

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on January 11, 2019, (the "Effective Date") between the University of Southern California (the "University"), an instrumentality of the state of California, and the Charles Koch Foundation, a Kansas nonprofit corporation (the "Donor"). This Agreement is for the benefit of the Program on U.S. Grand Strategy in East Asia in the Korean Studies Institute (the "Program"), which is housed in the Dana and David Dornsife College of Letters, Arts and Sciences (the "College") at the University. The University and the Donor are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties." The Parties agree as follows:

1. Promoting Academic Freedom. Consistent with the Donor's principles of supporting open inquiry and a diversity of ideas in higher education, the Donor's grant is intended to help promote a republic of science at the University where ideas can be exchanged freely and useful knowledge will benefit the well-being of individuals and society. Thus, the Parties agree that the academic freedom of the University, the Program, and their faculty, students, and staff is critical to the success of the Program's research, scholarship, teaching, and service.

2. The University's Proposal. The Parties enter into this Agreement based on the University's proposal, which is hereby incorporated into and made part of this Agreement and attached as Attachment A (the "Proposal"). The Proposal reflects the vision of and relies on the leadership of Dr. David Kang, who was selected by the University, according to its normal procedures, to be the director of the Program (the "Program Director"). As stated in the Proposal and consistent with the Program Director's vision, the mission of the Program is to provide a fresh perspective on U.S. Grand Strategy in East Asia, including China and North Korea, by undertaking rigorous research, challenging consensus views and informing timely debates, and cultivating a world-class community of experts (the "Program's Mission").

3. The Program Activities.

a. Generally. To support the Program's Mission, the University desires to create the following positions and engage in the following activities to affiliate with the Program, collectively referred to as the "Program Activities." The Program Activities are described more fully in the Proposal and include "Graduate Student Support," "Visiting Professor," "Student Research Assistants," "Staff Support," "Research Support," and "Program Support." The University shall each use any funds received under this Agreement to support the Program Activities in accordance with the terms of this Agreement. According to the University's normal procedures, the Program Director is responsible for directing the Program Activities, which includes allocating and administering the Program's budget, prioritizing the expenditure of Contributed Amounts (defined below), supervising Program staff, mentorship, and other duties to advance the Program's Mission as deemed appropriate by the Program Director.

b. Selection According to the University's Normal Procedures. The Parties mutually agree that the selection of the foregoing positions and fellowships by the University will follow the University's normal procedures for selecting such positions and fellows for the applicable academic units. As a matter of academic freedom for academic units at the University, individuals who hold positions with or are affiliated with the Program must be approved by the Program Director, in accordance with the College's and University's normal procedures.

4. The University's Support for the Program. The University shall support the Program Activities to advance the University's mission. As part of this support, the University shall ensure that the faculty, students, and staff working with the Program have adequate space to achieve the Program's Mission. Therefore, The University shall provide the Program with sufficient office space, including appropriate office space for the Visiting Professor, and shared conference and meeting spaces.

5. The Donor's Support for the Program Activities.

a. Contributed Amount. Subject to the terms of this Agreement, the Donor will contribute funds to the University solely to support the Program Activities to advance the Program's Mission (all or part of such funds are referred to as the "Contributed Amount(s)"). The aggregate maximum Contributed Amount is \$1,200,000 to be applied to a total budget of up to \$2,400,000. The maximum budget allocation for each Program Activity is set forth below. Contributions from third-party donors, who contribute to the PGS-CKF Fund (defined in Section 6.c. below), may be used to provide funding for the Program Activities in excess of the Donor's aggregate maximum Contributed Amount. Changes to the budget-category allocations may be made by the mutual written agreement of the Parties (by way of clarification, email agreement is sufficient for these purposes).

Program Activities	Budget Allocation
Costs and expenses for Graduate Student Support	Up to \$ 828,000
Costs and expenses for the Visiting Professor	Up to \$ 634,000
Costs and expenses for the Student Research Assistants	Up to \$ 90,000
Costs and expenses for Staff Support	Up to \$ 243,000
Costs and expenses for Research Support	Up to \$ 372,000
Costs and expenses for Program Support	Up to \$ 233,000
Total Budget	Up to \$2,400,000

b. Other Support. If the University and Donor mutually agree, the Donor may also contribute in-kind services to the University to help promote the work of the University, the Program, or the University faculty, students, and staff.

