Agreement between
China Agricultural University and
University of Groningen on
Establishment of Yantai Groningen University

China Agricultural University, the People’s Republic of China

University of Groningen, Kingdom of the Netherlands

February 13, 2016
BACKGROUND

Since the establishment of the diplomatic relations between China and The Netherlands in 1972, the bilateral relations have developed rapidly due to the joint efforts from both sides. Frequent high-level visits and the exchange in areas of trade, education, science, culture and agriculture etc. have yielded fruitful results. In March 2014 the Minister of Education of China and the Minister of Education, Culture and Science of the Netherlands signed an MOU encouraging educational and scientific cooperation between the two countries in general as well as education and research institutions in both countries to form joint education and research programs. It is in this context that China Agricultural University (CAU) and the University of Groningen agree to jointly establish a joint world-class comprehensive research university in the location where CAU Yantai Research Institute is based. The mission of the proposed university is to develop talents with creativity, innovation, and entrepreneurial spirit to meet the requirements of globalization in knowledge, technology, and sustainable economic and social development. The purpose of it is to enhance the international reputation of both CAU and UG through the establishment of a new partnership in higher education and research, promote the development of the cities of Yantai and Groningen, further strengthen the educational, economic and cultural exchanges between China and The Netherlands, and become a driving force to the regional development as well as an important platform for the exchange and cooperation in economic development, culture, science and technology between China and The Netherlands or Europe. Shandong Provincial Government and Yantai Municipal Government will provide financial and policy support that is required by the proposed University.

1. PARTIES TO THE AGREEMENT

1.1 The Parties to this Agreement are:

(1) China Agricultural University (abbreviated as CAU)
Address: No.2 Yuan Ming Yuan Xi Lu, Haidian District, Beijing, People’s Republic of China
Legal Representative of CAU is KE Bingsheng, President

(2) University of Groningen (abbreviated as UG)
Address: Broerstraat 5, PO Box 72, 9700 AB Groningen, The Netherlands
Legal Representative of UG is Sibrandes POPPEMA, President
1.2 Either Party may change its appointed legal or authorized representative by giving notice in advance in writing to the other Party.
1.3 A separate tripartite agreement has been formulated and signed in relation to the support from Yantai municipal government with CAU and UG.

2. APPLICABLE LAW

This Agreement, including without limitation, its validity, application, interpretation and implementation, and the merits of any dispute, controversy or claim arising out of or relating to this Agreement shall be governed by Chinese law, regulations and policies and resolved as set out in article 15. Yantai Groningen University shall comply with laws and regulations applying to education both in China and in the Netherlands. To implement this Agreement legally, CAU and UG shall comply with laws and regulations applying to education both in China and the Netherlands. In accordance with the higher education laws and regulations of China and the Netherlands, academic staff and students at Yantai Groningen University shall enjoy academic freedom and an autonomous and independent academic environment. The rights and obligations under this Agreement may not be assigned, in whole or in part, by either party without the prior written consent of the other party.

3. NAME, NATURE, LOCATION AND LEGAL STATUS

3.1 The name of the proposed university is Yantai Groningen University, which is abbreviated to UGY for everyday use, promotion and marketing, as necessary.
3.2 UGY will be an independent education institution with legal entity status recognized by the laws of China, where education programmes of the University of Groningen will be offered. The education programs of the University of Groningen at UGY will also be recognised in the higher education system in the Netherlands. Subject to approvals from China and Dutch educational administrations, UGY will offer both undergraduate and postgraduate degree programmes. UGY will also be an international education site to facilitate and operate some cooperative postgraduate programmes in collaboration between CAU and UG, and will be approved by Chinese and Dutch education administrations.
3.3 The primary address of Yantai Groningen University is No.2006 Binhai (Seaside) mid-Road, Hi-Tech District, Yantai City, Shandong Province.
3.4 UGY shall be non-profit in nature, therefore UGY shall be entitled to all preferential treatments available and applicable to non-profit education or other
non-profit institutions under Chinese laws, regulations and policy.
3.5 The Legal Representative of UGY is the Chancellor of UGY.

4. SCOPE

4.1 Scope of Activities

The activity scope of UGY in general includes talent development, scientific research, and social service. More specifically it includes:

(1) Offering degree programmes for awarding degrees at the undergraduate and postgraduate levels.
(2) Performing fundamental and applied research at a world class level.
(3) Collaborating with high-tech industries locally, nationally and internationally.
(4) Conducting professional education programmes and consultations to government, industry, and society.
(5) Organizing activities for alumni of UGY.
(6) Conducting cultural, educational and scientific exchange programmes to promote the relationship worldwide.

4.2 Language

(1) Both Chinese and English are official languages applied for the management operation of UGY.
(2) English is the education language of the UG programmes of UGY. All core courses in different disciplines will be taught in English. Courses specified by Chinese law, regulations and policies, can be taught in Chinese.

5. RIGHTS, RESPONSIBILITIES OF THE PARTIES

The core operating principle underlying the joint university will be partnership and cooperation of CAU and UG. CAU and UG shall cooperate in good faith with each other and duly perform their obligations agreed below.

5.1 CAU shall have the following rights and responsibilities in addition to any other rights and responsibilities set forth herein:

(1) Providing the necessary support to the application and legal documentation for the establishment of UGY to obtain the approval by the Chinese authorities.
(2) Preparing application documents and providing relevant data for approval and establishment of UGY; and with the mutual written consent of the CAU and UG, submitting such application documents to Shandong Provincial Government and the Ministry of Education, or other authorized examination and approval agencies.
(3) Providing the land with free lease to UGY to conduct the operation of all education and research activities for fifteen (15) years. After fifteen (15) years the conditions of using the land are subject to a re-negotiation between CAU and UGY while taking into account the sustainability of UGY.

(4) Jointly implementing the Academic Programmes and the Programme Specifications.

(5) Providing an agreed number of qualified staff for teaching in UGY, if necessary. Qualified staff will also be provided for research, administration, and supporting work in UGY’s operation accordingly, if necessary. Faculty members from CAU for UGY will comply with qualification standards not lower than those of UG and CAU.

(6) Before UGY obtains its own status to run graduate programmes, developing cooperative graduate programmes together with UG to support the research activities and projects to develop in UGY.

