

OPERATING AND COOPERATION AGREEMENT

I. Parties agreeing to operate together:

- **CEU Central European University Private University¹**, is an Austrian accredited private university operating on the basis of § 2 Abs.1 Zi. 1 Private University Act (PUG), in accordance with the effective statutes regulating the operation of non-public higher education institutions (hereinafter: "CEU PU"), and
- **Közép-európai Egyetem**, is an Hungarian accredited private university operating on the basis of Act CCIV of 2011 on National Higher Education, in accordance with the effective statutes regulating the operation of non-public higher education institutions (Registration No.: FI 27861; Seat: 1051 Budapest, Nádor u. 9.; hereinafter: "**KEE**").

CEU PU and KEE shall be referred to hereinafter individually as the "Party", collectively as the "Parties".

PREAMBLE

CEU PU and KEE are registered as legally distinct Austrian and Hungarian entities which operate as a single academic community. Each complies with the laws in each country and with the accreditation requirements in each. They have a coordinated governance structure and internal policies as well as human and physical infrastructure.

Sec 3 para 3 second sentence of the Austrian Private University Act ("**PUG**") allows joint academic programs based on a cooperation agreement between one or more private universities and foreign recognized post-secondary educational institutions in the form of joint, double or multiple degree programs.

In accordance with Sec 3a PUG and with a wish to run programs integrated to the maximum extent possible, Parties to this operating and cooperation agreement (hereinafter as the "Agreement") shall put in place a coordinated academic and administrative structure to the extent permitted by law and by observing efficiency. Such coordinated structure will apply to the university's leadership, educational, academic, student welfare systems and to every other field possible unless divergence in the applicable law or considerations of efficiency require otherwise including but not limited to the implementation of the joint academic programs and the determination of the workload/level to be achieved by the respective students of both Parties.

The Parties operate an integrated teaching system. The Parties set the goal that studies in individual subjects, the grades achieved, and credits obtained be taken into account in the programs of both Parties.

II. Registered office, administrative seat and postal address

The registered office, administrative seat and postal address of CEU PU is at Quellenstrasse 51, 1100 Vienna, Austria.

The registered office, administrative seat and postal address of KEE is at Nádor u. 9., 1051 Budapest, Hungary.

III. Use of real estate, assets and facilities

CEU PU runs its academic programs in Austria in the real estate sub-leased from BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (FN 205340x; Georg-Coch-Platz 2, 1018 Wien, Austria), located at Quellenstrasse 51, 1100 Vienna, Austria.

¹ CEU Central European University Private is operated by CEU GmbH, a limited liability company with its seat in Vienna and its business address at Quellenstraße 51, 1100 Vienna, Austria, registered with the Austrian commercial register under the register number FN 502313x.

KEE runs its academic programs in Hungary in the real estates owned or leased by itself or by CEU Oktatási-Szolgáltató Nonprofit Korlátolt Felelősségű Társaság, a company owned by KEE, based on rental agreements with the owner or the lessee of the real estates located at:

- 1051 Budapest, Nádor u. 9-15, Hungary
- 1051 Budapest, Október 6 u. 7., 12., 14, Hungary
- 1051 Budapest, Arany J. u. 32., Hungary
- 1051 Budapest, Zrinyi u. 14., Hungary
- 1051 Budapest, József A. u. 24., Hungary
- 1106 Budapest, Krepesi út 87., Hungary
- 1015 Budapest, Szabó Ilonka u. 7., Toldy Ferenc u. 8-10., Hungary

Assets and any other facilities (such as IT equipment, books, furniture and other facilities) will be shared between the Parties based on separate agreements.

IV. Academic cooperation of the Parties

CEU PU is accredited in Austria as a private university by the Agency for Quality Assurance and Accreditation Austria. CEU PU provides its own programs (bachelor's, master's and doctoral) as well as the programs of Central European University, New York² (bachelor's, master's and doctoral) (hereinafter "CEU NY"). Furthermore, CEU PU continues some programs of KEE, as well as the mission, records and academic cooperation of KEE.

The master's programs and doctoral schools of KEE are accredited by the Hungarian Accreditation Committee (MAB). KEE provides its own programs in Budapest.

The Parties shall cooperate with each other in relation to their academic programs pursuant to Sec 3 para 3 second sentence PUG. Such academic cooperation shall also include sharing and recognizing each other's academic programs, degrees, certificates and diplomas, as permitted by the applicable laws. To that end, students participating in programs accredited in the systems of both of the cooperating Parties will be granted two separate degrees at the end of their studies, if they satisfy the graduation requirements of the respective accreditations. Each Party shall issue the certificates and diplomas according to the applicable academic requirements and in full compliance with the applicable rules of higher education.

The Parties operate an integrated teaching system and they agree that their students may transfer credits between the programs offered by KEE and CEU (PU), to the extent permitted by the laws in force at all times.

The Parties agree that any externally funded programs may be transferred between them, as allowed by the founding party. The transfer of such externally funded programs shall be set forth in separate agreements.

The Parties to this Agreement work together closely in order to establish academic exchange programs between both states of origin in the future. The Parties are also dedicated to cooperation with other higher education institutions for the purposes of running joint academic and research programs for the benefit of their students and academic staff.

