AGREEMENT ON THE CONTINUATION
OF THE CONFUCIUS INSTITUTE
AT MICHIGAN STATE UNIVERSITY

In order to strengthen educational cooperation between China and the United States, support and promote the development of Chinese language education, and increase mutual understanding among people in China and the United States, according to the Constitution and By-laws of Confucius Institutes, the Confucius Institute Headquarters of China (the "Headquarters"), The Open University of China ("OUC"), and Michigan State University ("MSU") signed the ten-year Agreement on the Establishment of the Confucius Institute at Michigan State University on May 1st, 2006 (the "2006 Agreement").

In accordance with a desire to promote cooperation in areas of mutual interest for the benefit of all three parties, MSU, The OUC, and the Headquarters, hereby enter into the following operational agreement ("Agreement"):

Whereas, the Headquarters, has undertaken to establish a Confucius Institute; and,

Whereas, the Confucius Institute, through its head office in China and subsidiary organizations worldwide, seeks to support and foster teaching of Chinese language and culture internationally; and,

Whereas, MSU shares with the Headquarters a desire to promote educational exchange and cooperation between the United States of
America and the People's Republic of China, and to increase international language ability at MSU and in nearby regions; and,

Whereas, in keeping with these purposes and with support from the Headquarters, and pursuant to the 2006 Agreement, MSU has established and operates a Confucius Institute at Michigan State University ("CI-MSU") in collaboration with OUC.

Now therefore, in consideration of the above, the Headquarters, MSU, and OUC agree as follows:

I. The Confucius Institute at Michigan State University

In accordance with the policies and procedures of the Board of Trustees of Michigan State University, MSU shall maintain at MSU during the term of this Agreement, an institute known as the Confucius Institute at Michigan State University ("CI-MSU").

1. The CI-MSU shall have the status of a non-degree granting institute and be operated in accordance with the relevant policies and procedures of MSU. All activities organized by CI-MSU shall follow the Constitution and By-laws of Confucius Institutes, with respect to both Chinese and American culture and customs, and shall not contravene the laws and regulations of the United States or China. Activities taking place in Michigan will follow the laws of the State of Michigan and the United States of America. Activities taking place in China will follow the laws of the People's Republic of China. Overall authority for management and operation of the CI-MSU shall be approved by the President of Michigan State University ("President").

2. The CI-MSU shall accept the Headquarters' evaluation regarding the operation status.

3. The CI-MSU will adopt a Director Responsibility System under the leadership of the Board of Directors. CI-MSU will have a Board which
shall advise the Executive Director of CI-MSU in general matters of development, programming, curriculum and instruction, and strategic planning related to the Confucius Institute and review as well as approve annual report and budget. The Board shall have seven (7) members, with four (4) representing MSU and three (3) representing OUC. The President of MSU shall serve as chair of the Board and a president of OUC shall serve as the Vice-Chair of the Board. The Board shall meet at least on an annual basis.

4. MSU will appoint, with the approval of the Board, an MSU employee to become the Executive Director of the CI-MSU and OUC will appoint, with the approval of the Board, an OUC employee to become the Deputy Executive Director. The Executive Director will undertake the day-to-day operation and administration of the CI-MSU.

5. The CI-MSU shall manage annual budget proposal and reconciliation individually. The funds of the CI-MSU shall be maintained in accordance with established MSU accounting procedures. The funds shall be kept in accounts designated specifically for the CI-MSU. Through teaching and other programs, the CI-MSU shall aim at assuming sole responsibility for its profits and losses. The Headquarters and OUC have the right to conduct audit of expenses of CI-MSU, and CI-MSU agrees to reasonably cooperate with Headquarters and OUC in such audit. MSU will make such items available for inspection during normal business hours at MSU’s place of business or such other location that is agreed upon by the parties.

II. Mission of the CI-MSU

During the term of this Agreement, the CI-MSU will provide the following educational resources and services:
1. Conduct research and development of web-based and multimedia-based materials for Chinese language teaching;
2. Conduct web-based Chinese language and culture teaching via Michigan Virtual University, Michigan Virtual High School, and/or certain available K-12 schools;
3. Provide Chinese teacher training for certain K-12 schools and colleges;
4. Organize US-China cultural exchanges;
5. Provide consultation on web-based Chinese teaching and learning;
6. Initiate other activities related to Chinese language teaching and learning.

The CI-MSU will serve the following participants:
1. K-12 students;
2. MSU community and other adult learners;
3. Teachers in K-12 schools, colleges, and/or other post-secondary institutions.

III. Responsibilities of the Headquarters

During the term of this Agreement, the Headquarters shall contribute to the operation and support of the CI-MSU by providing the following services, personnel, funds, and materials:
1. Upon signing this Agreement, the Headquarters shall remit to CI-MSU an annual grant of at least one hundred and ninety thousand US dollars ($190,000). These funds shall be specifically dedicated to the mission of the CI-MSU at outlined above.
2. The Headquarters shall assist the CI-MSU in the design of language curricula and training courses, and shall recommend teaching and study materials.
3. The Headquarters shall authorize the CI-MSU to offer the HSK examination (Chinese Proficiency Test) at the CI-MSU.
4. The Headquarters shall provide books and other Chinese language learning materials, and access to use the courses offered by the Confucius Institute Online based on the CI-MSU needs.

5. If necessary and at the request of the CI-MSU, the Headquarters shall send Chinese language instructors to the CI-MSU and cover their international travel expenses and salary.