(7) After consultation with UG, nominating the Chancellor of UGY.

(8) Granting the rights of use of CAU-curricula and by CAU developed educational materials and of use of its name under this agreement;

(9) Jointly working with UG to set and monitor educational, performance, administrative and operational standards for UGY’s overall operations and degree programs; and to plan, implement, and assist in ensuring that these standards are applied in the planning and execution of all degree programs.

5.2 UG shall have the following rights and responsibilities in addition to any other rights and responsibilities set forth herein:

(1) Assisting CAU to provide the necessary support on the application, legal documentation and relevant data with submitting to Shandong Provincial Government and the Ministry of Education or other authorized examination and approval agencies, the application to establish UGY.

(2) Obtaining the programmes and degrees granting approval by the Dutch education authorities.

(3) Granting a license to use the UG-curricula, the quality assurance methodology and the by UG developed educational materials and of the use of its name under this agreement and mandating the Board of Directors of UGY to run these programmes for fifteen (15) years. After fifteen (15) years the conditions of using the curricula, quality assurance methodology and materials are subject to a re-negotiation between UG and UGY while taking into account the sustainability of UGY.

(4) Jointly implementing the Academic Programmes and the Programme Specifications.
(5) Providing and recruiting academic staff to participate in UGY’s operation. Providing qualified faculty from UG and assist in recruiting additional faculty with Dutch nationality to teach around one third (1/3) of total core courses and around one third (1/3) of total core course teaching hours of each degree programme of UGY. In addition, assist in recruiting one third (1/3) (returning) Chinese faculty and one third (1/3) international faculty and in appointing senior administrative leadership for UGY.

(6) Faculty members recruited for UGY will comply with qualification standards not lower than those of UG. The recruited faculty will also comply with the faculty training, quality assurance and management system of UG and will be trained at UG before starting at UGY.

(7) Awarding degree certificates and transcripts to enrolled students who fulfil the academic and other requirements for the UG Award defined in this agreement.

(8) Before UGY obtain its own status to run graduate programmes, developing cooperative graduate programmes together with CAU to support the research activities and projects to develop in UGY.

(9) Jointly working with CAU to set and monitor educational, performance, administrative and operational standards for UGY overall operations and degree programs; and to plan, implement, and assist in ensuring that these standards are applied in the planning and execution of all degree programs.

(10) Mandating the Board of Directors of UGY to confer UG degrees accredited in the Netherlands and equivalent to those issued by UG in Netherlands, to students in the degree programmes of UG as facilitated in UGY, who have completed all graduation requirements in accordance with the standards of UG.

5.3 CAU and UG shall reject any activities that are against the laws or regulations of China, or against any statutes, laws, and regulations applicable to UG and/or its affiliates.

5.4 In order to obtain the approval from Ministry of Education, CAU and UG both commit to actively discuss, collaborate and jointly prepare documents, data and other information necessary for application to the Ministry of Education and other approving agencies. Costs incurred related to and during this process will be borne by each Party, unless CAU and UG agree otherwise. Neither Party shall be required to contribute financially directly or indirectly to the running of UGY after the approval of the Ministry of Education has been obtained and the entity established.

6. EDUCATIONAL OBJECTIVES AND PROGRAMMES

6.1 Educational objectives
The educational objective of the proposed UGY is to offer the innovative research driven education programmes initiated by UG and CAU; conforming to the highest international higher education standards; providing Chinese and international students with an internationalised cultural and educational environment; meeting the needs of the economic and social development of China in general, and Shandong Province and Yantai City in particular; providing UG students with international exchange experience specifically in China; and finally, promoting long-lasting training, research, economic and cultural links between the Netherlands and China.

6.2 Education programmes at the start

The academic programmes of UGY intend to develop innovative talent and establish education programmes at bachelor, master and PhD levels in subject areas that map to the needs of Shandong regional and China’s national development. In the first year, the subjects for undergraduate (BSc or BA) education may include, but not be limited to: Chemistry, Industrial Engineering & Management, Life Science and Technology, Economics and Business Economics. In the first year, UGY can be an international education site to facilitate and operate postgraduate (MA or MSc) education in collaboration between CAU and UG. The subjects may include, but not be limited to Chemical Engineering, Biomedical Engineering, and Environmental and Infrastructure Planning.

6.3 Education programmes in future

Based on the development of the university, the subjects for future undergraduate and postgraduate education may include but not be limited to: Life Sciences, Agriculture, Food & Nutritional Sciences, Medical Sciences and Pharmacy, Natural Sciences, Engineering, Materials Sciences, Computer Sciences, Humanities, Social Sciences, Economics, and Management. The academic programmes and curriculum of UGY will link closely with regional development needs, enhance innovation, and facilitate the development of relevant industry sectors. Additional new academic programmes may be established if necessary and will be subject to the approval by the Board of Directors. All degree programmes will be subject to an approval by the Ministry of Education of China and the necessary internal and external statutory and legal approvals in the Netherlands.

6.4 The arrangement of the education programmes
Subject to approvals from both Chinese and Dutch education authorities, all education programmes of UGY are planned to be fully conducted on the UGY campus in Yantai City.

Students of UGY are allowed to participate in student exchange programmes offered by UG in the Netherlands on the condition that they meet the relevant requirements of the programmes of UG.

Postgraduate students of UGY are allowed to participate in the laboratory research activities at UG in the Netherlands on the condition that can meet the relevant requirements of UG.

6.5 Research activities

To achieve the goal of establishing a high quality research intensive university, UGY will be a comprehensive university stressing both education and research, with particular commitment to joint scientific research cooperation with industries. The development and scope of graduate programmes shall be dependent on the scale and conditions of UGY and the policies of the Chinese education authorities.

UGY will offer research driven bachelor, master and PhD education. Therefore the research programs will be directly associated with the education programmes and academic staff will have a teaching and a research appointment. Five research centers will be established. These are: Advanced Materials, Molecular Life Science & Human Health Research, Adaptive Life, Catalysis and Biobased Economy and Data Science & Systems Complexity.

At the start, the first two research centers with laboratories will be operational, being (1) **Advanced Materials** connecting with Chemistry, Chemical Engineering, and Industrial Engineering & Management and (2) **Molecular Life Science & Human Health Research** connecting with Life Science & Technology, and Biomedical Engineering.

