

SUMITOMO BANK GLOBAL FOUNDATION, INC.

Assoc, Prof. Dr. Prinya Chindapasirt

(DATE)

President of Khon Kaen University

June 18, 1996

Khon Kaen 40002

Thailand

Dear Assoc, Prof. Dr. Prinya,

Sumitomo Bank Global Foundation, Inc. (The "Foundation") is pleased to inform you that its Board of Directors (the "Board") has approved the formation and sponsorship of a scholarship grant program for individuals attending Khon Kaen University (the "University"). Because the grant proceeds are to be used by individuals for purpose of study, travel or other similar purposes, the Foundation is required, on advice of counsel, to submit to you this agreement to assure compliance with the Internal Revenue Code and other applicable rules and regulations of the United States (the "Code").

I. Name of Scholarship Grant Program

The name of the scholarship grant program shall be Sumitomo Bank Global Foundation Scholarship program (the "Scholarship Program").

II Purpose of scholarship Program

One of the primary purposes of the Foundation is to encourage academic achievement and the pursuit of higher education of individuals. In furtherance of this purpose, the Foundation is forming and sponsoring the Scholarship program at the University. All payments made pursuant to the Scholarship Program are to be used for, and only for, the support of the Scholarship Program. Use of any portion of the grant funds for any other purpose must have prior written approval by the Foundation. The University recognizes it is assisting the Foundation to achieve its purposes by administering and managing the Scholarship Program.

III. Scholarship Recipients

The recipients of grant funds under the Scholarship Program shall be individuals who are pursuing studies or conducting research to meet the requirements for an academic or professional degree conferred by the University in all faculties. However, the number of recipients from any one faculty shall not be more than one third of total number of recipients in one academic year.

The scholarship grants made to individuals pursuant to the Scholarship program shall be based on a four or six (4 or 6) year academic program dependent on each faculty. The Scholarship program shall grant scholarships to individuals from each of the academic faculties as specified on Exhibit "A" attached hereto. The total number of scholarship recipients per academic year shall be eight (8). The Scholarship Selection Committee shall select the individual recipients. Neither employees of the Foundation, The Sumitomo Bank, Limited, and other related organizations, nor children of such employees shall be eligible for scholarship grants.

Each Scholarship grant shall for one (1) year [renewable annually for up to three or five (3 or 5) additional years until the recipient's graduation from a 4 or 6 year academic program dependent upon the faculty in which the recipient degree is sought]. Renewal of an individual's scholarship grant may be automatic provided (I) the individual continues his or her pursuit of an academic or professional degree at the University in the faculty of which the individual was enrolled at the time the scholarship grant was awarded, (ii) the individual continues to demonstrate adequate academic performance, usually maintenance of predetermined grade point average or such other performance factor, as the Foundation deems appropriate, and (iii) the individual provides the Foundation with all reports required pursuant to the terms of the grant. Otherwise, an individual's scholarship grant may only be renewed upon approval by the Scholarship Selection Committee with confirmation from the Foundation.

IV. Amount of Scholarship Grant

The amount of the scholarship grant for each academic year made pursuant to the Scholarship Program to each individual recipient shall be determined by the Foundation and based upon an estimate, provided by the University prior to each academic year, of the costs to the recipients of tuition, matriculation and other fees, room and board (or commuting expenses and lunches), books and supplies necessary for the recipient's studies, and other similar fees and expenses. However, the amount of the scholarship grant to each individual recipient for any academic year will not exceed one thousand United States Dollars (US\$ 1,000).

V. Standards of Selection

The faculties of the University will be responsible for the solicitation for applicants from their respective faculties for the Scholarship program. The University agrees that all individuals pursuing studies or conducting research to meet the requirements for an academic or professional degree conferred by the University in its faculties will be eligible to apply to the Scholarship Program.

