AGREEMENT

BETWEEN

THE UNIVERSITY OF KENTUCKY
Lexington, Kentucky, USA,

THE UNIVERSITY OF TENNESSEE
Knoxville, Tennessee, USA,

OKLAHOMA STATE UNIVERSITY
Stillwater, Oklahoma, USA

AND

TAYLOR'S COLLEGE (ADVANCED EDUCATION)
Kuala Lumpur, Malaysia

FOR A TWINNING DEGREE PROGRAM IN MALAYSIA

FOR DEGREE COURSES IN

BUSINESS/ECONOMICS, COMPUTER SCIENCE, & ENGINEERING

Revised September 4, 1992
THIS AGREEMENT is made the 30 day of Sept., 1992

BETWEEN

(1) THE UNIVERSITY OF KENTUCKY (UK), located in Lexington, Kentucky, USA, of the first part;

(2) THE UNIVERSITY OF TENNESSEE (UTK), located in Knoxville, Tennessee, USA, of the second part;

(3) OKLAHOMA STATE UNIVERSITY (OSU), located in Stillwater, Oklahoma, USA, of the third part; and

(4) TAYLOR'S COLLEGE (ADVANCED EDUCATION) SDN. BHD., of Suite 902, 9th Floor, IGB Plaza, Jalan Kampar, off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia (TCAE) of the fourth part.

WHEREAS

RECITALS

A. The Ministry of Education, Malaysia has approved TCAE as an academic institution in Malaysia.

B. UK, UTK and OSU provides in the United States of America (USA) degree courses in the fields of Business/Economics, Computer Science and Engineering which are recognized by the respective accreditation bodies in USA and the Public Services Department (PSD), Malaysia.

C. UK, UTK, OSU and TCAE have entered into discussions and as a result all parties have mutually agreed that TCAE shall act in association with UK, UTK and OSU for the purpose of making available to students in Malaysia the degree courses in Business/Economics, Computer Science and Engineering upon terms and conditions hereinafter set out.

D. The purpose governing the entry by all parties into this Agreement is described in Schedule 1.

IN CONSIDERATION of the premises and covenants on the part of the parties hereinafter contained the parties HEREBY AGREE as follows:

1. DEFINITIONS

1.1 In this Agreement the following words or expressions shall, unless the context otherwise requires, have the following interpretations:

"ACADEMIC DIRECTOR" means the individual appointed by UK and assigned to TCAE as a full-time resident staff to oversee the overall academic standards of the TCAE US Program.
"ACADEMIC YEAR" means three semesters. The first semester in an Academic Year of the TCAE US Program is the January Semester, the second is the May Semester and the third is the September Semester.

"DEGREES" refers to the course programs described in Schedule 2 conducted by UK, UTK and OSU which if successfully completed will lead to the award by these three universities of the respective degrees.

"OSU" means Oklahoma State University or any legal successor thereof.

"SEMESTER" means a period of approximately four months inclusive of thirteen teaching weeks and one examination week in respect of the TCAE US Program.

"STUDENT" means a person enrolled in the TCAE US Program whether part-time or full-time and who has paid to TCAE the fees due in respect of that enrollment. Each student (or his/her agent) will be responsible for payment of applicable fees and tuition to the respective U.S. Universities (UK, UTK, or OSU) in which he/she enrolls at the completion of Part I Studies (freshman and sophomore years) conducted at TCAE. Students' responsibility towards payment of applicable fees and tuition to the respective U.S. Universities shall be outlined in the prospectus and application forms.

"TCAE" means Taylor's College (Advanced Education) Sdn. Bhd. or any legal successor thereof.

"TCAE US PROGRAM" means the program of studies conducted by TCAE in Malaysia in association with the US Consortium and which leads to the award of the Degrees described in Schedule 2 or such other programs as shall be mutually determined by the US Consortium and TCAE from time to time.

"THE TERM" means the term or length of this Agreement as specified in Clause 6.

"TWINNING DEGREE PROGRAM" refers to an agreement between a two year institution of higher education in a developing country and a university in a developed country which provides automatic admission at the junior level to those students who satisfactorily complete the two year program and meet all other admissions criteria set forth in the agreement.

"UK" means the University of Kentucky or any legal successor thereof.

"US CONSORTIUM" means the consortium of American universities comprising the University of Kentucky, the University of Tennessee, Oklahoma State University and any other institution to be mutually agreed upon by all parties; with the lead role and administration of the consortium to be assumed by the University of Kentucky.