7. THE ADMINISTRATION ORGANISATIONS

7.1 Board of Directors

UGY implements the Chancellor-in-charge system under the guidance and governance of the Board of Directors. The Board of Directors is the highest authority of UGY.

(1) **Members and Term of Office**
The Board of Directors shall be composed of seven (7) members with four (4) representatives representing CAU and three (3) representatives representing UG. The original ratio shall not change because of personnel changes.

The Board of Directors adopts the tenure system, where the term of one office is five (5) years and consecutive terms are allowed. During the change of the office of the Board of Directors, the members to be changed shall be recommended by UG and CAU according to the original ratio.

The members of the Board of Directors shall comply with the Chinese laws and regulations and shall be individuals of high integrity with appropriate professional and academic qualifications and experience. Each party shall inform the other party of the professional and academic qualifications and experience of their nominees.

(2) Nomination and change

Members of the first Board of Directors shall be nominated by CAU and UG. The Chairperson of the Board of Directors shall be nominated by CAU, appointed by agreement of UG and CAU. The members of the Board of Directors shall be registered in the Chinese education administrative authority for record.

Within the four Board Members who are representing CAU, there are two members nominated directly by CAU. There are another two members proposed by Yantai Municipal Government, and nominated by agreement of CAU.

Besides, any of the said parties is entitled to propose changing the members, whom said party has recommended to the Board of Directors, at any time.

(3) Responsibilities and Powers

The Board of Directors is the supreme decision-making body of UGY in charge of significant issues. The decisions, which the Board of Directors may make, include the following:

(a) Appointing or dismissing the Chancellor, the Vice Chancellor, the Deputy Vice Chancellors and specialty senior administrators;
(b) Formulating rules and regulations;
(c) Making strategic development plans and approving annual work plans;
(d) Raising funds and examining and approving the budget and the final accounts;
(e) Determining the employment scale and wage level of faculty members and staff;
(f) Determining division, merger or termination of UGY;
(g) Approving the institutional policies, regulations, and rules for the operation of the UGY;
(h) Supervising the overall quality of UGY’s operation;
(i) Exercising other functions and powers as specified by the regulations of UGY.
(4) Working procedures

The Chairman of the Board of Directors is entitled to appoint a Secretary of the Board of Directors. The Secretary shall be responsible for convening conferences of the Board of Directors, issuing conference notices, participating in these conferences to make minutes, distributing the minutes approved by the Board of Directors with signatures, handling other matters and exercising other rights endowed by the Board of Directors from time to time.

The Board of Directors shall adopt its decision upon agreement by at least two-thirds (2/3) of its members when it discusses the following issues: Appointing or dismissing the Chancellor, the vice Chancellors or specialty senior administrators; Amending the regulations of UGY and formulating rules and regulations; Making strategic development plans and approving annual working plans; Other important decisions specified by the regulations of UGY.

The members of the Board of Directors shall have at least two meetings every year. A temporary conference may be held if it is suggested by over one third (1/3) of the Board of Directors members. Every member is entitled to one vote. Any member who cannot attend the conference may entrust his/ her representative by signing a letter of authorization and the representative may exercise the rights as per the letter of authorization. Prior to or at the time of the conference, the representative shall show and submit all letters of authorization to the Chairman of the Board of Directors. It shall be regarded the statutory quorum has been reached when two thirds (2/3) of the members of the Board of Directors attend in person or entrust representatives to attend or use telecommunication devices to attend the conference.

Unless under the exceptional circumstances as stated evidently in this Agreement, the Board of Directors shall make decisions in accordance with the consensus principle.

The Secretary shall send the notice of the conference to all members of the Board of Directors ten days ahead of the scheduled meeting. The conference shall be held in Chinese or English and the Board of Directors shall prepare translation.

The minutes of every conference shall be accurate and complete, express the details concerning teaching and business discussed and determined at the conference and be written in English and Chinese.

The minutes of every conference shall be signed by all participants and be well archived in the classified archive storage.

7.2 Academic Committee

As the highest deliberation body for the academic work of UGY, the Academic Committee shall be responsible for advising the Vice Chancellor on all issues dealing
with the organization and quality assurance of the education and research programmes and on scientific integrity. The Academic Committee will discuss, consult and make decisions on specific issues related to the university operation, and specific cases related to individual students, faculty and staff. The specific issues and cases are defined by Chancellor and Vice Chancellor.

The position of Chairman of the Academic Committee shall be held by the Vice Chancellor and its members shall be well known experts and scholars nominated by UG and then appointed by the Board of Directors upon consensus with CAU. The academic committee is composed of seven (7) members, including Deans and Research Center Directors.

The Academic Committee shall at least have two annual meetings, of which the minutes shall be made in Chinese and English, and convene an electronic, video or telephone conference every month. Also, the frequency of the conferences may be determined by the Academic Committee through resolution irregularly, or a conference may be convened at any time as required by more than one half (1/2) of the members of the Academic Committee.

The Vice Chancellor and the Academic Committee will ensure that its decisions comply with the regulations of both CAU and UG and, where applicable, requirements of the Ministry of Education of China, and the Ministry of Education, Culture and Science of the Netherlands. Specifically, the standards and the monitoring will conform to the quality control standards and monitoring of the University of Groningen Institutional Accreditation in the Netherlands. The Academic Committee will appoint Education Programme Committees that are responsible for (clusters of) education programmes.

In addition, there will be one or more independent Examination Committees that are appointed by the Board of Directors. Each Examination Committee will have one external member appointed by UG and UG will organize a yearly audit to assess the quality assurance of the UG programmes. The UG programmes will be under the accreditation rules of NVAO (Netherlands Flemish Accreditation Organisation) and Dutch Higher Education Inspection. The Academic Committee, Education Programme Committees, and Examination Committees are independent bodies which jointly implement quality assurance (including annual student surveys of all courses).

7.3 The Chancellor

The Chancellor of UGY shall be nominated by CAU, agreed by UG and formally appointed by the Board of Directors. The Chancellor shall be a citizen of the People’s
Republic of China. The qualification of the Chancellor shall be in compliance with the Regulations on China-foreign Cooperation in Running Schools.

The Chancellor will serve a fixed term of five (5) years, and may be re-appointed by the Board depending on performance.