The standards of selection of individual grant recipients will be made by the Scholarship Selection Committee from the pool of applicants on an objective and nondiscriminatory basis. The criteria used in selecting individuals for the Scholarship Program will be recommended by the Scholarship Selection Committee and approved by the Board prior to the selection of grant recipients by the Scholarship Selection Committee. Such criteria might include (but are not limited to) the following: prior academic performance; professional experience; plans and commitments after completion of their academic performance; letters of reference from community members and instructors; financial need; conclusions from a personal interview with the individual as to the individual's motivation, character, ability and potential; and extracurricular and community activities. Selection will be made without regard to the individual applicant's race, color, ethnic origin, religious belief, sex, marital status, or physical handicap. Applicants to the Scholarship Program will

be required to submit to the Scholarship Selection Committee an application containing the information and material required by the Scholarship Selection Committee's criteria by a date determined in advance by the Scholarship Selection Committee. A form of a scholarship application is attached hereto as Exhibit "B".

VI. Selection Procedure

The selection of individual grant recipients will be made according to the following general procedure:

- (1) The Scholarship Selection Committee will review the applications submitted to it and select, on a nondiscriminatory and objective basis and in light of its pre-determined criteria, a certain number of individuals pursuing a degree at the University for personal interviews with one or more members of the Scholarship Selection Committee.
- (2) Based on The conclusions drawn from the personal interviews, applications, and the otehr criteria for awarding the scholarship grants, the Scholarship Selection Committee will make recommendations of individual grant recipients.
- (3) From the individuals recommended, the Scholarship Selection Committee, will submit the individual grant recipients to the Board for final approval.

VII. Notification of Scholarship Recipients

The terms and conditions of each scholarship grant will be communicated in writing to each recipient of such grant by the Foundation. Each scholarship grant recipient will be required to accept in writing the terms and conditions of the scholarship grant prior to the Foundation disbursing any funds with respect to such grant. The terms and conditions may include the specific purpose of the grant; its duration; the total amount of the grant; requirements for narrative reports; and evidence of adequate performance.

VIII. The Scholarship Selection Committee

The Scholarship Selection Committee will consist of three (3) members. One of the members of the Scholarship Selection Committee shall be designated by the University. Of the remaining members, one (1) member shall be designated by the Foundation and one (1) member who shall be the chairman of the Scholarship Selection Committee shall be designated by mutual agreement of the Foundation and the University. No member of the Scholarship Selection Committee shall be in a position to derive a private benefit, directly or indirectly, if certain candidates are selected over others. The members of the Scholarship Selection Committee shall not be compensated. The Foundation, in its absolute discretion, may reimburse members of the Scholarship Selection Committee for reasonable expenses incurred by such members while serving in their capacity as Scholarship Selection Committee members.

IX. Operational Procedures of the Scholarship Program

The Foundation will disburse the scholarship grant amount for each individual recipient for each academic year to the University prior to the commencement of the academic year. The University will be entrusted with the operational processing of the grant payment for each individual grant recipient. The University agrees to maintain the funds disbursed by the Foundation to University in a separate account dedicated to the Scholarship Program. The University agrees to use the grant funds to defray the grant recipient's expenses or to pay funds to the recipient only if the recipient is enrolled at the University and his or her standing at the University is consistent with the purposes and conditions of the grant. Within a reasonable period of time after the end of the academic year, the University must provide the Foundation with financial records or such other evidence which demonstrates that the grant funds were used as intended. The University agrees to provide the Foundation with such other information as may be necessary or desirable to permit the Foundation to exercise supervision of the Scholarship program as required by the Code. If a scholarship recipient leaves the University or otherwise

discontinues his or her pursuit of an academic or professional degree at the University, the University agrees to notify the Foundation of this occurrence and refund the unused portion of the scholarship funds advanced by the Foundation with respect to such scholarship recipient.

X Supervision Over Scholarship Grants

The University will monitor the progress of each scholarship recipient to determine whether the grant purposes are being or have been fulfilled, and to look into any questions requiring further scrutiny or investigation. Upon request, the University will submit to the Foundation a report confirming that the Scholarship grant funds are being used for their intended purposes. The University will furnish the Foundation a final report upon the completion of each academic year as to the expenditure of the grant funds. The University agrees to permit the Foundaion to visit the University periodically for purposes of verifying that grant funds are being used for their intended purposes.

Where the University suspects that grant funds are not being used for their intended purposes, the University will immediately notify the Foundation and will conduct an investigation. If the Foundation suspects that grant funds are being used for improper purposes, the University agrees to assist the Foundation in investigating this suspicion. While an investigation of a grant recipient is being conducted, the University will withhold further payments to the recipient to the extent possible until (I) it has determined that no part of the scholarship grant has been used for improper purposes and (ii) the Foundation provides the University with written approval. If it is determined that any part of a scholarship grant has been used for improper purposes, the University agrees to assist the Foundation to recover diverted grant funds.

XI Maintenance of Records

On behalf of the Foundaiton, the University agrees to maintain all records and information (including all applications, notes from interviews, etc.) used by the Scholarship Selection Committee to evaluate the qualifications of potential and actual scholarship grant recipients. The University also agrees to maintain all records and information pertaining to the disbursement of funds to individual scholarship recipients by the University, the investigation of any suspicion by the University that grant funds are being used for improper purposes, and the results of such investigation.

The University agrees to provide the above-described records and information to the Foundation within a reasonable time after the University's receipt of a request from the Foundation.

XII. Representations of University

The University represents and warrants to the Foundation that the University is an educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educaional activities are carried on.

XIII. Duration and Amendment of Scholarship Program

The Foundation shall begin disbursing grant funds with respect to the Scholarship Program beginning in July, 1996 or such other time as mutually agreed upon by the Foundation and the University. The provisions and procedures of the Scholarship Program set forth in this agreement may be amended at any time upon mutual consent of the Foundation and the University in writing. The Scholarship Program shall continue to operate until terminated or suspended. The Foundation may, at any time, suspend or terminate the Scholarship Program without the consent of the University, provided, however, that (i) the University receives notice from the Foundation ninety (90) days prior to the beginning of an academic year, and (ii) the

termination or suspension of the Scholarship Program made during an academic year shall not be effective until the end of the academic year.

XIV. Miscellaneous

The validity, construction, and effect of this grant agreement and any actions taken or relating to the Scholarship Program shall be determined in accordance with the laws of the United States and the State of New York. The University consents to the jurisdiction and venue of any court located within the United States.


Sumitomo Bank Global Foundation, Inc.

By:  _____

Name: Mr. Kozo Yoneda

Title: Attorney-in-Fact

The University hereby agrees to the terms and conditions of this agreement as recited above.

By:  _____

Name: Assoc. Prof. Dr. Prinya Chindapasirt

Title: President of Khon Kaen University

Date: _____ June 18, 1996

EXHIBIT A

Number of Scholarship Grants

1. The first year of Scholarship Program

<u>Academic Level</u>	<u>Number</u>	<u>Faculty</u>
1st grade	2	from all Faculties
2nd grade	2	from all Faculties
3rd grade	2	from all Faculties
4th grade & more	2	from all Faculties

(*1) Concerning to the scholarship recipients from faculties of 6 year academic program, the number of them shall be less than () in each academic level and the total number of them shall be less than () in one academic year.

(*2) Among the scholarship recipients who are in 4th grade at the first year of Scholarship Program, more than () scholarship recipients shall be selected from faculties of 4 year academic program.

2. From the second year of Scholarship Program

New scholarship recipients other than the continuous scholarship recipients shall be selected from the first grade of all faculties.

(*1) Concerning to the scholarship recipients from faculties of 6 year academic program, the number of them shall be less than () in each academic level and the total number of them shall be less than () in one academic year.