LETTER OF INTENT
Cooperation in establishing
of ZTE Service, Research & Development Centre in Slovakia

BETWEEN

ZTE Corporation, Shenzhen, P. R. China
Address: ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District,
Shenzhen, P.R.China

AND

Faculty of Informatics and Information Technologies
Slovak University of Technology in Bratislava
Address: Ilkovičova 2, 842 16 Bratislava, Slovak Republic

AND

Comenius University in Bratislava, Science Park
Address: Šafárikovo námestie č. 6., Bratislava, Slovak Republic

AND

SINOCON, s.r.o.
Address: Ružinovská 42, 821 01 Bratislava, Slovak Republic
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THIS LETTER OF INTEND is dated _____ 2015

Parties

(1) ZTE Corporation, a company registered in China under business identity code 440301103852869 whose registered office is at ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, P.R.China (the "ZTE"); and

(2) The Faculty of Informatics and Information Technologies, Slovak FIIT and CUSP of Technology in Bratislava whose administrative offices are at Ilkovičova 2, 842 16 Bratislava, Slovak Republic, Slovak Republic (the "FIIT"); and

(3) Comenius University in Bratislava, Science Park whose administrative offices are at Šafárikovo námestie č. 6 Bratislava, (the "CUSP"); and

(4) SINOCON, s.r.o., a company registered in Slovak Republic under business identity code 35753013, whose registered office is at Ružinovská 42, 821 01 Bratislava, Slovak Republic (the "SINOCON ").
1 DEFINITIONS

In this Letter of Intent the following expressions have the following meanings:

**this Letter of Intent (LoI):** this document, including its Schedules, as amended from time to time;

**Background:** information, techniques, Know-how, Intellectual Property, software, inventions, and materials (regardless of the form or medium in which they are disclosed or stored) that are provided by one party to the other for use in the Project (whether before or after the date of this LoI), except any Result;

**Confidential Information:** includes, without limitation; (a) any Background disclosed by a party to the other for use in the Project and identified as confidential; and (b) any Results, except to the extent the Results become public due to Intellectual Property registration;

**Definite Agreement:** Following the execution of this LOI, the Parties will undertake to work in good faith to negotiate and enter into definitive agreements pursuant to which the Parties will implement the respective project during the Project Period.

**Intellectual Property:** patents, trademarks, registered designs, copyrights, database rights, design rights, applications for any of the above, and any similar right recognized from time to time in any jurisdiction, together with all rights of action in relation to the infringement of any of the above;

**the Result(s):** all information, techniques, know-how, Intellectual Property, software, inventions, and materials identified or first reduced to practice or writing in the course of the Project;

**Projects:** all related projects in Project Period that will be solved by both Parties to the LoI on grounds of this LoI, including research projects and other commercial projects;
Project Board: The committee established for making recommendations generally regarding the Project.

the Project Period: the period January 2016 – December 2020;

2 OBJECTIVES OF THE PARTIES

The four contracting parties ZTE, FIIT, CUSP and SINOCON express their great interest to develop, to build and to operate in Slovakia Service, Research and Development Centre and to cooperate in other projects covering Central and East European region (“CEE”) within joint project.

The project of establishing of Service, Research and Development Centre for ZTE in Slovakia is to coordinate development of new technologies and transfer of innovation between China and Slovakia and other CEE countries.

Slovakia as a leading country of China + 16 platforms, is providing the most convenient facilities for research and development and opens new perspectives for cooperation in this area. ZTE as one of the key Chinese ICT companies, which is operating in more than 100 countries all over the world, in cooperation with Slovak parties, would like to expend its activities in CEE in future. This target is possible to reach only through close cooperation with local partner, establishing modern Service Centre and Research and Development Unit in close cooperation with Slovak Universities, Science Parks where are concentrated the best Slovak researchers.