The change of the Chancellor shall not be valid unless it is proposed by CAU and consented to by over two thirds of the members of the Board of Directors.

The Chancellor shall be the person primarily responsible for the day-to-day operations, administration, financial planning and campus development of UGY. The Chancellor will work in a collegial arrangement with the Vice Chancellor.

The Chancellor has the power and responsibility of:

(1) Carrying out the decisions made by the Board of Directors.

(2) Organising the drafting and the implementation of development plans, basic management systems, important administrative rules and regulations, allocation plans of the key resources for running the university and organising the formulation and the implementation of specific rules, regulations and annual work plans.

(3) Organising the drafting and the implementation of schemes for setting up internal organisations and appointing and dismissing the people in charge of the internal organisations in accordance with laws and regulations regarding the selection and appointment of administrative staff.

(4) Organising the drafting and the implementation of project plans for basic construction and annual budget, strengthening financial management and auditing supervision, administering the assets of the UGY and raising school funds.

(5) Signing cooperative agreements with governments and social circles on behalf of the University according to the law and accepting social donations.

(6) Reporting the implementation of project plans to the Board of Directors and other relevant organizations

(7) Exercising other powers as specified by the Board of Directors of UGY.

### 7.4 The Vice Chancellor

The Vice Chancellor will be responsible for all academic affairs of UGY, such as the degree programmes, research strategy and performance.

The Vice Chancellor is concurrently the Chairman of the Academic Committee.

The Vice Chancellor will be nominated by UG, agreed by CAU and formally appointed by the Board of Directors. The Vice Chancellor will serve a fixed term of five (5) years, and may be re-appointed by the Board depending on performance.
The change of the Vice Chancellor shall not be valid unless it is proposed by UG, and consented to by over two thirds of the members of the Board of Directors. The rules for nomination, appointment and dismissal of the Vice Chancellor shall be set out in the UGY regulations.
The Vice Chancellor will work in a collegial arrangement with the Chancellor of UGY on academic affairs.
The Vice Chancellor is responsible for all issues regarding education, teaching, scientific research and quality assurance, as well as for academic issues in relation to conferring UG degrees.
The Vice Chancellor has the power and responsibility of:
(1) Administering the registration of students, giving awards or imposing punishments and carrying out enrolment and employment of students;
(2) Organising teaching activities and scientific research, as well as the quality assurance systems, innovating the talent development mechanism, improving the quality of the educational experience, promoting cultural inheritance and innovation, serving state and local economic and social development and making UGY a first-class university with international characteristics.
(3) Organising the drafting and the implementation of academic faculty development plans and important talent policies, being responsible for building up the teaching staff and employing, recruiting and dismissing teachers and other internal staff as per applicable regulations.
(4) Organizing external exchanges and cooperation, signing cooperative agreements with foreign institutions on behalf of the University after obtaining agreement from the Chancellor and according to the law.
(5) Exercising other powers as specified by the Board of Directors of UGY and the Chancellor of UGY.

7.5 The Deputy Vice Chancellors

The Board of Directors will formally appoint the Deputy Vice Chancellors. The Deputy Vice Chancellors will be responsible for specific issues concerning resources, finance, and other important operations of UGY.
UGY will have a Deputy Vice Chancellor of Finance and Logistics, who shall be nominated by UG and then appointed by the Board of Directors, upon consensus with CAU. The Deputy Vice Chancellor shall be responsible for assisting the Chancellor in formulating financial plans, monitoring financial operation, working out financial budgets and providing logistical support, etc.
Other Deputy Vice Chancellors may be nominated by the Chancellor upon consultation with the Vice Chancellor and then appointed by the Board of Directors
according to the development scale of the University. The division of the work for other Deputy Vice Chancellors shall be determined by the Chancellor and reported to the Board of Directors for approval.

7.6 **Deans**

The Deans of UGY are the official leaders of the Academic Colleges. Deans will be responsible for the direction of all aspects of teaching, research, and enterprise to ensure its compliance with applicable regulations and standards of UG and CAU. Deans will be nominated jointly by Chancellor and Vice Chancellor, and be approved by the Board of Directors.

7.7 **Administrative organisation**

The administrative organisation of UGY will also comprise regular functional offices including but not limited to Teaching and Learning, Quality Assurance, Student Affairs, Human Resource Management, Finance, Student Admission, Student Career Centre, etc.

Qualifications, appointment procedures, work reporting and performance assessment will be specified in the regulations of UGY.

7.8 **Other Organisations**

UGY will support the staff and student organisations in line with Chinese higher education requirements and guidance. The Staff Council will be the representing organisation for staff social activities, discussion of issues concerning staff and the communication between staff and the administration of UGY. The Student Union will be the representing organisation for student activities, discussion of student issues and the communication between students and the administration of UGY.

8. **FINANCE, ACCOUNTING, TAXATION AND AUDITING**

8.1 **Finance**

(1) Tuition fee

The tuition fees will be set based on the real education cost at UGY, and approved by the price authorities of China. Tuition fees will be collected in RMB. The tuition fees collected by UGY are mainly applied for the research driven education and teaching activities and for improving the facilities.
Students participating in programmes in UG will be charged in the Netherlands at a tuition rate in accordance with the regulations of UG.

(2) Payment and welfare to Staff

Staff with an existing contract with UG and working in UGY should be paid based on the working contract extended between UGY and the individual staff, and as agreed with UG.

The standards of work payment, international travel expenses, insurance, and welfare are subject to the working contract between UGY and the individual employee.

All payment to employed staff at UGY should comply with the taxation law of China.

(3) Remaining Revenue

The annual remaining revenue of UGY will be applied for construction of education and research facilities and for improvement of education and research.

8.2 Cost

Both CAU and UG agree to build UGY as a world-class university. To achieve this goal, both CAU and UG will assess the investments needed for the construction of the infrastructure, upgrading of existing facilities and building of additional facilities, and the full cost for the development of new programmes and academic disciplines. Both CAU and UG will calculate the costs together with Yantai Municipal Government and Shandong Provincial Government, and specify details of the required investments by Yantai Municipal Government and Shandong Province, and progress of UGY in separate agreements.

8.3 Accounting and assets management

At the end of each fiscal year, UGY shall prepare financial and accounting reports, commission public auditing institutions to conduct auditing work in accordance with law, publicize the audit findings, and file such information with the examination and approval authorities for the record.

