



CHINA-UNITED STATES  
EXCHANGE FOUNDATION  
中美交流基金會

20/F, Yardley Commercial Building, Tel : +852 2523 2083  
No.3 Connaught Road West, Fax : +852 2523 6116  
Sheung Wan, Hong Kong

[www.cusef.org.hk](http://www.cusef.org.hk)  
[www.chinausfocus.com](http://www.chinausfocus.com)

19 September 2019

Mr. David Firestein  
President & CEO  
George H. W. Bush Foundation for U.S.-China Relations  
515 Post Oak Blvd., Suite 1000  
Houston, TX 77027

Dear Mr. Firestein:

We are pleased to inform you that the China-United States Exchange Foundation (CUSEF) has approved a five-year arrangement with the George H. W. Bush Foundation for U.S.-China Relations (Bush China Foundation) for the period of April 1, 2019, through December 31, 2023. The CUSEF commits to a five-year grant in the sum of \$5 million USD, disbursed in equal installments of \$1 million each year.

#### Purpose of Funds

The funds are to support the founding of the Bush China Foundation, including personnel, operational and programmatic costs.

#### Objective

In cooperation with CUSEF, the Bush China Foundation, pursuant to its own mission, will seek to advance U.S.-China relations in ways that reflect the ethos and values of President George H. W. Bush by working and advocating for a bilateral relationship that is functional, constructive, commercially robust, mutually beneficial and politically sustainable.

#### Planning and Reporting

CUSEF recognizes that program design for the activities of the Bush China Foundation for each year may vary with the need and condition of the U.S.-China relationship at the time, which can differ from year to year. The Bush China Foundation will use reasonable efforts to present a program plan not later than eight weeks before the beginning of each calendar year for CUSEF's review with the exception of the first year, which is already underway. It will also use reasonable efforts to furnish a report within eight weeks after the close of each of the five (5) years in order for both parties to evaluate achievements and shortfalls. During the course of each of the five (5) years, the parties will monitor the development of that year's program to assure continued alignment of the two parties' objectives.

#### Gifts

Disbursement of the annual installment of \$1 million will be made by CUSEF, for the following year, on the dates set forth below, based on validation that the program activity by the Bush China Foundation is continuing and substantially meets such year's program objective. Such validation will be confirmed by authorizing the funding of the next installation of the gift.

The grant for calendar year (which is also fiscal year) 2019 will be paid in the following installments:

- \$100,000 by April 1, 2019
- \$500,000 by September 1, 2019
- \$200,000 by October 1, 2019
- \$200,000 by November 1, 2019

The grant for calendar years 2020-2023 will be paid in two installments per year:

- \$500,000 by January 1 of each year
- \$500,000 by July 1 of each year

Unexpended funds at the end of each calendar year may be carried over to the following calendar year, without limiting the upcoming calendar year's gift. Unexpended funds at the end of the grant period may be carried over to the following calendar year(s).

#### Editorial Independence

CUSEF recognizes the following: The Bush China Foundation is an independent U.S. non-profit entity governed only by its own Board of Directors and, as such, it reserves the right to make decisions on hiring, programmatic activities and other Foundation business at its sole discretion. The Bush China Foundation is, by mutual agreement, a grantee of CUSEF, but not an agent, representative or employee of CUSEF, and the Bush China Foundation in no way acts under the order, request, direction or control of CUSEF. CUSEF's philanthropic gift to the Bush China Foundation represents support of work that the Bush China Foundation had already independently intended to carry out, irrespective of possible CUSEF support. CUSEF has no authority to bind the Bush China Foundation. Though CUSEF and the Bush China Foundation will naturally consult in good faith on matters pertaining to the work of the Bush China Foundation supported by this grant, ultimately, the Bush China Foundation's Board of Directors has, inherently, the sole legal authority to govern the Bush China Foundation's affairs, including how to use the funds philanthropically gifted to it. This agreement establishes no "principal"/"agent" relationship between the two parties. This is an agreement between two self-standing, independent entities.

#### Publicity

As appropriate and mutually agreed, publicity materials will acknowledge that the project was carried out "with support from the China-United States Exchange Foundation" and will display CUSEF's logo appropriately to the extent permissible under U.S. non-profit laws, regulations and guidelines.

#### Intellectual Property/Copyright

The Bush China Foundation will own all copyrights and other intellectual property rights to any policy products and materials generated from activities funded by this grant. All said products and materials will be distributed free of charge and royalty-free, are intended for the public good (or for charge which is in turn used to support the mission of the Bush China Foundation), and will not be used for any commercial purpose unless agreed to in advance by both parties. The Bush China Foundation grants a

license to the CUSEF to use mutually agreed products and materials generated from activities funded by the grants.

Acceptance

This letter contains the entire agreement between the Bush China Foundation and CUSEF, and there are no conditions or stipulations, oral or written, governing the use of the grant funds other than those contained in this letter.

If your organization acknowledges the terms as stated above, please return one complete copy of this letter with the original signature of an appropriate representative of your organization in the space provided.

On behalf of the China-United States Exchange Foundation, I would like to extend our best wishes for the success of this endeavor.

Sincerely,



Audie Wong  
Executive Director  
China-United States Exchange Foundation

ACCEPTED:

David Firestein  
President & CEO  
George H. W. Bush Foundation for U.S.-China Relations

David J. Fire  
(Signature)

9/24/19  
(Date)