6. Grant Process and Administration.

a. The University Grant Request. The University shall submit an annual written request according to the schedule below to the Donor for the Donor's consideration (the "University Grant Request"). If the Donor approves the University Grant Request, the Donor shall make a contribution up to the amount listed in the below schedule to the University, and the University shall accept such Contributed Amount on behalf of the University. If the Donor does not approve the University Grant Request, the Donor is under no obligation to contribute any funds to the University.

b. The University Grant Request and Proposed Grant Award Schedule.

University Grant Request Date	Donor Response and Proposed Contribution Date	Contributed Amount
Submitted as the Proposal	Within sixty (60) days of the Parties signing this Agreement	Up to \$ 393,000
June 1, 2019	On or about August 1, 2019	Up to \$ 400,000
June 1, 2020	On or about August 1, 2020	Up to \$ 407,000
Total Maximum Aggregate Contributed Amount		\$1,200,000

c. The Fund. The University shall place all of the Contributed Amount in a segregated and restricted fund on its books and records called the "PGS-CKF Fund" (the "Fund"). The University shall solely use the Fund to support the Program Activities as stated in this Agreement. The University shall make the Fund available for contributions from other donors. If another donor makes a contribution to the Fund, the University shall promptly notify the Donor of the amount donated and, if permitted by the other donor, the name of the other donor.

7. Contributed Amount Used Solely for Charitable Purposes for the Program Activities.

a. Tax Status. According to IRS records, the University is an organization described within the meaning of Internal Revenue Code (the "Code") sections 501(c)(3) and 509(a)(1). The shall immediately notify the Donor if their respective tax statuses change.

b. Charitable Purpose. The University shall use the Contributed Amount solely for the Program Activities, which is a charitable purpose described in section 170(c)(2)(B) of the Code. The University shall not use the Contributed Amount to influence legislation as described in section 4945(d)(1) of the Code, to influence the outcome of any election, for a political campaign or intervention, to carry on any voter registration drive, or any other purpose that would jeopardize the Donor's tax-exempt status or subject the Donor to penalties under Chapter 42 of the Code.

c. Program Activities. The University shall return to the Donor any Contributed Amount not spent for the Programs Activities.

8. General Terms.

a. Term. The term of this Agreement is from the Effective Date to the later of July 31, 2022, or until the University have spent all of the Contributed Amount, unless earlier terminated pursuant to this Agreement.

b. Termination. The Donor has the right to terminate this Agreement if: (i) the University breaches any term of this Agreement; (ii) the Program Activities are not advancing the Program's Mission; or (iii) such action is necessary to comply with any law applicable to the University or the Donor. Such termination is effective upon the expiration of thirty days from the date notice was provided by the Donor to the University. If the Agreement is terminated the University shall return all unspent Contributed Amounts to the Donor within fifteen days of the Donor's request. The University is not relying on the Donor's proposed funding under this Agreement to incur any obligation or take any action or inaction.

c. Publicity. The Parties shall give each other a reasonable opportunity to review any significant public announcement related to the Agreement. The Parties shall not use each other's logos without the applicable Party's express written consent.

d. Public Records. The University shall notify the Donor upon receiving records requests for this Agreement or related information.

e. Entire Agreement. The terms contained in this Agreement supersede all prior oral or written agreements and understandings between the Parties related to the matters contained in this Agreement and constitute the entire agreement between the Parties with respect to the matters contained in this Agreement.

f. Order of Precedence. If there is a conflict between the terms of this Agreement and the terms in the Proposal, this Agreement controls.

g. Amendments. No amendment to this Agreement will be effective unless it is in writing and signed by the Parties.

h. Severability. The terms of this Agreement are severable. If any court of competent jurisdiction construes any term of this Agreement to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining terms of this Agreement will not be affected.

