

Pearson Online Learning Services

Program Term Sheet #1 Master of Accounting Program

This Program Term Sheet #1 (“Program Term Sheet #1”) is entered into as of February 28, 2018 (“Effective Date”), pursuant to the e-Learning Program Master Services Agreement (“Agreement”) between Embanet-Compass Knowledge Group Inc. (“Pearson”) and the University of North Dakota (“University”).

1. e-Learning Program:

Master of Accounting and mutually-agreed concentrations, including a Fundamentals track for career changers and a Professional track for accounting professionals (collectively, the “Program”). Program Students must earn thirty (30) semester credits to graduate from the Program.

2. Program Term:

The term of this Program Term Sheet #1 will be ten (10) years from the first day of the first Student enrollment term, which is currently anticipated to be the Fall 2018 term contingent upon execution of this Program Term Sheet #1 by February 28, 2018 (“Program Term”).

3. Program Courses:

The following fourteen (14) courses shall make up the Program (collectively, the “Program Courses”). Six (6) of the Program Courses are required core courses for both tracks, four (4) are requirements for the Fundamentals track, and four (4) are requirements for the Professional track. The Program Courses shall (a) include course content traditionally taught in graduate accounting bridge and prerequisite courses and (b) provide the accounting courses required to prepare and entitle Program Students to sit for the Certified Public Accountant examination. The Parties acknowledge that the Program Course names and numbers may vary from the those set forth in the table below.

Course	Number	Credits
Financial Accounting I	ACCT 521	3
Accounting for Governments & Nonprofits	ACCT 512	3
Financial Accounting II	ACCT 522	3
Accounting Systems	ACCT 506	3
Accounting Information for Decision & Control	ACCT 509	3
Audit & Assurance Services	ACCT 525	3
Taxation of Business	ACCT 511	3
Seminar in Auditing	ACCT 504	3

TBD	ACCT 5XX	3
Advanced Financial Accounting	ACCT 503	3
Seminar in Accounting Issues	ACCT 501	3
TBD	ACCT 5X1	3
Financial Accounting III	ACCT 52X	3
TBD	ACCT 5X2	3

4. Minimum Credit Hour Tuition Rate: \$765. The University shall establish and charge a single, unified market-competitive tuition rate applicable to both in-state and out-of-state students. The Parties acknowledge that the University may, in its discretion, charge a mandatory fee of \$62.56 per credit hour beyond the minimum tuition rate. Such fees will not be included in Gross Receipts as defined in the Agreement.

5. Program Admission Requirements:

- a. Bachelor's degree from a regionally accredited institution; applicants to the Professional track must possess a bachelor's degree in accounting or demonstrate the completion of relevant coursework, including intermediate accounting
- b. Demonstrated preparation for program curriculum or complete of bridge course requirements
- c. Minimum undergraduate GPA of 2.75, or 3.00 in last two years of study, for unconditional admission
- d. Minimum GMAT score of 500, which shall be waived for applicants with (i) a bachelor degree in accounting from an AACSB-accredited institution, (ii) a graduate degree from an AACSB-accredited institution, or (iii) demonstrated quantitative reasoning coursework in the University's discretion
- e. Conditional admission will be considered for applicants falling short of minimum GPA or GMAT score requirements in the University's discretion
- f. Submission of official transcripts and online application

6. Entry Points per Year: 3 (Fall, Spring, and Summer)

7. Course Length: 7 weeks

8. Total Number of Courses to be Developed: 14

9. Total Number of Existing Online Courses: None

10. LMS Utilized for Program Term: Blackboard

11. Financial Aid to be Made Available to Students (Yes/No)? Yes

12. Services to be Provided by Pearson to the University (Yes/No):

Functional Area	Specific Service	Yes/No
Academic	Course Design and Development	Yes
Academic	Instructor Recruitment	No
Academic	Instructor Management	No
Academic	Faculty and Instructor Training	Yes
Marketing & Enrollment	Campaign Design	Yes
Marketing & Enrollment	Testing, Analysis and Optimization	Yes
Marketing & Enrollment	Lead Generation	Yes
Marketing & Enrollment	Student Recruitment and Admissions Support	Yes
Technology Services & Support	eLearning Platform Selection and Implementation	No
Technology Services & Support	Tier 1 Data Center Hosting	No
Technology Services & Support	24/7/365 Help Desk Support	Yes
Program Management/ Student Services	Instructor Support	Yes
Program Management/ Student Services	Student Retention Management	Yes

13. Responsible Parties/Contact Information:

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SVP Academic Partnerships
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14. Service Fee (Section 5.1 of the Agreement):

a. Service Fees for Pearson-Recruited Students

Service Fees for Program Students recruited by Pearson (“Pearson-Recruited Students”) shall be calculated in each academic term by multiplying the Gross Receipts attributable to the enrollments of Pearson-Recruited Students by the applicable revenue share percentage set forth in the following table:

Program Year	Pearson Gross Receipts % (“Service Fees”)	University Gross Receipts %
Program Years 1 and 2	62%	38%
Program Years 3 and 4	60%	40%
Program Years 5 and 6	56%	44%
Program Years 7 through 10	54%	46%