IV. Responsibilities of MSU

During the term of this Agreement, MSU shall contribute to the operation and support of the CI-MSU by providing the following facilities, services, personnel, and funds on an annual basis:

1. Employ two full-time faculties dedicated to the work of the CI-MSU.
2. Employ a senior professor as the Executive Director who shall perform services on behalf of the CI-MSU on a part-time basis.
3. The total investment of MSU in the Confucius Institute, inclusive of MSU’s services and fees provided herein, is estimated to be one hundred and ninety thousand US dollars ($190,000) annually.
4. Provide necessary office and classroom facilities.
5. Provide necessary office and teaching equipment.
6. Provide necessary operating supplies.
7. Provide appropriate administrative services, including staff and clerical support. At least one member of the staff of the CI-MSU shall be proficient in Chinese.
8. At such time as the success of the CI-MSU’s programs may warrant additional instructors, appoint and pay for part-time instructors.
9. Provide appropriate assistance on the visa application and residence procedure for teachers sent from OUC and the Headquarters and provide the teachers sent with necessary working facilities and assistance with setting up necessary arrangements in East Lansing.

V. Responsibilities of OUC
During the term of this Agreement, OUC shall contribute to the operation and support of the CI-MSU by providing the following facilities, services, personnel, and funds on an annual basis:

1. Assign one deputy director to assist the Executive Director.
2. Establish China Research and Development Center (“ECRDC”) with one administrative assistant (part-time) and two teachers specialize in distance education (part-time).
3. Provide necessary office and multimedia development facilities for distance education.
4. Provide necessary office and multimedia development equipment for distance education.
5. Provide necessary operating supplies for the ECRDC.
6. Employ Chinese teachers and IT personnel for online resource development.
7. Provide feedback on the annual evaluation report from the CI-MSU.

VI. MSU may charge participants in the CI-MSU for language courses and other programs. The funds generated shall all be utilized for the support and expansion of programming at the CI-MSU.

VII. MSU shall conduct an annual evaluation of the CI-MSU and share the results with the Headquarters and OUC.

VIII. Term

The term of this Agreement shall commence on the date that all parties sign. This Agreement is valid for 10 years. If either party does not intend to extend this Agreement, that party shall provide written notice one year before the expiration date of this Agreement. If all parties agree to extend in written notice, this Agreement will be extended for another 10 years starting from the expiration date.

IX. Force Majeure
All parties 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 that renders the performance of this Agreement impossible. In the event of such circumstances, the party under the situation shall inform the other parties in writing that the program may be delayed or terminated, and duly take effective measures to mitigate the loss of the other parties.

X. Termination

This Agreement can be terminated in one of the following cases:
1. By giving a written notice to other parties at least six (6) months before the intended termination date, provided that such termination may only occur on the condition that all participants then enrolled in CI-MSU courses and programs be allowed to complete such courses and programs and all teachers enrolled in courses at MSU be allowed to complete the semester for which the teachers were enrolled.
2. The parties mutually agree that the Agreement cannot be performed or cannot achieve its anticipated aim because of external conditions that were no fault of a party.
3. Upon 6 months written notice, if the act of one party severely harms the image and reputation of the other parties.
4. The Agreement cannot be performed because of force majeure.

The termination of this Agreement will not affect other agreements, contracts, and programs among all parties. Before this Agreement is terminated, MSU should make appropriate arrangements on the enrolled students and other works.

XI. Intellectual Property and Publicity

For specific projects undertaken by the CI-MSU that have intellectual property rights, the intellectual property rights shall belong to the
employer of the inventor or creator of the intellectual property. For projects developed jointly, the ownership of intellectual property shall be determined by consultation among the three parties.

The Headquarters exclusively owns the title of “The Confucius Institute,” its related logo, and plaque (or badge) as its exclusive intellectual property. Michigan State University or OUC cannot continue using or transfer the title, logo, and plaque (or badge) in any form, either directly or indirectly, after this Agreement has been terminated. Likewise, the Headquarters shall not continue to use MSU’s or OUC’s Marks, in any form, either directly or indirectly, after this Agreement has been terminated.

MSU, OUC, and the Headquarters shall use only names, trademarks and logos, or any adaption or simulation of such (“Marks”) in connection with the MSU and OUC collaboration that are approved by the CI-MSU and shall use such the CI-MSU Marks only in connections with the operation and promotion of the CI-MSU. MSU, OUC and the Headquarters shall not use each other’s Marks in publicity, advertising or news release without the prior written consent of the other party. However, this provision will not apply if either party wishes to give credit to the other party when presenting a paper at a conference or seminar for non-commercial purposes, unless the party receiving credit requests otherwise in writing.

All books and teaching materials provided by the Headquarters will only be used towards the CI-MSU’s projects and programs that are described in Section II of this agreement. The CI-MSU and its employees shall not transfer, sell, or authorize other parties to use books and teaching materials without written approval from the Headquarters.

XII. Dispute Resolution
Each party agrees to attempt in good faith to resolve all disputes between
them concerning the implementation and on-going operation of the CI-MSU through collegial discussion and negotiation.

XIII. Governing Law; Interpretation
As to activities taking place in Michigan and as claims against MSU, this Agreement will be governed by the laws of the State of Michigan, United States of America. As to activities taking place in China and as to claims against the Headquarters or OUC, this Agreement will be governed by the laws of the People's Republic of China.

IX. Controlling Language
This Agreement is written in both Chinese and English, each party having a version in each language. Each version shall be of equal weight.

Michigan State University
President

Lou Anna K. Simon
Date:

Michigan State University
Provost

June Youatt
Date: 1.13.17

Confucius Institute Headquarters
Deputy Chief Executive
HANBAN
Executive Deputy Director General

MA Jianfei
Date: 2017.2.21

The Open University of China
President

YANG Zhijian
Date: 2017.2.16

OFFICE OF THE GENERAL COUNSEL
DATE
APPROVED AS TO FORM