V. Cooperation of the Parties in research projects

The Parties agree to cooperate with each other in research projects (hereinafter referred to as a "Project"). Any result, material, product, know-how, software, test, data or information generated by either Party in the course of a Project may be shared with the other Party (hereinafter referred to as "Access Rights"), unless such access is subject to legal restrictions or limits, including those imposed by the rights of third parties. Such Access Rights shall be agreed between the parties in a separate

² Central European University, New York is accredited in the United States of America, having its registered office in New York and permitted to operate in Austria by AQ Austria in Resolution No. V/047/2017 dated on June 30, 2017.

agreement to be concluded in relation to a specific project.

VI. Teaching staff

The Parties may second their teaching staff to each other. The terms of secondment between the Parties shall be established in a separate agreement or in the respective employment agreement(s). Some members of the Faculty may be employed by both Parties based on a shared employment agreement³.

VII. Administration and administrative services

Administration related to the operation of CEU PU and KEE is organized in Budapest and/or in Vienna at the administrative unit(s) operated by each Party and/or jointly by the Parties.

Any other entity related to KEE or CEU PU may further ensure adequate administrative services necessary to the operation of the Parties.

VIII. Students

Students who apply to programs accredited in Austria shall apply to CEU PU and shall have a study agreement with CEU PU.

Students who apply to programs accredited in Hungary shall apply to KEE and shall have a study agreement with KEE.

Students can be enrolled at the programs of both Parties at the same time, as permitted by the applicable laws.

IX. Sharing of information

To the extent permitted by the applicable laws and observing the requirements thereof, CEU PU and KEE shall cooperate with each other and share information including personal data of students and employees in order to advance the integration of the two institutions. The terms of this data sharing between the Parties shall be established in a separate framework agreement.⁴

X. Policies

CEU PU and KEE shall both have policies as mandated by the applicable Austrian and Hungarian laws respectively. In addition, the Parties endeavor to have common policies to the extent practical and permitted by law.

On all policies it shall be mandatorily indicated whether such policy is a policy of CEU PU or KEE or both.

XI. Finances and funding

Parties to this cooperation agreement shall manage their finances separately.

The long-term sustainability of CEU PU's and KEE's operation has been guaranteed by the establishment of the Endowment Fund for the exclusive and sole benefit of the cooperating Parties. The Endowment Fund is housed in CEU Foundation Holland. The Endowment Fund is set aside for the sole purpose to cover the yearly operation costs of the Parties.

The Parties agree that any financial support (including specifically, but not limited to any funds, grants, stipends, etc.) received by either Party may be transferred to the other Party as allowed by the funding

³ Shared employment agreement: one employment agreement with two employers including CEU PU and KEE, as employers, for the same task and with the same conditions.

⁴ Assuming that the parties will share large amounts of data over a long time period, the parties should conclude a separate data sharing framework agreement, in order to establish a structured approach towards GDPR compliance.

party.

Further areas of financial cooperation are listed in the Annex.

XII. Other services provided by the Parties

The Parties may provide services to each other as set forth in a separate services agreement.

XIII. Entry into force and effect of the agreement

This Agreement enters into force on the first business day following its execution by both Parties on the date indicated below and is concluded for an indefinite period of time.

The Parties may terminate this Agreement at any time by mutual agreement in writing. However, if the Parties decide to terminate their joint academic program, they are obliged to make such arrangements to enable the respective students to complete their studies within a reasonable period of time, which shall in any case cover the duration of their studies plus two semesters (Sec 3 para 3 last sentence PUG).

XIV. Miscellaneous

This Agreement shall be governed by and construed in accordance with Austrian law, to the exclusion of the conflict of law rules of Austrian Private International Law and the UN Sales Convention.

The competent court at the corporate seat of CEU PU having jurisdiction over the subject-matter shall have exclusive jurisdiction to settle any disputes arising out of or in connection with this Agreement or related to its creation, validity, nullity, interpretation, performance and termination as well as its pre- and post-contractual effects, unless otherwise provided by mandatory law.

Should any term hereof or a subsequent amendment or modification be or become ineffective, invalid or unenforceable, this shall not affect the effectiveness, validity or enforceability of the remaining terms. Should any term be ineffective, invalid or unenforceable, the parties agree on an effective, valid or enforceable term which closest reflects the ineffective, invalid or unenforceable term economically.

Date and place: May 15, 2020, Budapest

Central European University Private
University



represented by:
Liviu Matei
Proxy

Közép-európai Egyetem



represented by:
Michael Ignatieff
Rector

Annex: Areas of financial cooperation

Annex
Areas of financial cooperation

- 1) Collection of fees by KEE on behalf of CEU PU and transferring them to CEU PU, including:
 - a. Tuition fee
 - b. Enrollment fee
 - c. Application fee
 - d. Registration fee
 - e. Any other fees
- 2) The Finance office staff will have shared contracts which will govern the time allocation between the Parties. To be regulated in a separate contract.
- 3) SAP licenses and any expenses regarding new developments to be shared between the Parties