The China’s state owned assets in UGY should be managed and audited by Chinese Law and Regulations.

The accounting fiscal year starts on 1st January, and ends on 31st December of each year. Within forty-five (45) days the Chancellor of UGY should submit the annual financial report to the Board of Directors of UGY, CAU and UG.

The financial information of the UGY is booked accurately and clearly. The financial accounting of the UGY shall comply with the Accounting System of China.
The UGY shall adopt RMB as its bookkeeping base currency. All accounting records, vouchers, books and statements of the UGY shall be made and kept in Chinese. However financial statements shall be made in Chinese and accompanied with English translation. The Chinese educational, justice, financial auditing authorities, CAU and UG and their accountants or designated professional agent, and the Board of Directors of UGY shall, at their sole expense, have full and equal access to the accounts of the UGY, which shall be kept at the legal address of UGY. The finances of the UGY shall be properly managed and supervised by the Vice Chancellor of Finance and the financial department of UGY in line with local regulations and laws.

8.4 Taxation

UGY will implement the applicable taxation policy, standards and procedures to meet the requirement of Chinese Law and Regulations.

8.5 Auditing

UGY will implement the applicable auditing standards and procedures to meet the requirement of Chinese Law and Regulations. In the end of each fiscal year, an annual financial report should be submitted and audited by an auditing firm, which is registered in China, recognised internationally, and appointed jointly by CAU, UG, and Yantai Municipal Government. The auditing report should be written in both Chinese and English.

9. EDUCATION

9.1 Enrolment

(1) Enrolment scale

The Board of Directors shall approve the plan for the enrolment scale. The final enrolment scale shall be set in accordance with the approval of the Chinese education authorities.

In the first year of the initiation stage, there will be around 400 undergraduate students admitted into the UGY. The future capacity of the UGY is planned for around 10,000 students, including undergraduate and postgraduate students.

(2) Undergraduate programmes

All undergraduate students shall be admitted at standards that are not lower than those for the first tier of Chinese National College Admission as well as for international
student admission of the UG in The Netherlands. Chinese undergraduate students shall be admitted through the procedures of China’s National College Undergraduate Student Admission system.

(3) Postgraduate programmes
(a) Postgraduate programmes of UGY

Subject to an evaluation and approval from the Ministry of Education, postgraduate students in the UG programmes at UGY will be admitted through UGY’s postgraduate student admission system. The standards of postgraduate students admitted through UGY’s postgraduate student admission system shall be not lower than the standards for international student admission defined by UG in The Netherlands.

(b) Cooperative postgraduate programmes between CAU and UG

Subject to an approval from the Ministry of Education, and agreed by CAU and UG, UGY will be an international education site to facilitate and operate specified cooperative postgraduate education programmes between CAU and UG. The admission standards of cooperative postgraduate programmes between CAU and UG shall conform to the standards for international student admission defined by UG in The Netherlands.

9.2 Registration

All students admitted to UGY shall be automatically registered as legal students of UGY. Students in a programme that leads to an award of degree of UG shall be registered as legal students of UG, awarded the UG relevant rights and be protected by relevant policies accordingly.

If students do not meet the English language requirement of UG when they are admitted to UGY, they can be allowed to have up to one year of improvement of English language proficiency to reach the standard.

Postgraduate students in cooperative programmes between CAU and UG that lead to an award of degree of UG shall be registered as legal students of UG, awarded the UG relevant rights and be protected by relevant policies accordingly.

If postgraduate students do not meet the English language requirement of UG when they are admitted to the cooperative programmes between CAU and UG and the study arrangement in UGY, such postgraduate students can be allowed to have up to one year of improvement of English language proficiency to reach the standard.

9.3 Degrees
(1) Undergraduate degrees

Subject to an approval from China and Dutch Education Administrations and in accordance with China and Dutch Higher Education regulations, undergraduate students will be allowed to complete the programme in China and be conferred the Bachelor degrees from UG, when also enrolled at UG.

(2) Postgraduate degrees

Subject to an evaluation and approval by China’s higher education authorities in the future, postgraduate degree students admitted through UGY admission system, will be conferred postgraduate degrees from UG, when also enrolled at UG.

If it is possible, subject to an evaluation and approval by China’s higher education authorities in future, postgraduate degree students admitted through UGY admission system, will also be conferred postgraduate degrees from UGY.

Subject to an evaluation and approval by China’s higher education authorities in the future, postgraduate students admitted in cooperative degree postgraduate programmes between CAU and UG, will be conferred degrees from UG.

All degrees and diploma certificates conferred by UG to students of UGY should be the same as those of the same programmes at the UG home campus and should be accredited and verified by Dutch government.

9.4 The teaching and learning operation

(1). Organization

According to the Quality Assurance procedures of UG there are three separate and important roles in the organization of the teaching programs

(2). Programme Director

The Programme Directors will be appointed by the Deans and are responsible for the design and execution of the education programme(s) as described in the Teaching and Examination Regulations (TER) and assures that teaching and education programme(s) conform with the Quality Standards.

(3) The Education Programme Committee (Teaching Instruction Committee)

The Academic Committee will appoint Education Programme Committees that are responsible for (clusters of) education programmes. A Programme Committee has the following duties:

a. To issue advice about approval of and changes to the teaching and examination regulations;
b. To annually assess the way the Teaching and Examination Regulations are implemented and to discuss the annual student surveys;
c. To issue advice, on request or on its own initiative, to the programme director and the Academic Committee on all matters relating to teaching in the relevant degree programmes.

(4). The Examination Committee (Teaching Quality Examination and Evaluation Committee)

In addition, there will be one or more independent Examination Committees that are appointed by the Board of Directors. Each Examination Committee will have an external member from UG. The Examination Committees have the following duties:

a. To assess the results of the education programs per individual student in the context of the Teaching and Exam regulations;
b. To control that the Teaching and Exam Regulations are properly applied;
c. To advise about the testing methods of the education programs and to assure that the learning outcomes of programmes are obtained;
d. To determine rules and regulations for the exams;
e. To investigate cases of violations of scientific integrity (such as suspected fraud or plagiarism) by students or teachers that would affect the assessment of the test results of the student.

The Education Programme Committees and the Exam Committees shall be composed of faculty members with excellent academic achievements, and rich experience in teaching and some teaching administrative officials.

9.5 Quality assurance system

The Board of Directors will adopt a Quality Assurance System for UGY. The academic standards and implementation procedures shall comply with recommendations of the Quality Assurance Guidance Laws for both China and Dutch Higher Education and will entirely conform to the Quality Assurance System of UG. The implementation of the UGY Quality Assurance System will include, but not be limited to an annual review of the programs, continuous improvement of academic quality, and student and staff evaluations.

9.6 Fees

All fees shall be charged on a full academic year basis. Fees shall be set based on a calculation of the real cost of the education, as determined by the Board of Directors, and be approved by the Chinese price authorities in accordance with the laws and
regulations of China and the Netherlands. UGY will also make a number of bursaries available for talented students with limited financial resources and for international students.

9.7 Student rights and protection

The Students refer to those who receive education in UGY after being enrolled, qualified for registration and registered at UGY.

Rights of the Students include:

1. Accessing the full educational resources of UGY.
2. If UGY students are registered as a degree student of UG, they will have the same rights as other registered students at UG. These rights include: accessing the educational and information resources of UG; obtaining official transcript from UG; and being awarded a UG degree when meeting the graduation requirement;
3. Choosing majors and courses according to established rules and procedures;
4. Being conferred corresponding degrees and academic certificates after completing academic requirements;
5. Appealing against punishments or decisions made by the University and lodging a complaint against the University or educational administrative offices, and lodging a complaint or take legal action against the University or the teaching or administrative staff’s infringement on his/ her personal rights, property rights or other legal rights and interests;
6. Being given all resource support to complete the study and be awarded the opportunity to obtain a degree if there is any irregular termination of this education agreement caused by any reasons.
7. Obtain occupational and career planning guidance from UGY and UG;
8. Under the policy and regulation of academic degree management of UGY and UG, being given the necessary support to complete the study and be awarded the degree if there are study difficulties.
9. Under China’s policy and regulation of college student status registration, students may be allowed to transfer to another appropriate degree programme of UGY or another university beyond UGY if there is difficulty in the continuation of the study in UGY by a recognised reason defined by the Academic Committee of UGY.
10. Be evaluated fairly in respect of academic performance, ideology, and morality and awarded honour titles and awards when due.
11. Apply for a scholarship, student grant and student loan as per applicable regulations.
12. Participate in the democratic management of the University according to law.
(13) Take part in social work and work-study programs and organize and participate in student organizations and cultural, recreational and sports activities within the University.
(14) Other rights prescribed by laws and regulations of China as well as regulations and policy of UGY.

9.8 Staffing, Staff rights and obligations

The employees of UGY are composed of three categories, employees of UG working in UGY, employees of CAU working in UGY, and UGY contracted international employees from across the world. Within the faculty of UGY, there will be around one third (1/3) from the Netherlands, including those of UG, around one third (1/3) from other countries, while no more than one third (1/3) will be from China. Any employee working at UGY will obtain a separate working contract with UGY. The employment of staff should be proposed by the Dean or divisional director of administration office, and finally approved by the Chancellor. Academic staff will first be approved by the Vice Chancellor. Other (administrative) staff will be approved by the Chancellor. Qualification of faculty hired by UG to UGY should be not lower than faculty qualifications at UG home campus. All faculty should have at least a M.Sc. degree and two years of higher education experiences. All of the newly hired academic staff will also spend a period at UG for a training regarding the educational methods and quality assurance system of UG and an opportunity to establish joint research projects and shall also obtain an honorary (0-) appointment at UG. Rights of the employee include:

(1) Utilizing both CAU and UG educational and information resources in accordance with relevant regulations, and to enjoy corresponding benefits;
(2) Under the UGY employee development scheme, being entitled to the opportunities of receiving professional training and academic exchanges.
(3) Being consulted regarding UGY, and upholding their legitimate interests; taking part in staff council
(4) Receiving impartial assessment of their competencies and achievements;
(5) Disputing or complaining about matters concerning professional titles, positions, benefits packages, awards and commendations, disciplinary sanctions and so on;
(6) Other rights specified by the laws and regulations of China and the rules and regulations of UGY.

Obligations of the Staff include:
(1) Fulfilling all the obligations specified by the contracts between the staff and their respective employers;

(2) Valuing and upholding the reputation and interests of UGY;

(3) Performing the specified duties;

(4) Fulfilling other obligations specified by laws and regulations of China as well as the rules and regulations of UGY.

10. SUSTAINABLE DEVELOPMENT

Based on the tripartite agreement signed between CAU, UG and Yantai Municipal Government, Yantai Municipal Government shall provide administrative, capital, land use and personnel supports for the establishment of UGY. Yantai Municipal Government shall continue to increase capital investment, in addition to the existing inputs, for the sustainable development and operation of UGY.

11. INTELLECTUAL PROPERTY RIGHTS

Both CAU and UG will use their Intellectual Property Rights in the form of the education programs and the quality assurance procedures related to this Agreement as their investment in UGY. Neither Party shall expect returns from the fees to be charged by UGY with the returns being reinvested in UGY.

CAU and UG will provide a non-exclusive, non-transferable and non-assignable license to use such Party’s Intellectual Property in the form of education programmes and related quality assurance without a fee for 15 years solely and exclusively for the purpose of conducting these programmes at UGY and subject to the terms of this Agreement. This will be renegotiated after 15 years, keeping the sustainability of UGY in mind. In the event that CAU and UG agree that either Party shall assign the ownership of any of its Intellectual Property Rights to UGY as an investment, the value of such investment shall be assessed by an official intellectual assessment organisation, that will be determined in a manner to be agreed by both CAU and UG.

All concerned intellectual property rights in course materials as well as other materials or information (including but not limited to teaching programs, publications, course introductions, courseware, tests and teaching methodology, quality assurance methodology etc.) offered by either party will remain the property of the provider. Neither of the parties shall use the intellectual property offered by the other party without consent for other purposes beside UGY.
The ownership of intellectual property rights generated by a cooperative project of teaching and scientific research done by the two parties during the operation of UGY is determined upon consultation beforehand. Either party in the agreement permits the other to use its trademarks and names of organization on necessary occasions during the process of project application, recruitment and operation. The receiving party should strictly follow the permission requirements and conditions when using the trademark and name of the other party. Neither of the parties can use the trademark and name of the other on irrelevant occasions without written authorization. Both parties can no longer use the intellectual property rights which are intended exclusively for the application at UGY upon the termination of this agreement. Both parties shall take all reasonable measures to ensure that the available information relevant to this agreement is safe from damage caused by unauthorized access, application, modification or disclosure.