The aforesaid project will, subject to the Definite Agreement, be implemented within next five years (January, 2016 – December, 2020) and it will bring 6 to 10 new working places in the initial project phase, Implementation of the aforesaid project will give ZTE a positive position to expand its business in Slovakia and other CEE countries covering both government and enterprise market, in case ZTE’s business operates optimistically and more demands of resource & support are needed from the new Service, Research and Development Center, the Parties will negotiate in good faith in respect of the investment expanding. In such case, additional 90 new working places might be brought into the fields of Service, Research and Development, and the total accumulated investment to the center might reach 20 million Euro, depending on the progress and development of the project, and the performance of ZTE and the Service, Research and Development Centre. It will be a leading CEE R&D institution in the fields of ICT and related interdisciplinary R&D areas.

The cooperation between parties will not necessarily be limited to these activities but also other activities can be included in the cooperation. FIIT, CUSP and SINOCON shall assist ZTE in its best effort to seek for mutual benefit opportunities and acquire potential projects in favor of -ZTE and other partners to expand their business in CEE countries.

The tasks of ZTE Corporation are to provide:

- strategic research directions for joint Service, Research and Development Centre of ZTE, FIIT, CUSP,
- provide personal for management for research and service,
• financial coverage to Slovak partner for maintaining all project operations,
• approve feasibility study and project budget.

The task of FIIT is to provide research and development personal and related infrastructure.
The task of CUSP is to provide research and development personal and related infrastructure.
The task of SINOCON is to:
• provide feasibility study for establishment, development and operation in Slovakia joint Service, Research and Development Centre of ZTE, FIIT, CUSP,
• set up financial model and project budget,
• coordination and management of all project activities related to the project,
• project publicity and marketing.

The detailed terms and conditions of the tasks above-mentioned shall be further defined in the Definite Agreement.

3 SUBJECT MATTER OF THE LETTER OF INTENT

3.1 Subject of the LoI is to confirm the Parties’ intentions to enter into a collaboration in relation to the Projects and to regulate the rights and duties of all parties with Objectives achievement during the Projects implementation in the Project Period.

3.2 Subject to applicable Definite Agreement, Parties commit to Projects with the aim of the Objectives implementation by using their personal, technical and know-how capacities and sources in balance with accredited project budget.

3.3 Projects that the parties will cooperate on will be implemented in the following areas of science and research:

- Internet of Things
- Biotechnology and Bioinformatics
- Intelligent Systems
- Information Technologies and Communication Networks
- Health, demographic change and well-being

3.4 Parties commit to provide the Project Costs compensation payment under the conditions marked in the Definite Agreement with the aim of the Objective implementation.

3.5 The Subject that primary expends the costs for Project implementation is the FIIT and CUSP. ZTE commits to compensate the Project Costs to the FIIT and CUSP as further set forth in the Definite Agreement in the extent, form and period mentioned in the Project.
3.6 Parties to the LoI can determine in the Project that the Partner provides the Project Costs Compensation to the CUSP and FIIT in form of deposit.

3.7 SINOCON will, as requested by ZTE to provide feasibility study for joint Service, Research and Development Centre of ZTE, FIIT, CUSP and will develop financial model and project budget for whole period of the project, as defined in the Definitive Agreement.

3.8 SINOCON will, as requested by ZTE to manage all project activities expect activities which ZTE decide to lead, as defined in the Definitive Agreement.

3.9 SINOCON will, as requested by ZTE to perform project publicity and marketing, as defined in the Definitive Agreement.

3.10 ZTE commits to compensate the Project and feasibility study Costs to SINOCON as defined in the Definitive Agreement.

3.11 ZTE will approve the feasibility study and project budget.

4 FINANCIAL CONTRIBUTION

4.1 Further details concerning the Costs compensations providing will be enclosed in amendments of this LoI or in the LoIs signed on the grounds of this LoI (for example LoIs related to particular research activity, Contract for Work, etc.) and in the Definitive Agreement.

5 OWNERSHIP, USE, AND EXPLOITATION OF INTANGIBLES

5.1 This LoI does not affect the ownership of any Background. They will remain the property of the party that contributes them to the Project (or its licensors). No license to use any Background, Intellectual Property, know-how or Results is granted or implied by this LoI except the rights expressly granted in this LoI.