i. No Waiver. No delay or failure by any Party to enforce any right or claim under this Agreement is a waiver of such right or claim. Any waiver by any Party of any term of this Agreement is not a further or continuing waiver of such term.

j. Third Party Rights. This Agreement does not confer any rights or remedies upon any third party other than the permitted assigns of the Parties.

k. Governing Law; Venue. This Agreement is governed, interpreted, and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to conflict of law provisions. Any action or proceeding filed relating to this Agreement must be commenced and maintained exclusively in the state courts located in Arlington County, Virginia, or the federal courts located in the Eastern District of Virginia. Each of the Parties consent to the exclusive personal jurisdiction of such courts for any such action or proceeding.

l. No Assignment. The University shall not transfer or assign their respective interests in the Agreement or any amount to be contributed pursuant to this Agreement without the express written consent of the Donor.

m. Notice. All notices in connection with this Agreement must be in writing and are effective when delivered personally by hand or one business day after the day sent by overnight courier at the address below, or to another address provided by a Party to the other Parties.

If to the University:

University of Southern California
1150 So. Olive Street Suite 2000
Los Angeles, CA 90015
Attn: Corporate & Foundation Relations

If to the Donor:

Charles Koch Foundation
1320 N. Courthouse Road, Suite 500
Arlington, VA 22201
Attn: Grant Administrator
cc: General Counsel's Office

n. Counterparts. This Agreement may be executed in several counterparts, each of which constitutes an original and all of which, when taken together, constitute one agreement or direction. Copies of signatures (whether facsimile or other electronic transmission) to this Agreement are deemed to be originals and may be relied upon to the same extent as the originals.

The Parties have hereby executed this Agreement as dated below but agree that this Agreement is effective as of the Effective Date.

UNIVERSITY OF SOUTHERN CALIFORNIA

By: Mark K. Todd

Name: Mark K. Todd

Title: Vice Provost for Academic Operations

Date: 1/14/19

CHARLES KOCH FOUNDATION

By: Ryan Stowers

Name: Ryan Stowers

Title: Executive Vice President

Date: 1/22/19

ATTACHMENT A

University of Southern California Proposal to Support the Program on U.S. Grand Strategy in East Asia

Mission

The mission of the Program, which is housed in the Dana and David Dornsife College of Letters, Arts and Sciences at the University is provide a fresh perspective on U.S. Grand Strategy in East Asia, including China and North Korea, by undertaking rigorous research, challenging consensus views and informing timely debates, and cultivating a world-class community of experts, as follows:

Program Activities

Graduate Student Support

The Program will annually select up to four predoctoral fellows to help advance the Program's Mission. These fellows will engage in research and teaching that advances the Program's Mission. Support will also be given for two PhD scholarships that will be awarded by the Program as necessary to qualified students. The Program will establish a "Graduate Student Affiliate Program" that will provide research support, faculty mentorship, and recurring speaker series to further educate graduate students across the University on ideas related to the Program's Mission.

Visiting Professor

The Program will host a scholar, or scholars, that will engage with the Program's Mission through research and student mentorship. The Program can select a scholar every year or provide a longer two or three year term position, depending on the Program's needs and qualified candidates.

Student Research Assistants

Support will be provided for the Program to select up to eighteen graduate or undergraduate students to work with Program faculty and staff in rigorous research that advances the Program's Mission.

Staff Support

Staff will be selected by the Program Director to begin providing their services when necessary. Staff will be responsible for managing all the Program's events and student mentorship, while overseeing the day-to-day operations, managing Program activities, coordinating events, and supporting ongoing needs.

Research Support

Support will be provided to produce rigorous academic research that advances the Mission that contributes to the academic and national conversations. This support provides funding for the two principle investigators of the Program, to dedicate a portion of their time advocating for the Program's Mission through their research. Support will also be provided for faculty and students to travel to academic events to promote their research as it relates to the Program's Mission.

Program Support

The Program will host large-scale conferences to bring together top experts in the field to debate pressing issues around the Program's Mission. The Program will develop programs and events that allow for interdisciplinary collaboration and co-sponsored initiatives across the University. Funding is also provided for the materials and supplies necessary for the Program to operate successfully.