12. TERM AND TERMINATION

12.1 Term

The agreement will be regarded as an official and legal document for the initiation of the UGY after both CAU and UG affix their signatures to it. The term of this Agreement shall be thirty (30) years. The start will be from the date that China’s education authority authorizes the official approval to the establishment of UGY and all parties accept the conditions of this approval.

12.2 Extension of the agreement

Upon the expiration of this Agreement, both CAU and UG can jointly extend this agreement to another term with defined conditions and time in writing. If both CAU and UG agree in writing, this agreement may also be automatically extended for another thirty (30) years upon expiration.

12.3 Force majeure

Force majeure in this Agreement means an event, which is unforeseeable, unavoidable and beyond the control of any Party upon the signing hereof, including but not limited to natural disasters like fire, flood, drought, earthquakes and typhoons, and societal events like war, strikes and severe epidemics etc. To the extent a Party is prevented by an event of Force Majeure from performing part of any of its obligations under this Agreement, such Party shall be exempted from
assuming liabilities for breach arising from its inability to fulfil such obligations under the Agreement.

The affected Party must notify the other party of the details of the event of Force Majeure in writing, take effective measures to eliminate or reduce the adverse impact of such event of Force Majeure, and immediately resume performing all relevant obligations after the impact of such event of Force Majeure is eliminated or reduced.

12.4 Termination

Upon the expiration of this Agreement, both CAU and UG can jointly agree on termination of the Agreement in writing. The termination of the Agreement shall be on the condition that it will do no harm to the interests of CAU and UG, the faculty, students and other participants and should comply with the provisions of laws and regulations of China and Netherlands. Each party has the right to notify the other Party to terminate the Agreement at least one year before its expiration.

If any of the following occurs during the collaboration period, the Agreement could be terminated before the expiration:

(1) If the breaching party breaches the obligation of the Agreement or materially breaches the Agreement and such breach is not cured within three (3) months upon receipt of the written notice stating remediation requests sent by the non-breaching Party, the non-breaching Party may initiate an early termination through written notice.

(2) The Party affected by the Event of Force Majeure shall make efforts to promptly eliminate or reduce the adverse impact of it and immediately inform the other Party, and may be exempted from its obligations in the related matters. If the Event of Force Majeure continues for a period of over three (3) months and results in impossibility of performance of this Agreement, the CAU and UG hereto may initiate the termination of the Agreement through negotiation.

For the changes in the related laws and regulation that lead to the impossibility of performance of this Agreement, any Party may initiate the termination of the Agreement upon mutual consent.

The Agreement termination should be made by the CAU and UG’s mutual written agreement.

12.5 After the termination

Upon the termination of this Agreement, the CAU and UG shall:

(1) Immediately cease to operate UGY, except in respect to all Enrolled Students and the Registered Students prior to the date of termination of this Agreement;
(2) Ensure that appropriate arrangements shall be made by UGY to enable the Enrolled Students to complete their studies in due course, and continue to provide the necessary resources and materials to the Enrolled Students. The arrangement plan shall be agreed and approved by the China’s relevant authorities;
(3) Distribute the assets of UGY in the following order: a) refund of any refundable tuition fees and other fees to the enrolled students; b) payment of outstanding staff wages and social insurance premiums; c) payment of outstanding teaching costs; d) payment of other outstanding debts; e) distribution of surplus assets remaining to UGY, to the extent as permitted by China’s law, regulation and policy.

13. NON-COMPETITION

During this Agreement, both CAU and UG shall not establish any new Chinese-Dutch cooperative education institution covering the same level and same subject areas as UGY and covered by this Agreement.
UG shall commit to the development of UGY as an institutional priority. Any other Chinese-Dutch cooperative education institutions and/or programmes of UG established in Mainland China prior to or after the commencement date of this Agreement shall not be affected by this agreement but UG will endeavour to minimise any competition between the programmes and UGY.

14. REGULATORY APPROVALS

CAU and UG will cooperate for the purpose of obtaining all necessary government approval, licenses, consents and registrations and completing all relevant documentation for UGY.
CAU and UG will develop jointly a strategy for approaching the relevant government authorities in China in connection with the matters contemplated by this Agreement or otherwise concerning UGY. Each Party will, as far as possible, consult with the other Party prior to, and keep each other informed in writing on a regular and transparent basis, about any recent or proposed discussions or enquiries with the government authorities concerning UGY and provide authentic and complete copies of all approvals/licenses/permissions/registrations received by such first-named Party in this regard.

15. DISPUTE RESOLUTION

15.1 Breach and liability of breach
In the collaboration period, if any party fails to fulfil its obligation with conformity to this Agreement as stipulated, the Agreement is breached hereto. The Breaching Party shall compensate the Non-breaching Party for the loss caused by its breach with the exception of breach of this Agreement which is directly or indirectly resulting from instructions to UG from the Dutch Ministry of Education based on the central principles contained in the Dutch Higher Education and Research Act. Neither Party in this Agreement shall be liable to the other party for any indirect or consequential damages or losses.

15.2 All Disputes, which shall at any time arise between CAU and UG under this Agreement or otherwise in respect of UGY shall be resolved through the following stages:

(1) an initial informal attempt at resolution by the staff involved in the Dispute and by the Board of Directors of UGY;

(2) where a resolution cannot be achieved by the process set out, the Dispute shall be referred to the Presidents of CAU and UG;

(3) In the event that the Dispute cannot be further resolved, the Dispute may be referred forthwith by either Party to mediation, whereupon the CAU and UG shall attempt in good faith to agree to the appointment of an independent mediator and a suitable process for mediation; or refer the dispute for mediation to a forum reasonably agreed between the CAU and UG. The cost of any mediation shall be divided equally between the CAU and UG.

(4) Any dispute, controversy, difference or claim arising out of or relating to this contract, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it that cannot be solved within 3 months after the occurrence of such Dispute, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The law of this arbitration clause shall be Hong Kong law. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in the English language.

(5) During any Dispute it is mutually agreed between the CAU and UG that they shall continue their respective performance of the provisions of this Agreement and that nothing in this Clause shall prevent the CAU and UG at any stage from pursuing legal resolutions and any other rights and remedies available to them under this Agreement.

(6) No matter what the resolution of the Dispute finally achieves, both CAU and UG will apply all respective resources and capabilities to continuously operate the programs for students who have been admitted, until their successful graduation.
16. IMPLEMENTATION

This Agreement is made for the benefit of the CAU and UG hereto and their respective lawful successors and assignees and is binding on them. This Agreement shall not be changed orally, but only by a written instrument signed by the legal or authorized representative of the CAU and UG with the official seal of respective organisation.

Other important matters not mentioned herein shall be settled through further consultations between the CAU and UG. The supplemental agreements will be signed between the CAU and UG when new conditions and terms are agreed. The agreement and supplemental agreements are bonded legal documents and each one has the same effect.

This Agreement shall take effect by both CAU and UG when it is officially approved by the education authorities of both Netherlands and China.

17. LIQUIDATION

If parties decide to dismiss and liquidate UGY according to the regulations of the agreement, the Board of Directors should:

(a) Formulate detailed liquidation procedure according to the basic programs and principles made by the Board of Directors of UGY.

(b) Set up a Liquidating Committee to carry out the asset liquidation of UGY.

Members of the Liquidating Committee should be nominated (based on equal ratio in the Board of Directors) by the parties of the agreement and Yantai (according to the stipulation of three-party agreement of cooperation in running schools), plus one representative from an auditing firm. If the Board of Directors or the Liquidating Committee cannot decide within sixty (60) days, a fair trading liquidation specialist appointed by the Hong Kong International Arbitration Centre (HKIAC) located in Hong Kong Special Administration Region, can make the decision.

The tasks of the Liquidating Committee include the conduct of a complete audit of the assets and liabilities of UGY (including creditor’s rights and liabilities), making balance sheets and asset inventories, evaluating and calculating assets and liabilities, formulating liquidation plans, submitting liquidation plans to the Board of Directors to be approved, and implementing the liquidation plan upon receiving approval.

The basis for the evaluation of assets that is planned for liquidation should be the current open market value of appraised assets of the parties (either party of the agreement or Yantai Municipal Government can be included).
The liquidation of all debts and liabilities of UGY as well as the payment of any net asset (“net asset”) after tax regulated by the Chinese law should be based on the agreement and three-party agreement of cooperation in running schools, and the funding proportions of all parties should take back the investment in UGY from the net asset.

If closure, liquidation, receivership or equal procedures (hereinafter referred to as “bankruptcy case”) are conducted to one party of the agreement, the party (hereinafter referred to as “the bankruptcy party”) should be deprived of all rights in the agreement and inform the other party of the agreement (hereinafter referred to as “the solvency party”) of the bankruptcy. The solvency party is entitled to (not required to) notify the bankruptcy party within sixty (60) days after receiving the notification of bankruptcy to acquire any rights and interests of registered capital of the latter in UGY.

18. MISCELLANEOUS

18.1 Communication

All notices and demands of any kind which any Party to this Agreement may be required or desired to serve upon another party under the terms of this Agreement shall be in writing and shall be deemed to have been effectively given if written in the English language and served by personal service, air courier or facsimile at the following address:

If to CAU
Director, International Office
China Agricultural University
Main Administration Building, East Campus
Qinghua East Avenue, Beijing, 10083
Fax: 86 10 62737704

If to UG
President, University of Groningen
University of Groningen
Broerstraat 5, PO Box 72, 9700AB, Groningen, the Netherlands
Fax number: +31 50 363 4847

18.2 Change of address
The address to which notices and demands shall be delivered or sent may be changed from time to time by written notice served by a Party upon the other Party in accordance with this Agreement.

18.3 Modification

This agreement may be modified or amended from time to time by mutual agreement of the CAU and UG. However, no modification, amendment, or supplement to this Agreement shall be binding unless executed in writing by a duly authorised representative of each party.

18.4 Waiver

There shall be no waiver of any term, provision or condition of this Agreement unless said waiver is evidenced in a written document duly signed on behalf of the waiving party. No such waiver shall be deemed to be or construed as a continuing waiver of any such term, provision, or condition unless the writing that evidences such waiver states to the contrary. The waiver by any Party of any of its rights or remedies under this Agreement in a particular instance shall not be considered as waiver of the same or different rights or remedies in subsequent or prior instances.

18.5 Duty of confidentiality

In the process of signing and performing of this Agreement, any of the Parties has the duty of confidentiality on the clearly-announced confidential information of the other Party and on other confidential information which could bring competitive advantages to it.

Except for providing the information to the universities of the Parties, professional consultants or governmental organisations of the Parties for the operation of UGY, neither Party shall disclose the confidential information through the above mentioned way to any third party except with prior written permission of the other Party.

18.6 The versions and copies of the agreement

This Agreement is executed in the Chinese language in three (3) originals and in the English language in three (3) originals. The content of the English version shall be consistent with the Chinese version and of equal legal value. Each party shall hold one bilingual original. CAU shall submit one original to the China’s education authorities for approval.

19. THE ATTACHMENT

19.1 The Feasibility Report of the establishment and development of UGY
19.2 The Tripartite Agreement of CAU, UG and Yantai Municipal Government
19.3 The Preparation Report on Education Infrastructures and Facilities of UGY
19.4 The Preparation Report on Academic Degree Programmes and Research (4 programs at the initial year)
19.5 The official letter from the Dutch Government for the solution of conferring Dutch degrees to Chinese students study in China
Signed by:

China Agricultural University

Address: No. 2 Yuan Ming Yuan Xi Lu, Beijing, People’s Republic of China
Fax Number: +86 10 6273 2713
Email Address: kc@cau.edu.cn

Signature: 

Name: KE Bingsheng Position: President

Date:

University of Groningen

Address: Broerstraat 5, PO Box 72, 9700AB, Groningen, the Netherlands
Fax number: +31 50 363 4847
Email Address: s.poppema@rug.nl

Signature: 

Name: Sibrandes POPPEMA Position: President

Date: