

## **Agreement of Entrustment for King Sejong Institute**

This Agreement is made and entered into by and between the King Sejong Institute Foundation (hereinafter referred to as party "A") and \_\_\_\_\_ (hereinafter referred to as party "B") with respect to entrustment of operations of \_\_\_\_\_ King Sejong Institute for the purpose of disseminating the Korean language as a foreign or a second language and Korean culture as follows:

**Article 1 (Purpose and Term of Agreement)** ① During the term of this Agreement, "A" shall provide "B" with support funds as defined in Article 3, and "B" shall operate the \_\_\_\_\_ King Sejong Institute (hereinafter referred to as "Institute") to disseminate Korean language and Korean culture. ② The term of this Agreement for the operation of the Institute shall be from 01/07/2017 until 31/12/2017. Based on "B"'s operating results during this term, "A" shall decide on the renewal of the contract within a separately determined timeframe.

**Article 2 (Fulfillment of Contract)** ① "B" shall faithfully carry out its duties and responsibilities as stipulated in this Agreement.

② Matters not stipulated in this Agreement shall be decided upon following the King Sejong Institute Operation Regulations and the King Sejong Institute Operation Guidelines. In the event that neither contain relevant clause or the contents needed, "A" and "B" shall reach a conclusion through mutual consultation.

**Article 3 (Entrustment Amount and Project Funds)** ① "Entrustment amount" shall refer to the support funds, which is applied by "B" and reviewed by "A" and then finally approved and notified according to the procedures under the King Sejong Institute Operation Regulations and the King Sejong Institute Operation Guidelines for each operating duration.

② "Project funds" shall refer to the total investment amount made by "A" and "B" to operate the Institute, which include the support funds provided by "A," the funds

provided by "B" (hereinafter referred to as "Institutional funds"), and any other profits, etc. from the operations of the Institute.

**Article 4 (Application for Support Funds and Notification of Approval)** ① During the term of this Agreement, "B" shall file an application with "A" for support funds by each operation period no later than at least sixty (60) days before the commencement date of the operation period, and obtain approval from "A."

② "A" shall review relevant documents of the application pursuant to Paragraph 1, and then modify the application in consultation with "B" and grant final approval thereof no later than thirty (30) days from the date of its receipt.

**Article 5 (Payment of Support Funds)** ① "B" shall open a bank account in the name of the Operating Institution and manage support funds independently; provided, however, that if it is seriously difficult to open a dedicated account due to local circumstances, it may be determined differently in consultation with "A."

② "A" shall remit the support funds for the Operation Project of King Sejong Institute (hereinafter referred to as the "Project") to "B"'s dedicated account for support funds; provided, however, that "A" may change the timing of payment and the amount of the funds in consultation with "B."

③ "B" shall sincerely execute the total Project funds specified in this Entrustment Agreement (hereinafter referred to as the "Agreement").

④ If "B"'s Institutional funds have been administered in a reduced amount compared to that of the total project funds finalized when this Agreement has been set, "A" may change and pay support funds for the next term considering changes of total budget, a percent of reduction, etc.

**Article 5-1 (Submittal of Performance Guarantee Insurance Policy)**

① Upon "A's" notice on the provision of a support fund, "B" shall submit a performance guarantee insurance policy for the year before "A's" payment of the support fund. When "B" fails to submit the insurance policy, "A" may decide to cancel the plan to provide the support fund.

② The performance guarantee insurance stated in the foregoing ① shall state

that it concerns “A’s” support fund for the year and the insurance period shall be set as follows.

- For the year 2017: 01/07/2017 - 08/2018 (from the first day of the project period through eight months after the end of the project period)

③ All expenses for issuance of the performance guarantee insurance policy shall be borne by “B”. The expenses may be taken out of the support fund if need be.

④ Where it is difficult to acquire a policy from a Korean financial institution, a guarantee issued by a government-run bank of the relevant country shall be submitted.

