RENEWAL OF AGREEMENT BETWEEN
CONFUCIUS INSTITUTE HEADQUARTERS OF CHINA
AND
THE UNIVERSITY OF IOWA OF THE UNITED STATES OF AMERICA ON CO-DEVELOPMENT OF
CONFUCIUS INSTITUTE AT THE UNIVERSITY OF IOWA

To strengthen educational cooperation between China and the United States, to facilitate and promote the development of Chinese language teaching in the United States, to enhance mutual understanding between the Chinese and American peoples, the Confucius Institute Headquarters of China (hereinafter referred to as “the Headquarters”) and The University of Iowa signed an agreement in March 2006 on collaboration to establish the Confucius Institute at the University of Iowa (hereinafter referred to as “the Institute”), in accordance with the Constitution and By-laws of the Confucius Institutes. The previous Agreement, which covered a period of eight years, has been terminated. Both parties have agreed on the following concerning the renewal of the Agreement as follows:

Article 1 Purpose
It is the objective of this agreement to define the rights and obligations of the Headquarters and the University of Iowa in the establishment and management of the Institute.

Article 2 Character
The Institute shall be a non-profit educational institution. Both parties agree the Institute should be continuously titled Confucius Institute at the University of Iowa.

Article 3 Executive Institution
As the University of Iowa is willing to continue its collaboration with East China Normal University, the Headquarters will authorize and appoint East China Normal University as the Chinese executive institution to collaborate with the University of Iowa in building the Institute. The parties of the collaboration may make supplementary agreements on the detailed matters of the implementation of the cooperation. The supplementary agreements should be approved by the Headquarters before signing.

Article 4 Scope of Activities
In compliance with Constitution and By-laws of the Confucius Institutes, and in accordance with local conditions, the Institute is authorized to conduct (not limited to) the following activities:
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 the University of Iowa 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 must hold its activities in accordance with the Constitution
and By-laws of the Confucius Institutes, with respect for the Chinese and American cultural customs and abiding by the laws and legal regulations of China and US. The Institute at the University of Iowa should continue to function under the regulations set by the Headquarters and the University of Iowa.

6. The Institute draws up annual budget proposals and final financial accounts independently, subject to the approval of the University of Iowa and the Headquarters. The Confucius Institute at the University of Iowa will be in charge of its daily operation and management. It should finally assume the sole responsibility for its profits or losses by charging fees for language and other programming.

Article 6  Obligations
The Headquarters should:
1. Give permission to the use of the title and logo of “Confucius Institute”.
2. Provide teaching (learning) materials, courseware and books needed by the Institute, and give permission to the use of courses on Confucius Institute Online. The Headquarters shall make an annual presentation of a certain amount of Chinese books, teaching (learning) materials and audio-visual materials to the Institute.
3. Select and dispatch a certain number of Chinese language instructors to the Institute, and pay their travel expenses, salary (stipend), housing, and health insurance.

The University of Iowa Should:
1. Expand and ameliorate offices and other areas suitable for teaching and holding other activities; provide necessary facilities and equipment for office work and teaching, and take charge of their installation, management and maintenance.

2. Provide necessary administrative personnel and pay relevant fees.

3. Assist the Chinese staff to obtain entry and residence permits in the US, and provide them with necessary working facilities and life conveniences.

4. To make sure the earmarked funds provided by the Headquarters are used for their specified purposes, the University of Iowa should continue to set up the dedicated account for the Institute.

5. To provide a set amount of annual funding (including staff and in-kind).

Article 7 Funding

The funds for the operation of the Institute should be jointly raised by the parties. The annual budget plans and final financial accounts should be made under the accounting framework of the University of Iowa and in accordance with the relevant fund management regulations of the Headquarters. The Institute should conduct specialized management for its funds and generate revenue through teaching and other activities to ultimately assume the sole responsibility for its profits or losses. All the revenue of the Institute should be used for the expansion, development or operations of the Institute.

Confucius Institute should continue to function in the form of endowment.
Support each year from the University of Iowa (Unless stated otherwise all funding begins in the 2014/2015 AY and ends in the 2018/2019 AY)

a. Support each year from UI International Programs:

1. One (1) FTE (full-time equivalent) administrative support staff position (salary and fringe benefits). [Estimated amount of support is $67,254/year.]

2. Half (0.5) of one (1) FTE curriculum coordinator position (salary and fringe benefits). [Estimated amount of support is $41,398/year.]

3. One course release each academic year (AY). [Estimated amount of support is $12,942/year.]

4. Approximately 20% of a half-time (0.5) academic year graduate assistant (salary, fringe benefits, and tuition). [Estimated amount of support is $6,200/year.]

5. Adequate office space for the administrative support staff person, the curriculum coordinator, and for student help; storage space for institute supplies, curriculum materials, and library materials will be arranged in IP. Also, additional administrative staff support will be provided to support the institute. (i.e. accounting and event planning). (NOTE: These facilities and administrative (F&A) cost is calculated as part of the UI’s Office of the Provost’s contribution. See section e below.)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amounts</th>
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<tbody>
<tr>
<td>International Programs’ Contributions Each Year</td>
<td>$127,794</td>
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b. Support each year from the UI Graduate College:
Approximately 20% of a half-time (0.5) academic year graduate assistant (salary, fringe benefits, and tuition). [Estimated amount of support is $6,200/year.]

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<tr>
<th>Description</th>
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<tr>
<td>Graduate College’s Contributions Each Year</td>
<td>$6,200</td>
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c. Support from the UI College of Liberal Arts and Sciences:
1. Two offices (one for the Institute Director and one for the three CI instructors). In addition, administrative staff support for programming and course coordination with the college. (NOTE: These facilities and administrative (F&A) costs are calculated as part of the UI’s Office of the Provost’s contribution. See section e below.)
2. Ten Percent (10%) of Director’s Academic Year salary. (Estimated that Director will dedicate at least 30% of his Academic Year effort towards the Institute; Calculated as 2 course releases and this 10% of his research effort). [Estimated amount of 10% Research effort is $11,648/year.]

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<th>Description</th>
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<tr>
<td>College of Liberal Arts &amp; Sciences’ Contributions</td>
<td>$11,648</td>
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<td>Each Year</td>
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d. Support each year from the UI Vice President for Research Office: Approximately 60% of a half-time (0.5) academic year graduate assistant (salary, fringe benefits, and tuition). [Estimated amount of support is $16,963/year.]
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<tr>
<th>Description</th>
<th>Amounts</th>
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<tr>
<td>Vice President for Research Office’ Contributions</td>
<td>$16,963</td>
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<td>Each Year</td>
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e. Support each year from the UI Office of the Provost

1. As a unit of the University, the Confucius Institute is entitled to have administrative support, office space, and access to UI classrooms for instructional as well as extra-curricular activities.

2. NOTE: All facilities and administrative (F&A) cost share is calculated by multiplying total project cost by 28.5%. This calculation is based on the UI’s federally negotiated rate of 28.5% for F&A cost pertaining to all US federal grant applications.

3. Total estimated amount for all office space, other facilities and administrative support is set by multiplying 28.5% by the total UI contribution of $162,605. [Total amount from paragraphs a ($127,994/year), b ($6200/year), c ($11,649/year) and d ($16,963/year) directly above.]

4. $162,605 x 28.5% = $46,342

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<th>Description</th>
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<tr>
<td>Office of the Provost’s Contributions Each Year</td>
<td>$46,342</td>
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<td>for F&amp;A costs</td>
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Support each year from The Headquarters
A. Totaling $500,000 to be deposited into the quasi-endowment account of the Confucius Institute at the University of Iowa as follows:
   • $100,000 to be remitted in 2014-15
   • $100,000 to be remitted in 2015-16
   • $100,000 to be remitted in 2016-17
   • $100,000 to be remitted in 2017-18
   • $100,000 to be remitted in 2018-19

NOTE: The University of Iowa should continue to use the form of endowment to run the Institute

B. The Institute should continue to assume the sole responsibility for its profits or losses by charging for language course fees and for other program fees. The Headquarters will provide certain amounts of project funds according to the Institute’s actual development and scope of projects etc.

C. A minimum of two (2) FTE (more if needed) Chinese language instructors from China and pay for their travel expenses, salary (stipend), housing, and health insurance. [Amount determined by the Headquarters annually]

D. Half (0.5) of one (1) FTE curriculum coordinator position (salary and fringe benefits). [Estimated amount of support is $41,398/year.]

E. Books and multimedia materials for use in teaching and for the CI library. [Amount determined by the Headquarters and the Confucius Institute annually.]

Article 8 Intellectual Property
The Headquarters has the exclusive ownership of the title “The Confucius Institute”, its logo and emblem as the Headquarters’ intellectual property. After the termination of this agreement, The University of Iowa should not continue to directly or indirectly use the title, logo and emblem of the Confucius Institute in any form or transfer their use to any other party. The intellectual property rights of the activities or programs conducted by the Institute belong to the provider of the intellectual property. Whereas the ownership of the intellectual property rights of the jointly-developed programs should be decided through applicable law, subject to any negotiated agreement of the parties. Should any dispute on intellectual property rights arise, the two parties should solve the problem by means of friendly negotiation, or, should negotiation fail, submit to legal organizations with jurisdiction for the ruling of the rights according to the relevant laws and regulations and international precedence.

Article 9 Revision
With mutual 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 upon signature by the authorized representatives of the parties.

Article 10 Term
This agreement shall be in effect on the date when the two parties sign below and shall be valid through July 31, 2019. This timeline will allow
subsequent agreements to be synchronized with the University of Iowa fiscal year which runs from August 1 to July 31 each year. Should one party wish not to renew this Agreement, it must notify the other party in writing at least 90 days prior to the date this Agreement expires.

Article 11 Force Majeure
The parties will be released from their obligations under this agreement in the event of the following situations: the country is at war; the government has issued prohibitive regulations on the Institute; or if any other cause beyond the control of both parties renders impossible the performance of this agreement. Should such circumstances arise, the interested party shall inform the other party in writing to postpone or terminate the program and duly take timely and effective measure to minimize the losses of the other party.

Article 12 Termination
This Agreement shall be terminated if one of the following happens:
1. One party to this Agreement intends to terminate this Agreement and has given a written notice to the other party at least 90 days prior to the intended date of termination.
2. Either party has no wish to continue the collaboration at the expiration of the term.
3. This Agreement cannot go through or cannot achieve the anticipated aim because of loss of the condition under which this Agreement can be executed.
4. One party to this Agreement has acted in a way the severely harms the image and reputation of the Confucius Institute.

5. This Agreement cannot go through because of force majeure.

The termination of this Agreement shall not have any effect on other agreements, contracts or programs between the two parties that are under implementation. Upon the termination of this Agreement, the University of Iowa should make appropriate arrangements for the enrolled students and other related issues.

Article 13 Dispute Settlement
Should any dispute or controversy occur, it should be settled through friendly negotiation: and should negotiation fail, the two parties may institute legal proceedings to the legal organizations with jurisdiction.

Article 14 Agreement Language
This Agreement is done in duplicate, in Chinese and in English respectively. Each party shall keep one Chinese copy and one English copy of the signed Agreement. This Agreement, in both languages, shall have the same legal force.

Article 15 Other Terms
Any issue not covered hereunder shall be resolved through friendly negotiations between the two parties.
University of Iowa
Confucius Institute
Confucius Institute Director
Headquarters (HANBAN)
Chief Executive

Dr. Chuanren Ke
Date: 18 Oct 2014

Dean of International Programs

XU Lin
Date: 2014.10.24

Dr. Downing Thomas
Date: 10 Oct 2014

President

Dr. Sally Mason
Date: 13 Oct 2014