

AGREEMENT ON AGRICULTURAL RESEARCH AND PRODUCTION COOPERATION

Between

National Agriculture and Forestry Research Institute (NAFRI)

And

Xuanye (Lao) Co., Ltd/Hunan Academy of Agricultural Sciences

**National Agriculture and Forestry Research Institute (NAFRI), Ministry of
Agriculture and Forestry, Lao P.D.R.**

**Address: Nongviengkham village, Xaythany District, Vientiane, Lao PDR, P.O
Box 7174, hereinafter referred as "Party A".**

**Xuanye (Lao) Co., Ltd/Hunan Academy of Agricultural Sciences (HUNAAS) of
P.R. China, hereinafter referred as "Party B".**

In order to promote in-depth development of agricultural cooperation between China and Laos, to provide assistance to improve Laos' agricultural technology and productivity, and to achieve mutual benefit and win-win cooperation, through friendly negotiation and adherence to the principles of the voluntary, equality and mutual benefit and common development, Party A, Party B, decided to use the respective advantages to reach an agreement on the project of Agricultural Research and Production Cooperation (hereinafter referred as "the project"). Party A, Party B, hereby reach a consensus on relevant matters, and entered them into this agreement as follows:

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I. COOPERATION TARGET:

Combining the actuality of Lao agriculture and based on the existing ecological agriculture resources and industry characteristics, the two parties will join hands to carry out the research into a modern demonstration base on rice breeding, research, demonstration and mechanized rice production with high and stable yield and ecological security. By improving the quality of cultivated land, the Parties will join hands to improve rice quality and yield, promote "Chinese high quality conventional rice seeds, Laos native and improved rice seeds and Chinese advanced rice cultivation techniques", increase the export volume of high quality rice, explore and gather replicable and extendable experience, drive local farmers to increase production and income, and to build the agricultural research and production cooperation project "a pioneer" in agriculture development of Laos, "a test field" for increasing yield, "a model plot" of Chinese modern agricultural development, "an accelerator" for friendly exchanges between China and Laos. The agricultural research and production cooperation project will help promoting the agricultural transformation of Laos, with radiation to promote the agricultural development in Southeast Asia, to build Lao-agriculture brand, to achieve the goal of "going global" of agriculture technology and "bringing back" of high quality products, so as to achieve the extensive social and economic benefits.

II. COOPERATION PURPOSE:

1. To build and develop in long term friendly cooperative relationship for both sides of Lao and Chinese.
2. To establish effective research cooperation mechanism for improving the rice seed production system to achieve both quality and quantity for dissemination to farmers for producing quality and quantity of paddy for processing quality white rice for exporting to China.

III. COOPERATION SCOPE:

To establish the China-Laos Agricultural Research and Production Cooperation Project, mainly focuses on the whole industrial chain of rice breeding, production,

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processing, marketing and combines related studies of other vegetables, fruits, tea and other crops.

IV. COOPERATION TERM:

The term of cooperation shall be 20 years, effective from 01/08/2018 to 02/08/2038, and project will be divided into two phases, where Phase one is expected to start from 01/08/2018 to 01/08/2028 and Phase 2 is from 02/08/2028 to 02/08/2038. In every five years project shall be evaluated progress of implementation. After completing, the project must be evaluated, in the event the project progress is good and accepted by both parties, Party A and Party B can sign an agreement to extend the project.

V. RIGHTS AND OBLIGATIONS:

1. Rights and Obligations of Party A:

1.1. Party A shall try best to obtain supportive agricultural policy from Laos and apply to assistance funds from Chinese government for research and development expenditure of the agricultural research and production cooperation project.

1.2. Party A is responsible for providing land in Vientiane for research and demonstration which is approved by the two parties for construction of facility for breeding, research and seed production related to the project activities, as well as office and living area for personnel joining the project, etc., ensuring that the land use term and the cooperation term of this agreement are the same, so as to ensure that the research and production activities shall be achieved on time.

1.3. Party A is responsible for coordinating with the Department of Agriculture and other related departments under Ministry of Agriculture and Forestry of Lao P.D.R. for the approval of quality certification of rice seeds, and other crops seed produced under the project.

1.4. Party A is responsible for producing rice seed and other seed crop based on technical requirements from Party B to achieve quality for exports.

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1.5. Party A is responsible for providing seed on time to Party B, where seed of the new varieties which are developed under the project will sell to Party B only. Unless agreed by Party B, the rice seeds and others crop seed grown under the project shall not be sold to customers except for Party B.

1.6. Party A is responsible for project management, accommodation of scientific research cooperate with Party B to facilitate inspection from governments of China and Laos, as necessary.

1.7. Party A shall have exclusive rights to the original resources, breeding materials, plant varieties and technical achievements of Laos, and have the common ownership for the research and development results of the project. Benefit sharing of the use of Lao new rice seeds varieties jointly researched by both parties under the project for commercial production to NAFRI.

1.8. Party A shall have rights of any construction of the facilities in NAFRI and management in all aspects of the project, including production, operation and daily life, etc.