**Article 6 (Start of Project)** ① "B" shall start classes for the Institute within two (2) months after signing the Agreement. However, in the event that classes for the Institute are delayed due to local circumstances and the like, "B" shall obtain approval from "A" without delay.

② In the event that "B" does not commence classes without reasonable grounds within two (2) months after this Agreement is entered into, "A" may designate a certain period and request "B" to commence classes within the period. In the event that "B" does not commence classes within the period, "A" may terminate this Agreement pursuant to Article 16 Paragraph 1 Subparagraph C.

**Article 7 (Change of Operating Institution)** In the event that "B" intends to change the Operating Institution pursuant to Article 8 of the King Sejong Institute Operation Regulations, it shall give "A" a prior request to change and obtain approval from "A."

**Article 8 (Project Report)** ① "B" shall report to "A" with regards to the operation within the following periods according to the King Sejong Institute Operation Regulations and the King Sejong Institute Operation Guidelines:

A. Monthly Report: by the third day of a month immediately following a month when a report is executed;

- B. Report of Result of Operation and Settlement of the King Sejong Institute: within fifteen (15) days after the end of an operating duration;
- C. Self-evaluation Report for Operation of the King Sejong Institute: within one (1) month after the end of the operating duration;
- D. Student Satisfaction Survey Report: within one (1) month after the end of a semester; and
- E. Other Reports: within the period specified in the King Sejong Institute Operation Regulations and the King Sejong Institute Operation Guidelines.

**Article 9 (Operational Changes)** ① In the event that "B" intends to change the following matters while performing operation, it shall obtain approval from "A" as specified in the King Sejong Institute Operation Guidelines:

- A. Change of use of support funds and profits;
- B. Modifications of the operation plans; or
- C. Change of the director of the King Sejong Institute.

② "B" shall give "A" advance notice of the following matters other than those in Paragraph 1:

- A. Change or employment of teachers and operational staff;
- B. Change of a plan for use of institutional funds; or
- C. Change of curriculum.

③ In the event that there is a change related to the operation in matters other than in Article 8 Paragraph 1 or 2, "B" shall report to "A" and discuss the matter with "A."

④ "B" shall file an application for change of the operation plan no later than one (1) month before the end date of the operating duration specified in this Agreement.

**Article 10 (Administration of Project Funds)** ① "B" shall administer the project funds in conformity with the purposes of support funds within the business period, within the limit of support funds finalized and notified by "A" according to the administration plan under the budget plan that is finally submitted by "B."

② The project funds including support funds, institutional funds, and profits shall be administered according to the plans in Paragraph 1.

③ "B" may not convert "A"'s support funds into its institutional funds or profits and vice versa.

④ If need be, "B" may change the plan for using the support fund after obtaining "A's" approval in advance. In the event that a support amount does not exceed 40% of the fixed budget amount (or 20% in the case of labor/business promotion expenses), "B" may proceed with the plan on its own, but shall include the details of such a change to "A" in its monthly report.

⑤ In the event that "B" intends to newly establish a category or detailed items of expenditure within the support funds or convert one item of expenses into the other, it shall file an application for change of budget with "A" and obtain prior approval from "A."

⑥ "B" shall make efforts to minimize non-execution of the support funds and its institutional funds by administering the support funds and institutional funds made to them in a balanced way in executing the project funds.

**Article 11 (Processing of Profits)** ① "Profits" shall refer to the proceeds from the operations of the Institute, including "B"'s tuition fees for the Institute.

② "B" shall manage profits in an independent account separate from that of the support funds and institutional funds so that the income and expenditures are clarified.

③ "B" shall use the profits by obtaining prior approval from "A," but it shall report to "A" regarding the details of profits and uses thereof.

④ "B" shall not use the profits accrued under Paragraph 1 at will for purposes other than the operation purpose of operating the Institute.

⑤ When designation as a King Sejong Institute is revoked or this Agreement is terminated, the remaining profits commensurate with a relevant percent of the support funds shall be returned to "A" considering the rates of support funds and institutional funds under this Agreement.

**Article 12 (Institutional Funds)** ① Institutional funds shall refer to the contributions voluntarily made by "B" for operations of the Institute other than the profits specified in Article 11.

② "B" shall include its institutional funds on a budget plan and a settlement statement, and report the details of use to "A."

**Article 13 (Settlement of Project Funds)** ① "B" shall submit to "A" a settlement statement for the project funds (including the support funds, institutional funds made to them, profits) administered within a relevant operating period by the period specified in Article 8. In this case, the submission method shall follow the King Sejong Institute Operation Regulations and the King Sejong Institute Operation Guidelines.

② When a settlement statement for project funds is to be reported, in principle, the original copies of settlement related documents, including documentary evidence, shall be submitted; provided, however, that when the submittal of original copies is impossible due to local laws or regulations by the operating institution, copies may be submitted with appropriate notarization in accordance with local laws. In this case, "A" may ask "B" to submit a written confirmation that ensures the copy to be the same as the original.

③ "A" shall review a settlement statement submitted by "B," and finally settle and approve relevant project funds within a relevant operation period.

④ In the event that "A" redeems some of the support funds, it shall notify "B" of an amount required to be returned and the details thereof. In this case, "A" may request "B" to provide materials necessary to calculate an amount to be redeemed and 'B' shall comply therewith.

⑤ 'B' shall either submit explanatory materials or return an amount requested by "A" within fourteen (14) days after its receipt of a notice from "A" pursuant to Paragraph 4.

⑥ In principle, "B" shall return to "A" the amounts not administered out of the support funds, interest accrued on the support funds, foreign exchange profits, etc.; provided, however, that if the amounts to be returned are small, an exception may be made considering payment of fees for remittance, etc.

⑦ If necessary, "A" may conduct on-site auditing. In this case, "B" shall provide active cooperation for "A"'s auditing.

⑧ In principle, all the submitted documents including documentary evidence for accounting shall be retained for five (5) years. In this case, upon request by "A" for the retained documents, "B" shall forthwith submit the documents.

**Article 14 (Curriculum and Use of Standard Textbooks)**

① "B" shall establish and operate a basic curriculum based on "A's" King Sejong Institute Curriculum throughout the contract period.

② The basic curriculum stated in the foregoing ① shall use "A's" standard textbooks (i.e. Sejong Korean, Sejong Korean Conversation, Sejong Korean Culture) as its main textbooks.

**Article 15 (Project Evaluation, etc.)** ① "A" may conduct evaluation for the project entrusted to "B."

② "A" may organize an evaluation committee, conduct evaluation for the operation of "B," and reflect the results in entering into an Agreement or in paying the support funds.

**Article 16 (Rescission or Termination of Agreement)** ① In the event that "B" falls under each of the following cases, "A" may terminate this Agreement with "B":

A. In the event that designation as a King Sejong Institute has been revoked under the King Sejong Operation Regulations or the King Sejong Operation Guidelines;

B. Other unavoidable instances that prevents "A" from paying support funds to "B"

C. In the event that "B" has not commenced classes for the Institute without reasonable grounds within two (2) months after this Agreement is entered into.

② Consequences upon Rescission or Termination of Agreement

A. In the event that this Agreement has been terminated, "B" shall suspend all the works related to the Institute and return to "A" the support funds commensurate with the remaining term of this Agreement, and any foreign exchange profits or interest accrued from the support funds, etc. In the event that this Agreement has been rescinded as a result of use of the support funds for other purposes, "B" shall return

to "A" the support funds that have already been paid and any foreign exchange profits or interest accrued from the support funds, etc. as well.