5.2 Each of the parties will use all reasonable efforts to obtain all licenses, consents and approvals necessary to allow it to carry out the tasks of the Project.

5.3 Each Party grants the other a royalty-free, non-exclusive license to use its Background for the purpose of carrying out the Project, but for no other purpose. Neither party may grant any sub-license to use the other’s Background except that the Partner may allow its Group Companies, and any person working for or on behalf of the Partner or any
Group Company, to use the FIIT and CUSP's Background for the purpose of carrying out the Project.

5.4 FIIT and CUSP is allowed to use Results gained by Project solving during its activity, administrated in balance with or based on the duties and goals of the FIIT and CUSP arising from Act No. 131/2002 Coll. Act on Higher education as subsequently amended.

5.5 The solution Results can be used only for the purpose defined in the LoI, Project or in form appointed by the Law.

5.6 Intellectual property rights concerning the research Results that will appear in frame of the Project implementation on the grounds of the LoI, will be agreed in following LoIs for each particular Project, considering the costs compensation of each party.

6 ACADEMIC PUBLICATIONS

6.1 Any employee or student of the FIIT and CUSP (whether or not involved in the Project) may, provided a written permission under clause 5.2 has been given:

6.1.1 Discuss work undertaken as part of the Project in FIIT and CUSP seminars, tutorials and lectures; and

6.1.2 Publish any Background of the Partner (unless it is the Partner’s Confidential Information) or any of the Results.

6.2 The CUSP and FIIT will submit to the Partner, in writing, details of any Results and any of the Partner's Background that any employee or student of the FIIT and CUSP intends to publish, at least thirty (30) days before the date of the proposed submission for publication. The Partner shall, by giving written notice to the FIIT and CUSP, either permit or require to delay the publication. The Partner may require the FIIT and CUSP to delay the proposed publication for a maximum of three (3) years after receipt of the request of permission if, in the Partner's reasonable opinion, that delay is necessary:
   (i) in order to seek patent or similar protection for any of the Partner's Background or any Results that are to be Published,
   (ii) to maintain confidential nature and, ensure commercial exploitation, of the Results, or
   (iii) prevent the publication of any of the Partner's Background that is Confidential Information.

The Partner shall inform its decision within thirty (30) days after the Partner receives details of the proposed publication. If the FIIT and CUSP does not receive a decision of the Partner within that period, its employee or student may not proceed with the proposed publication and the FIIT and CUSP may enquire the reasons for the silence. For the avoidance of doubt, whether or not the permission has been given, any of the Partner's Background that is Confidential Information may not be published.
6.3 The academic publications or the conferences where the Results and/or the Partner’s Background is intended to be published will be chosen together by the Partner and the FIIT and CUSP. During the review procedure by the committee of the publication, the FIIT and CUSP must forward all the comments of the reviewers to the Partner.

7 CONFIDENTIALITY

7.1 The existence and contents of this LoI and the Project is confidential, also, to the extent legally possible, inside the FIIT and CUSP. The FIIT and CUSP shall ensure that its employees and students will comply with the obligations imposed by this clause 6.1.

7.2 Neither party will, either during the Project Period or for three (3) years after the end of the Project Period, disclose to any third party, nor use for any purpose except carrying out the Project, any of the other party's Confidential Information.

7.3 Neither party will be in breach of any obligation to keep any Background, Results or other Confidential Information confidential or not to disclose it to any other party to the extent that it is:

7.3.1 known to the party making the disclosure before its receipt from the other party, and not already subject to any obligation of confidentiality to the other party or becomes publicly known without any breach of this LoI or any other undertaking to keep it confidential;

7.3.2 obtained by the party making the disclosure from a third party in circumstances where the party making the disclosure has no reason to believe that there has been a breach of an obligation of confidentiality owed to the other party;

7.3.3 independently developed by the party making the disclosure;

7.3.4 disclosed pursuant to the requirement of any law or regulation or the order of any court of competent jurisdiction, and the party required to make that disclosure has informed the other of the requirement and the information required to be disclosed; or

7.3.5 approved for release in writing by an authorized representative of the other party.

7.4 The FIIT and CUSP will not be in breach of any obligation to keep any of the Partner's Background that is not Confidential Information, or any Results owned by or licensed to the Partner, or other information, confidential or not to disclose them to any third party, by publishing any of the same if the FIIT and CUSP has followed the procedure in clause 5.2 and has received a written permission of the Partner.

7.5 The Partner will not be in breach of any obligation to keep any of the FIIT and CUSP's Background or other information confidential or not to disclose them to any third party.
party by making them available to any Group Company or any person working for or on behalf of the Partner or a Group Company who needs to know the same in order to exercise the rights granted in this LoI, provided they are not used except as expressly permitted by this LoI. The Partner shall be liable for its Group Companies and their personnel.

7.6 Neither the FIIT and CUSP nor the Partner will use the other’s name or logo in any press release or product advertising, or for any other promotional purpose, without first obtaining the other's written consent.

8 GOVERNANCE OF THE PROJECT

8.1 Partners shall establish Project Board. Membership shall consist of one member nominated by the FIIT, one member nominated by the CUSP, two members nominated by the ZTE, and one associated member nominated by SINOCON in congruousness.

8.2 The Project Board shall have the following functions, in addition to those otherwise indicated in this LoI:

(a) making recommendations to the Parties generally regarding the Project;
(b) providing guidance to the Parties such that the Project when completed will allow for a significant commercial benefit to accrue;
(c) carrying out such other necessary and incidental functions as are ascribed to it pursuant to this LoI or which the Parties may unanimously request it to undertake for the purposes of the Project;
(d) to identify and determine the contribution of each Party to the Project Intellectual Property assessed on the basis of cash and in-kind contributions of the Parties;
(e) to review and direct the performance of the Project to achieve Results;
(f) to review the progress reports from all Parties of the Project; and
(g) define and agree upon proposed modifications of or extensions to the Project to achieve Results, provided however that the Project will only be modified or extended if each Party has approved such amendment.
(h) nominations of all 3/5 committee members for all public procurement committee at FIIT and CUSP related to the project and Following Common Research Projects.
(i) prepare documentation of all public procurement committee at FIIT and CUSP related to the project and Following Common Research Projects or delegate this to external consulting company.
(j) Nominations of 2/7 CUSP management committee members.
(k) Nominations of 2/7 FIIT management committee members.
(m) ZTE will nominate advisor to the dean or vice dean of FIIT.
(n) Sinocon will prepare partnership agreement for founding ZTE join R&D center between all partners.
(o) The partnership agreement must be approved by academic senate of Slovak University of Technology Bratislava and Comenius University in Bratislava.
In case of one academic partner FIIT or CUSP will refuse the agreement or academic senate will not approve it, the partner which accepted the agreement will overtake the dedicated budget of partner which refused the agreement.

9 LIMITATION OF LIABILITY

9.1 Each of the parties warrants to the other that, to the best of its knowledge and belief, any advice or information given by it or any of its employees or students who work on the Project, or the content or use of any Results, any Background or materials, works or information provided in connection with the Project, will not constitute or result in any infringement of third-party rights.

9.2 Except under the limited warranty in clause 7.1, neither party accepts any liability or responsibility for any use which may be made by the other party of any Results, nor for any reliance which may be placed by that other party on any Results, nor for advice or information given in connection with any Results.

9.3 Subject to clause 7.5, the liability of either party to the other for any breach of this LoI, any negligence, or arising in any other way out of the subject matter of this LoI, the Project and the Results, will not extend to any indirect damages or losses, or to any loss of profits, loss of revenue, loss of data, loss of contracts or opportunity, whether direct or indirect, even if the party bringing the claim has advised the other of the possibility of those losses, or if they were within the other party's contemplation.

9.4 Subject to clause 7.5, the aggregate liability of each party to the other for all and any breaches of this LoI, any negligence or arising in any other way out of the subject matter of this LoI, the Project, any Background and the Results, will not exceed in total the Financial Contribution.

9.5 Nothing in this LoI limits or excludes either party's liability for:

9.5.1 Death or personal injury;

9.5.2 Any fraud or for any sort of liability that, by law, cannot be limited or excluded; or

9.5.3 Any loss or damage caused by a deliberate breach of this LoI.
10  TERMINATION

10.1 Either party may terminate this LoI with immediate effect (Withdrawal from the LoI) by giving notice to the other party if:

10.1.1 The other party is in substantial breach of this LoI and (if it is capable of remedy) the breach has not been remedied within thirty (30) days after receipt of written notice specifying the breach and requiring its remedy; or

10.1.2 The other party becomes insolvent, or if an order is made or a resolution is passed for its winding up.

10.2 Withdrawal from the LoI become effective from the moment it has been delivered to the other party.

10.3 The LoI can also be terminated by mutual LoI of contractual parties.

11  PARTICIPATION

Both parties commit to proceed in balance with authorized interests of the other party and will implement all the legal act needed for the Project implementation according to this LoI. The Participation commitment includes exclusively the acts that contribute or are supposed to contribute the LoI Objective.

12  GOVERNING LAW AND DISPUTE SETTLEMENT

12.1 In case that this LoI does not state otherwise, the questions not adjusted by this LoI are regulated by the valid Law of the Slovak republic, mainly by the Commercial Code.

12.2 The Parties commit to solve by adjustment all and any disputes or disLoIs coming from the LoI or connected with it. In case of not solving the disputes in thirty (30) days from their appearance, it will be solved in the way mentioned below in this Article.

12.3 The Parties agreed to solve disputes coming from legal relationships in the LoI or related with this LoI, including all the other legal relationships, interest for no reason enhancement, interests concerning the damages compensation, the validity arguments, definition, expiration of this LoI, will be brought to courts of the Slovak republic.
13 CONTRACTUAL PARTIES DECLARATIONS

13.1 Both parties declare that:

13.1.1 The LoI is enclosed on the grounds of regulation § 269 section 2 Act No. 513/1991 Coll. the Commercial Code as subsequently amended.

13.1.2 The LoI and obligations stated in it determine for the both parties valid and enforceable claim according to the Law of the Slovak republic.

13.1.3 All the statements of the LoI are right and complete and represent a total information base for the other Party connected with the LoI signing, mainly no existent circumstances that have or can have unfavorable influence on rights and duties implementation of the LoI.

13.1.4 The LoI does not violate good manners.

13.2 The Person signing the LoI is totally and without any limits authorized to act in the name of the Party which signs the LoI and the LoI conclusion is totally in balance with the inner regulations of the Parties.

14 FINAL PROVISIONS

14.1 The LoI and its validity are governed by the Law of the Slovak Republic. The LoI is valid from the moment of its signing by both parties. The effectivity of the LoI is the one day after its official publication in the Central register of Contracts, in accordance with § 47a section 1 Act No. 40/1964 Coll. Civil Code as subsequently amended.

14.2 The LoI will be published according to regulation under § 5a Act No. 211/2000 Coll. Act on Free Access to Information as subsequently amended.

14.3 No variation or amendment of this LoI will be effective unless it is made in writing and signed by each party's representative.

14.4 Neither party may assign or transfer this LoI as a whole, or any of its rights or obligations under it, without first obtaining the written consent of the other party.

14.5 The LoI is issued in four copies in English. Each party will obtain two copies of the LoI. Any translation of the LoI is only informative.

14.6 Parties to the LoI declare the LoI is concluded in a free way, seriously, definitely and intelligibly.
In ................., DATE
Ming Li, PhD
Vice President of ZTE Corporation
___________________________

In ................., DATE
prof. Ing. Pavel Čičák, PhD.
Dean of FIIT STU
___________________________

In ................., DATE
prof. RNDr. Ján Turňa, CSc.
Director of CUSB
___________________________

In ................., DATE
JUDr. Anton Novák
Statutory of Sinocon
___________________________