Dated 6th May 2014

(1) The Chancellor, Masters and Scholars of the University of Cambridge

and

(2) Kutai Kartanegara Government, East Kalimantan, Indonesia

Memorandum of Understanding

For a collaboration between Cambridge English Language Assessment, Cambridge University Press and the Kutai Kartanegara Government, East Kalimantan, Indonesia

Cambridge University Press  Cambridge English Language Assessment
Part of the University of Cambridge
CONTENTS

Paragraphs

1. Description .................................................................................................................. 2
2. Status ............................................................................................................................ 2
3. Principles of collaboration ........................................................................................... 2
4. Roles and responsibilities ............................................................................................ 3
5. Intellectual property .................................................................................................... 4
6. Confidentiality .............................................................................................................. 4
7. Term and termination .................................................................................................. 5
8. Costs and liabilities ...................................................................................................... 5
9. Data Protection ............................................................................................................ 5
10. Anti-bribery and Corruption ...................................................................................... 5
11. Language .................................................................................................................... 6
12. Governing law and resolution of differences .............................................................. 6

Schedules

SCHEDULE 1  *CAMBRIDGE ENGLISH LANGUAGE ASSESSMENT PRODUCTS AND SERVICES ......................................................... 8

SCHEDULE 2  *CAMBRIDGE UNIVERSITY PRESS PRODUCTS .......................................................................................... 9

SCHEDULE 3  BUDGET AND QUANTITIES OF CAMBRIDGE PRODUCTS AND SERVICES TO BE SUPPLIED .................................................. 10
This Memorandum of Understanding (Memorandum) is made on 6th May 2014

BETWEEN

(1) THE CHANCELLOR, MASTERS AND SCHOLARS OF THE UNIVERSITY OF CAMBRIDGE, acting through its departments:

University of Cambridge Local Examinations Syndicate, Cambridge English Language Assessment, 1 Hills Road, Cambridge, CB1 2EU, UK (Cambridge English Language Assessment), and

Cambridge University Press, University Printing House, Shaftesbury Road, Cambridge, CB2 8BS, UK (Cambridge University Press)

(hereinafter referred to collectively as Cambridge);

AND

(2) KUTAI KARTANEGARA GOVERNMENT, EAST KALIMANTAN, INDONESIA (the Government).

BACKGROUND

(A) The Government wishes to raise the standard of classroom learning in schools in East Kalimantan, Indonesia.

(B) Cambridge University Press and Cambridge English Language Assessment provide certain English Language Teaching (ELT) products and services, including consultancy, analysis and diagnostics, teacher development, together with online and print products that prepare students for various Cambridge English examinations as detailed in Schedule 1 (the Cambridge English Language Assessment Products and Services).

(C) Cambridge University Press also publishes certain other ELT and Academic products, including online and print products as detailed in Schedule 2 (Cambridge University Press Products).

(D) Cambridge English Language Assessment and Cambridge University Press now wish to collaborate with the Government on a trial project to support schools in the Kutai Kartanegara District of East Kalimantan, Indonesia (the Territory) with Cambridge English Language Assessment Products and Services and Cambridge University Press Products to advance classroom learning (the Project).
1. DESCRIPTION

1.1 This Memorandum is an expression of the intention and commitment of Cambridge English Language Assessment, Cambridge University Press and the Government to cooperate, in a mutually agreeable and timely manner, to make the Cambridge English Language Assessment Products and Services and the Cambridge University Press Products (hereinafter collectively referred to as the Cambridge Products and Services) available to schools in the Territory and to support use of such Cambridge Products and Services in the schools.

2. STATUS

2.1 This Memorandum is not exhaustive and is not intended to be legally binding between Cambridge University Press and Cambridge English Language Assessment and the Government, except where specifically stated.

2.2 No legal obligations or legal rights shall arise between the parties from this Memorandum except where expressly provided in this Memorandum.

2.3 Nothing in this Memorandum is intended to, or shall be deemed to, establish any partnership between the parties, constitute any party as the agent of the other parties, nor authorise any of the parties to make or enter into any commitments for or on behalf of the other parties.

3. PRINCIPLES OF COLLABORATION

3.1 The parties agree to adopt the following principles in relation to the Project (the Principles):

(a) take on, manage and account to each other for performance of the respective roles and responsibilities set out in this Memorandum;

(b) communicate openly about major concerns, issues or opportunities relating to the Project;

(c) share information, experience, materials and skills to learn from each other and develop effective working practices, working collaboratively to identify solutions, mitigate risk and reduce costs;

(d) ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this Memorandum; and

(e) act in good faith to support achievement of the mutually agreed objectives and compliance with these Principles.
4. ROLES AND RESPONSIBILITIES

4.1 The Government intends to adopt the Cambridge Products and Services to cater to the teachers and students of the schools in the Territory in the quantities and according to the budget provisionally set out in Schedule 3.

4.2 Cambridge and the Government intend to appoint the following organisations in Indonesia to provide logistics, invoicing and other similar support services ('Service Providers') to facilitate the supply of the Cambridge Products and Services to schools in the Territory:

PT Mentari Books Indonesia having offices at Rukan Sentra Niaga Puri Indah, Blok T1-14, Kembangan, Jakarta 11610, Republic of Indonesia (Mentari); and

The Cultural Exchange and International Education Foundation having offices at Jl. Achmad Yani II (Ex. Pemuda) No.9, Kel. Temindung Permai, Samarinda 75123, Indonesia (Foundation)

4.3 Details for the supply of the Cambridge Products and Services to schools in the Territory, including but not limited to, pricing, terms of payment and delivery schedules will be discussed separately between Cambridge University Press and Cambridge English Language Assessment, the Government and the Service Providers, and will be the subject of separate agreement(s).

4.4 In the event the Government wishes to replace Foundation with another Service Provider, the Government will communicate such details relating to the new Service Provider to Cambridge University Press and Cambridge English Language Assessment ahead of making such an appointment.

4.5 In order to support adoption and use of the Cambridge Products and Services by the schools, Cambridge University Press and Cambridge English Language Assessment will conduct seminars and teacher-training activities in the Territory for the Cambridge Products and Services which may be delivered by Cambridge University Press and Cambridge English Language Assessment representatives/trainers based in the Territory and to provide any further support as may be agreed between the parties at the time. Cambridge University Press will provide three (3) teacher-training sessions, to be scheduled on a quarterly basis, in each year during the Term of this Memorandum. Cambridge English Language Assessment will provide on an annual basis during the Term, two one-day workshops focusing on classroom activities in preparation for Cambridge English KET for Schools and PET for Schools exams. For the avoidance of doubt, Cambridge University Press and Cambridge English Language Assessment will be under no obligation to provide any seminars and teacher-training activities in the event the Government fails to adopt the Cambridge Products and Services as stipulated in paragraph 4.1 above.

4.6 Cambridge University Press and Cambridge English Language Assessment and the Government may jointly, and by mutual consent to applicable terms agreed between
them at appropriate times, participate in an annual review meeting to review adoption and use of the Cambridge Products and Services by the schools in the Territory.

5. INTELLECTUAL PROPERTY

5.1 This paragraph 5 is legally binding.

5.2 In the event that the Government wishes to use the Cambridge trade marks in connection with the Project, permission for any such use must be obtained in advance and in writing from both Cambridge University Press and Cambridge English Language Assessment and will be subject to regulations.

5.3 No intellectual property or related rights are intended to pass between Cambridge University Press and Cambridge English Language Assessment and the Government by virtue of this Memorandum. Where an asset is created from intellectual property contributions from Cambridge University Press, Cambridge English Language Assessment and the Government in connection with any matter relating to the course of action proposed in this Memorandum, each party will retain its own rights in its own contributions within the asset such that any such jointly created asset may not be used by any party except in furtherance of the objectives of this Memorandum.

6. CONFIDENTIALITY

6.1 This paragraph 6 is legally binding.

6.2 Each party undertakes that it shall not at any time after the date at the head of this Memorandum disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other parties or of any member of the group of companies to which the other parties belong, except as permitted by paragraph 6.3.

6.3 Each party may disclose the other parties' confidential information:

(a) to its employees, officers, representatives or advisers who need to know such information for the purpose of carrying out the party's obligations under this Memorandum. Each party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other parties' confidential information comply with this paragraph 6; and

(b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

6.4 No party shall use any other party's confidential information for any purpose other than in furtherance of the objectives of this Memorandum.
7. **TERM AND TERMINATION**

7.1 This Memorandum shall commence on the date of signature by the parties, and shall continue for a period of five (5) years (the **Term**), unless terminated earlier in accordance with the provisions of paragraph 7.2.

7.2 Any party may terminate this Memorandum by giving at least three (3) months' notice in writing to the other parties at any time.

7.3 At the end of the **Term**, the Memorandum shall be renewable, subject to the mutual agreement of the parties in writing.

8. **COSTS AND LIABILITIES**

8.1 This paragraph 8 is legally binding.

8.2 Except as otherwise provided, each party shall bear its own costs and expenses incurred in complying with its obligations under this Memorandum.

8.3 Each party shall remain liable for any losses or liabilities incurred due to its own or its employees' actions and no party intends that the other parties shall be liable for any loss it suffers as a result of this Memorandum.

8.4 Further to paragraph 8.3, neither Cambridge University Press and Cambridge English Language Assessment nor the Government will have any liability of any nature whatsoever to the other based on the failure ultimately to consummate any proposed collaboration envisioned in this Memorandum.

9. **DATA PROTECTION**

9.1 This paragraph 9 is legally binding.

9.2 The Government understands that Cambridge University Press and Cambridge English Language Assessment act in accordance with the Data Protection Act 1998. The Government warrants that it shall comply with all relevant provisions of any applicable data protection laws in connection with the activities that are the subject of this Memorandum and shall not, so far as is practicable, do anything, or permit anything to be done, which might lead to a breach by the Government, Cambridge University Press or Cambridge English Language Assessment of any applicable data protection laws.

10. **ANTI-BRIBERY AND CORRUPTION**

10.1 This paragraph 10 is legally binding.
10.2 The Government understands that Cambridge University Press and Cambridge English Language Assessment act in accordance with the United Kingdom Bribery Act 2010 and other applicable anti-bribery laws in the jurisdictions in which Cambridge University Press and Cambridge English Language Assessment operate.

10.3 The Government warrants that it shall:

(a) comply with all applicable laws relating to anti-bribery and corruption (the Applicable Laws);

(b) undertake reasonable endeavours to ensure neither it, nor its employees, agents, representatives, Service Providers or subcontractors engage in any activity, practice or conduct in connection with the activities to which this Memorandum relates which would constitute an offence under any of the Applicable Laws; and

(c) promptly report to Cambridge any known breaches of any of the Applicable Laws in connection with the activities to which this Memorandum relates.

11. LANGUAGE

11.1 This Memorandum is drafted in the English language. If this Memorandum is translated into any other language, the English language text shall prevail.

12. GOVERNING LAW AND RESOLUTION OF DIFFERENCES

12.1 This paragraph 12 is legally binding.

12.2 This Memorandum and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

12.3 The parties will endeavour to resolve amicably through negotiation any differences or disputes arising from or relating to the implementation of this Memorandum, however in the absence of such resolution, upon mutual agreement, the parties shall then refer the matter to an arbitral tribunal for binding arbitration. The arbitration tribunal shall consist of three (3) arbitrators. Cambridge and the Government shall each have the right to appoint one (1) arbitrator. The third arbitrator, who shall be the chairman of the tribunal, shall be appointed by agreement of the parties. Unless the parties agree otherwise in writing, the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) shall govern such arbitral proceedings.
This Memorandum has been entered into on the date stated at the beginning of it.

Signed by: Peter Phillips
for and on behalf of CAMBRIDGE UNIVERSITY PRESS

Signed by:
for and on behalf of CAMBRIDGE ENGLISH LANGUAGE ASSESSMENT

Signed by: Rita Widyasari, S. Sos., MM
for and on behalf of the KUTAI KARTANEGARA GOVERNMENT, EAST KALIMANTAN, INDONESIA
Schedule 1 *Cambridge English Language Assessment Products and Services

- All communication regarding the products and services listed below will be made via Cambridge English Language Assessment.

<table>
<thead>
<tr>
<th>No</th>
<th>Products and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Assessment consultation</td>
</tr>
<tr>
<td>2</td>
<td>Analysis and diagnostics</td>
</tr>
<tr>
<td>3</td>
<td>Teacher benchmarking and support</td>
</tr>
<tr>
<td></td>
<td>(Cambridge English Placement Test; Cambridge English: First (FCE); Teaching Knowledge Test; Cambridge English Teacher)</td>
</tr>
<tr>
<td>4</td>
<td>Student benchmarking and support</td>
</tr>
<tr>
<td></td>
<td>(Cambridge English Placement Test; Cambridge English: Key (KET); Cambridge English: Preliminary (PET)</td>
</tr>
</tbody>
</table>
Schedule 2  *Cambridge University Press Products*

- All communication regarding the products listed below will be via Cambridge University Press.

<table>
<thead>
<tr>
<th>No</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cambridge Discovery Readers</td>
</tr>
<tr>
<td>2</td>
<td>English in Mind</td>
</tr>
<tr>
<td>3</td>
<td>Cambridge Books Online</td>
</tr>
<tr>
<td>4</td>
<td>Teaching Knowledge Test: Course book</td>
</tr>
<tr>
<td>5</td>
<td>KET for Schools &amp; PET for Schools Course books</td>
</tr>
</tbody>
</table>
Schedule 3  Budget and Quantities of Cambridge Products and Services to be supplied

Provisional number of students and teachers who will be supplied with the Cambridge Products and Services by the Government in collaboration with Cambridge during the Term:

<table>
<thead>
<tr>
<th>Products</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cambridge Discovery Readers materials for the library</strong> (Annual membership)</td>
<td>118 schools</td>
<td>118 schools</td>
<td>118 schools</td>
<td>118 schools</td>
<td>118 schools</td>
</tr>
<tr>
<td><strong>Cambridge English Teacher Membership</strong> (Annual membership)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>English in Mind (Student’s Book and Workbook)</strong></td>
<td>800 English teachers</td>
<td>800 English teachers</td>
<td>800 English teachers</td>
<td>800 English teachers</td>
<td>800 English teachers</td>
</tr>
<tr>
<td>12,500 students (i.e., 6,000 Secondary School students + 6,500 High School students)</td>
<td>12,500 students</td>
<td>21,500 students (i.e., 12,500 students + 9,000 new Secondary School Grade-7 students)</td>
<td>30,500 students (i.e., 21,500 students + 9,000 new Secondary School Grade-7 students)</td>
<td>39,500 students (i.e., 30,500 students + 9,000 new Secondary School Grade-7 students)</td>
<td></td>
</tr>
<tr>
<td><strong>Cambridge English Placement Test (CEPT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13,300 test takers (incl. 800 English teachers)</td>
<td></td>
<td></td>
<td></td>
<td>2,000 students (CEPT will be administered at least 3 months before the students sit for the Cambridge English Exams)</td>
<td>2,500 students (CEPT will be administered at least 3 months before the students sit for the Cambridge English Exams)</td>
</tr>
<tr>
<td>2,000 students (CEPT will be administered at least 3 months before the students sit for the Cambridge English Exams)</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Teaching Knowledge Test (TKT), KET for Schools, and PET for Schools</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N.A.</td>
<td>800 TKT Exams (Module 1)</td>
<td>800 TKT Exams (Modules 2 &amp; 3) + 2,000 KET exam takers</td>
<td>2,500 KET exam takers</td>
<td>3,000 KET + 1,000 PET Exam takers</td>
<td></td>
</tr>
<tr>
<td><strong>Cambridge Books Online (ELT, Social Politics, Islamic Studies, Economics, Agriculture, Engineering, and Law)</strong></td>
<td>USD 500,000 (Expected budget)</td>
<td>USD 500,000 (Expected budget)</td>
<td>USD 500,000 (Expected budget)</td>
<td>USD 500,000 (Expected budget)</td>
<td>USD 500,000 (Expected budget)</td>
</tr>
</tbody>
</table>