As used in this Program Term Sheet #1, “Program Year” shall refer to the University’s academic terms encompassed by the twelve (12) month period beginning on the first day of the Program Term, and the succeeding twelve (12) month periods beginning on each subsequent one (1) year anniversary of the first day of the Program Term. For example, if the Program launches as anticipated in Fall 2018, then Program Year 1 shall encompass the Fall 2018, Spring 2019, and Summer 2019 terms; Program Year 2 shall encompass the Fall 2019, Spring 2020, and Summer 2020 terms; and so forth.

b. Service Fees for Transfer Students

Service Fees for Transfer Students, as hereinafter defined, shall be calculated in each academic term by multiplying the total Gross Receipts attributable to the enrollments of all Transfer Students by the applicable revenue share percentage set forth in the following table:

Pearson Gross Receipts % (“Service Fees”)	University Gross Receipts %
20%	80%

“Transfer Students” means (1) all University students admitted into a University program outside the scope of the Agreement (“Non-Supported Program”) who transfer into this Program and (2) all Pearson-Recruited Students who transfer into a Non-Supported Program.

15. Minimum Number of Program Students (Section 8.3 of the Agreement):

The Minimum Number of Program Students pursuant to Section 8.3(iv) of the Agreement shall be one hundred twenty (120) Program Students.

16. Program Course Sections for Non-Program Students:

In the event the University desires to offer Program Courses to University or North Dakota University System students who are not Program Students (“Non-Program Students”), the following terms and conditions, including Section 7.5 of the Agreement, shall apply:

- a. The University shall create separate sections of such Program Courses exclusively for Non-Program Students (each, a “Non-Program Section”).
- b. The University shall pay Pearson a licensing fee for each Non-Program Section offered as follows:
 - i. \$400.00 for each Non-Program Section offered by the University within the established Program Course carousel.
 - ii. \$800.00 for each Non-Program Section offered by the University outside of the established Program Course carousel.
- c. Pearson shall duplicate each Non-Program Section from the master course shell for each Program Course as required for the University to offer a Non-Program Section.
- d. Pearson shall provide no other services in support of the Non-Program Sections or Non-Program Students.
- e. In the event enrollments of Non-Program Students in Non-Program Sections materially exceed expected figures, the Parties shall engage in good faith for the purpose of considering and implementing appropriate action, including but not limited to the potential amendment of this Program Term Sheet #1.

17. Additional Terms and Conditions:

- a. The Parties shall engage in good faith for the purpose of considering and adopting a Program application and admissions process whereby prospective student applications for admission to the Program are processed and decisions thereon are communicated to prospective students on a timetable similar to, and competitive with, other colleges and universities offering similar online degree programs.
- b. University will be the official source to notify the students of acceptance in the Program and Pearson will then proceed to work with the students to ensure they are registered in the required Program Courses.
- c. Pearson will work with the key members of the University faculty to create a design and development schedule for the development of Program Courses in the form of “Appendix 1.” Appendix 1 must be finalized as to Program Courses offered in Fall 2018 by March 2, 2018. In the event that Appendix 1 for such Program Courses is not finalized by March 2, 2018, the Program launch will be postponed. Appendix 1 must be finalized as to all other Program Courses by June 1, 2018. Both the University and Pearson will work to achieve the defined timelines for the development of Program Courses.

d. Pearson will create an online orientation course for Program Students. The online orientation course will introduce and guide Program Students through the tasks they will need to complete as an online student of the University.

e. Should the University change the LMS platform(s) at any time during the Program Term, the Parties agree that (i) the Pearson's services in support of such course migrations are not included in the scope of this Program Term Sheet #1 and (ii) the Parties shall negotiate a separate migration fee per Program Course, which shall be payable within thirty (30) days of invoice.


f. The University agrees to apply a mutually-agreed tuition discount for (i) persons employed by corporations enrolled in Pearson's Corporate Partnership Program and (ii) members of the United States Armed Services and their immediate family members eligible for a Military Discount. The Parties acknowledge that such discounts will not be included in Gross Receipts as defined in the Agreement.

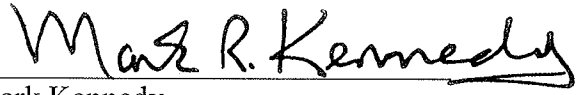
g. In the event the number of Program Students enrolled in the Professional track is disproportionate to the number of Program Students enrolled in the Fundamentals tracks in such a manner that it results in material financial hardships to either Party, the Parties shall engage in good faith for the purpose of considering and implementing appropriate action, including but not limited to consideration of new tracks or elimination of a low-enrolling track.

WHEREFORE, the Parties have entered into this Program Term Sheet #1 on the date of the last signature below, effective as of the Effective Date.

**Embanet-Compass Knowledge Group
Inc.**

University of North Dakota

By: 
Iwan Streichenberger (Mar 2, 2018)
Iwan Streichenberger
Managing Director
Pearson Online Learning Services

By: 
Mark Kennedy
Mark Kennedy
President

Date: Mar 2, 2018

Date: 03-02-2018

**Appendix 1
Course Development Schedule**

Course	Faculty (required for 1st two semesters of courses)	Begin Development	Final Content Delivery Date	Date First Offered	Instructor Sign Off Date