1.9. Real property and facilities shall belong to Party A, after project end.

1.10. Project director shall be from NAFRI.

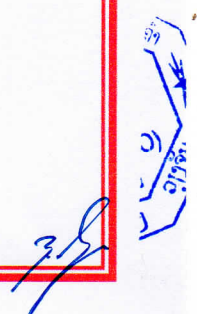
2. Rights and Obligations of Party B:

(A) Rights and Obligations of Xuanye (Lao) Co., Ltd:

A.1. Be responsible for coordinating the relations of relevant departments between China and Laos, building and promoting the construction of project and demonstration base under the project.

A.2. Be responsible for promoting and selling rice seed to the market and buy back paddy from farmer for processing white rice, packing, brands as well as other crop developed under the project for export to China.

A.3. Has exclusive sales rights of the production under the project.

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A.4. Be responsible for confirming the area and number of the varieties for production, based on market situation.

A.5. Be responsible for purchasing rice seeds and other crops seed produced by NAFRI under project, which is met the quality standards with price agreement.

A.6. Has rights of using and management aspects of the project including production, operation and daily life, etc.

A.7. Responsible for coordinating with the Department of Agriculture, Ministry of Agriculture and Forestry of Lao P.D.R. and Ministry of Industry and Commerce for the approval of quality certification of white rice and other crops produced under the project for export to China.

(B) Rights and Obligations of Hunan Academy of Agricultural Sciences:

B.1. Try best to obtain the supportive funding under China's agricultural policy for research and development expenditure of the project.

B.2. Provide techniques to improve quality of cultivated land, increase yield with quality of rice seeds, produce high-quality or paddy rice, and breeding for development new varieties and other crops.

B.3. Provide technical guidance to the project.

B.4. Regularly dispatch agricultural experts following consensus of all parties with free of charge to conduct experimental demonstration, personnel training and agro-technical popularization.

B.5. Has exclusive rights to the original resources of breeding materials, plant varieties and technical achievements brought to Laos from China, and also have the common ownership for the research and development results of the project.


B.6. Has common rights of using and management aspects of the project support by Hunan Academy of Agricultural Sciences, including production, operation and daily life, etc.

B7. Be responsible for providing training opportunities in relation to agriculture production and processing in Laos and as well as in China..

VI. LIABILITY FOR BREACH OF AGREEMENT:

1. The two parties assume their respective obligations in cooperation according to this agreement, in the event of any of the parties cause economic loss or reputation damage by defaults to the other party, the default party shall assume all compensation liability, including but not limited to the costs of attorney fee and legal fees, etc.
2. In the event of any dispute arising from the performance of this agreement, the two parties shall settle it through negotiation. If no consensus can be reached through negotiation, the two parties should make litigation application to the people's court where Party B is located.

VII. MODIFICATION AND TERMINATION OF AGREEMENT:

1. In the event one of the two parties fails to perform its obligations or fulfill its obligations but not conform to the agreement, the other party can terminate the agreement in writing.
 2. In the event all parties reach consensus through negotiation without damaging any interests of the two parties, the agreement can be modified or terminated.
 3. In the event the agreement cannot be performed due to force majeure factors such as natural disasters or the adjustment of relevant legislative and industrial policies of China and Laos, the parties shall not be liable for breach of agreement and the agreement can be terminated.
 4. Other matters not covered herein are implemented in accordance with relevant laws and regulations. In the event the laws and regulations are not provided for the matters, supplementary agreement can be settled through negotiation by the two parties, and which shall have the same legal effect.
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VIII. OTHERS:

1. This agreement shall be effective upon the sign and stamp by the parties.
2. This agreement was agreed together for both sides of Party A and Party B and each party keeps two counterparts, all of those has the same legal effect
3. This agreement is governed by laws of the People's Republic of China and Lao PDR.

PARTY A	PARTY B
<p data-bbox="203 694 812 795">National Agriculture and Forestry Research Institute (NAFRI), Lao P.D.R.</p> <p data-bbox="389 828 633 873">(Sign and Stamp)</p> <p data-bbox="219 907 795 952"><i>Signature of Legal or Authorized Representative</i></p> <div data-bbox="308 896 592 1176"></div> <p data-bbox="341 1198 738 1254">Dr. Bounthong BOUAHOM</p> <p data-bbox="203 1310 284 1355">Date:</p>	<p data-bbox="966 694 1282 739">Xuanye (Lao) Co., Ltd</p> <p data-bbox="998 862 1242 907">(Sign and Stamp)</p> <p data-bbox="836 940 1404 985"><i>Signature of Legal or Authorized Representative</i></p> <div data-bbox="901 985 1177 1332"></div> <p data-bbox="812 1344 893 1388">Date:</p> <p data-bbox="1015 1232 1380 1433">2018-1-30</p>
	<p data-bbox="836 1422 1404 1467">Hunan Academy of Agricultural Sciences</p> <p data-bbox="998 1512 1242 1556">(Sign and Stamp)</p> <p data-bbox="836 1590 1404 1635"><i>Signature of Legal or Authorized Representative</i></p> <div data-bbox="925 1635 1274 1982"></div> <p data-bbox="812 1892 893 1937">Date:</p> <p data-bbox="990 1892 1299 1982">2018. 7. 30</p>