Executive

Heidelberg University President

My 946 XU Lin Date: 2004. 7, 3

Prof. Dr. Bernhard Eitel

Date: 15.01.2009