B. In the event that this Agreement has been rescinded or terminated, "B" shall turn over the materials and equipment of the Institute it has purchased with the support funds, to its adjacent King Sejong Institutes or diplomatic offices of the Republic of Korea, the Korean Cultural Center, institutions for disseminating the Korean language, etc. as designated by "A" within one (1) month from the date of its receipt of a notice of rescission or termination, and make them available for use.

C. "B" shall inform students, etc. of the content independently notified by "A" for one (1) month from the date of its receipt of a notice rescission or termination in order to ensure that students and users of the Institute whose Agreement has been rescinded or terminated may use adjacent King Sejong Institutes.

**Article 17 (Confidentiality Obligation)** Not only during the term of this Agreement but also even after expiration of the term of this Agreement or rescission or termination of this Agreement, "B" shall not disclose the provisions and performance of this Agreement that it has acquired in the course of performing its duties, and any confidential information out of related matters; provided, however, that the term of confidentiality obligation may be decided upon by "A" and "B" in consideration of local laws and involved institutions.

**Article 18 (Transfer Prohibition of Contract Rights and Obligations)** "B" cannot transfer its rights or obligations stated in this Contract to a third party without a written approval from "A."

**Article 19 (Business Participation Restriction)** ① "A" holds the right to limit "B" from participating in new businesses for three years in the occurrence of the following events:

A. In the event that this Agreement is rescinded or cancelled according to the King Sejong Institute Operation Regulations or the King Sejong Institute Operation Guidelines



B. In the event that "B" received two or more 'warnings' from "A" for not complying with this Agreement

C. In the event that "B" received a 'caution' or 'warning' from the Business Evaluation and Financial Auditing conducted by "A"

D. In the event that "B" embezzled support funds

**Article 20 (Governing Law)** The law of the Republic of Korea shall act as the governing law regarding all aspects of this Agreement including but not limited to the interpretation, performance, and effectuation of this Agreement. However, provided that "A" and "B" reach an mutual understanding, a law of another country can the governing law for the Agreement.

**Article 21 (Force Majeure)** In the event where the Agreement is all or in part impossible to perform or delayed for implementation due to wars, revolutions, riots, strikes or other forms of labor disputes, fires, floods, typhoons, regulatory measures taken by the government or other reasons that cannot be controlled by "A" or "B", "A" and "B" shall not be responsible for non-fulfillment of obligation on the grounds of force majeure. The parties do, however, bear the responsibility to inform the other party of the occurrence of force majeure instances. When the force majeure situation has been resolved, the affected party shall resume its obligations unless the Agreement has become null and void.

**Article 22 (Dispute Resolution)** Any dispute in connection with or derived from the Agreement shall be amicably settled between "A" and "B" through mutual agreement. However, disputes that could not be settled through mutual understanding shall fall under the jurisdiction of a court in the Republic of Korea or the jurisdiction in which the Agreement has been signed and sealed by both parties.

**Article 23 (Language of Agreement)** ① The Agreement shall be provided in both Korean and English; provided that when "B" is located within a non-English-speaking country, a translated Agreement in that country's language may be attached.

② Both the Korean version and English version of the Agreement stated in Paragraph 1 shall be equally effective. However, the Korean version will take precedence in the event where there are disagreements over interpretation between the parties arise in regards to the Agreement.

**Article 24 (Effect of Agreement)** This Agreement shall come into effect when "A" and "B" verify the contents and find that there are no conflicting of opinions between both parties, mutually sign and seal this Agreement that has been drafted pursuant to Paragraph 1 of Article 23. In order to prove the formation of this Agreement, "A" and "B" shall each retain one copy of the Agreement signed and sealed by both parties.

(Date: )

A	Name of Institution/Representative: King Sejong Institute Foundation, President SONG, Hyangkeun (signature)
	Corporate Registration Number: 109-82-07761
	Address: 11F, 12F Seocho Pyeonghwa building, 22, Banpo-daero, Seocho-gu, Seoul, Republic of Korea
B	Name of Institution/Representative: (signature)
	Corporate Registration Number:
	Address: