

## Cooperation Agreement

This Cooperation Agreement, effective 12.04.2006 (“Effective Date”), is by and between **Tsinghua Coway International TechTrans Co., Ltd.** (hereinafter “COWAY”), having an office at Huaye Building 2206, Tsinghua University, 100084 Beijing, P. R. China and **Tartu Science Park Foundation**, registration nr. 90001121. (hereinafter “TSP”), having an office at Riia 185, 51014 Tartu, ESTONIA. COWAY and TSP are referred to as “Party” or “Parties” in singular or plural usage as indicated by the context.

### Witnesseth that

**Whereas**, COWAY is a wholly owned subsidiary of Tsinghua University and carries out academic research in technology transfer, industrializes research achievements and promotes development and diffusion of advanced technological solutions to common problems in China; and

**Whereas**, Tartu Science Park (TSP) was the first organization in Estonia set up with clearly stated intention to support innovation. TSP is linked to the Estonian biggest university – University of Tartu. Hence, one of the important goal of TSP is to provide variety of services needed in the process of cross national technology/products transfers, and

**Whereas**, COWAY and TSP have cooperated to identify technologies for collaboration and performed initial evaluations and the Parties now mutually desire to guide the structure of future technology/products transfer agreements which define their respective rights and responsibilities; and

**NOW, therefore**, the Parties hereby agree as follows:

### I. Duty and Responsibilities:

- COWAY:

- a. Introducing Chinese technologies / products to TSP on a mutually agreed schedule; such technologies shall include, but are not limited to, technologies in which IP rights in Estonia have not been granted to any licensee and technologies in which IP rights in Estonia have been granted to a licensee and said licensee is interested in collaborating with a Estonian entity through the facilitation of TSP.
- a. Providing TSP the technology requirement from China.
- b. evaluating technologies based on their commercial value and feasibility in the Chinese market.
- c. conducting market analysis for selected technologies.



d. initiating partnership formation and venture creation for selected technologies.

- TSP:

- a. introducing Estonian technologies to COWAY on a mutually agreed schedule; such technologies shall include, but are not limited to, technologies in which IP rights in P. R. China have not been granted to any licensee and technologies in which IP rights in P. R. China have been granted to a licensee and said licensee is interested in collaborating with a Chinese entity through the facilitation of TSP.
- b. introducing companies located in Tartu Science Park, especially for the companies who have intention to manufacture the prototype, small scale production, or companies who hope to marketing their mature technology or products in China.
- c. Introducing engineering companies not located in Tartu Science Park but could provide complete technology / solution or key equipments for Environment or materials industry.
- d. Introducing Estonian companies who need consulting or market investigation services in Chinese market.
- e. cooperating with COWAY on technology evaluation.
- f. facilitating COWAY with business negotiations between COWAY and Estonian clients.

## II. Work Mechanism

a. Both parties should establish a negotiatory mechanism during the whole process of cooperation. The parties should negotiate about a certain project in terms of its aim, strategy, cooperation mode, payoff mode, the operation procedure, time schedule and each responsibilities, which should be confirmed jointly by the parties prior to operation.

b. During the operation of a certain project, the parties should tune the strategy by negotiation at any time, if the initial external condition or environment has been changed.

c. The parties could appoint specific person to be responsible for daily communication and coordinate the work mechanism.

## III. Expenditure & Profit Distribution

a. The parties shall work at their own expense in the process of cooperation.

b. The parties shall receive commission from specific contract negotiated by the parties during the process. The profit could be shared, but not limited to, half to half between both sides in forms of commission, or shares holding in Joint Venture. The exact ratio of commission and payment terms shall be stipulated in separated contracts.

c. The cooperation is based on mutual interest of the parties. COWAY and TSP agreed to share the profit from each concrete project according to the parties' contribution agreed in advance. Each party shall not take the advantage of the other party or damage the other party's interest during the cooperation.

**IV. Validity**

The Agreement goes into effect upon signing and the validity shall be ONE Year. The Agreement shall be automatically extended should no party rejected. When one party decide to quit, the Agreement shall be automatically terminated only after receive the other party's confirmation after negotiation. The Parties agree to the terms and conditions contained herein above.

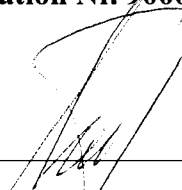
**Tsinghua Coway International  
TechTrans Co., Ltd.**



**Dr. Hongxin TAN  
General Manager,**

**Date:** 12.04.2006

**Tartu Science Park Foundation  
Registration Nr. 90001121**



**Mr. Toomas Noorem  
Chairman of the Board**

**Date:** 12.04.2006