"USA" means the United States of America.

"UTK" means the University of Tennessee in Knoxville or any legal successor thereof.
1.2 In this Agreement, words importing the neuter and/or masculine gender shall where the context so requires include the feminine gender and vice versa and words importing the singular shall where the context so requires include the plural and vice versa.

1.3 In this Agreement, the headings are for convenience only and shall not affect the construction of this Agreement.

1.4 The Schedules and Annexure to this Agreement are intended to be and shall form part and parcel of this Agreement.

2. APPOINTMENT OF TCAE

SUBJECT ALWAYS to the due observance and performance by each party of its respective obligations under this Agreement, the US Consortium will assist TCAE to establish and conduct the TCAE US Program during the Term.

3. EXCLUSIVITY

The US Consortium agrees that during the Term, the US Consortium will not enter into any arrangement and/or agreement with any other person or organization to provide in Malaysia any other course of studies of a similar structure and intent as that of the TCAE US Program and TCAE agrees that during the Term TCAE will not enter into any arrangement and/or agreement with any other person or organization resident in USA to provide in Malaysia any other course of studies similar to the US Program.

This exclusivity requirement will not affect any articulation agreement between UK, UTK or OSU and any institution in Malaysia which exists prior to this Agreement.

The US Consortium agrees that upon the expiration or earlier termination of this Agreement, the US Consortium shall not enter into any arrangement and/or agreement with any other person or organization to provide in Malaysia any course of studies of a similar structure and intent as that of the TCAE US Program for a period of three (3) years from the date of such expiration or termination.

No party to this agreement shall assign its rights, interests, or participation in this agreement to any other entity without prior written approval of all signatories to this agreement.

4. TCAE’S ROLE

TCAE acknowledges that its primary role is to act in association with the US Consortium for the purposes set out in Recitals C and D and without limiting the generality thereof TCAE will:

4.1 Prepare promotional brochures and advertisement materials to advertise and promote the TCAE US Program each Academic Year and provide the US Consortium with a copy of any such brochures and advertisement materials. The US Consortium will have the right of review and approval prior to release of any promotional materials.
4.2 Collect all necessary documentation in relation to each application made by a person seeking entry into the TCAE US Program.

4.3 Review each application for entry to the TCAE US Program to ensure that each applicant is eligible for entry in accordance with selection criteria approved by the US Consortium and TCAE from time to time and more particularly described in Schedule 3.

4.4 Provide premises, suitably equipped for the purposes, for interviewing and enrolling students and for conducting of lectures, tutorials, seminars, workshops, laboratories and examinations in connection with the TCAE US Program. The US Consortium, represented by UK, will determine said suitability.

4.5 Make available such library materials, text books, computer equipment and related resources as are suitable for the purpose, for students undertaking studies in the TCAE US Program. Such resources will be at least equivalent to those provided by TCAE to its other international partners (e.g. Canadian, Australian, British, etc.).

4.6 Conduct the academic program, curricula, examinations, grading and assessment of the TCAE US Program in consultation with the US Consortium, in accordance with agreed upon guidelines and academic standards, and under the supervision of the Academic Director.

4.7 Subject to any requirements imposed by the Copyright Act of Malaysia, make available to students enrolled in the TCAE US Program reproductions of subject materials from master copies of such materials provided by the US Consortium.

4.8 Provide office support facilities mutually determined by the parties to be necessary for the purpose of conducting the TCAE US Program. At a minimum, support facilities will be of the same quality and standards as those previously provided by TCAE for their other international partners (e.g. Canadian, Australian, British, etc.).

4.9 Employ such academic staff, in consultation with the US Consortium, to provide the teaching of the curricula in the TCAE US Program. Qualifications of teaching staff are set forth in the Addendum.

4.10 Assist and support arrangements for the development of a "Study Abroad" component whereby US undergraduate students from UK, OSU, and UTK may study at TCAE for periods ranging from one to three semesters. Such support will be technical, organizational and managerial rather than financial.

Unless otherwise stated, the entire costs and expenses for the undertakings in this Clause shall be borne by TCAE.

5. US CONSORTIUM’S ROLE

The US Consortium acknowledges that its role is to act in association with TCAE for the purposes set out in Recitals C and D AND to ensure that the standards of the TCAE US Program are comparable to the respective degree programs conducted by the US Consortium in the USA, and without limiting the generality thereof the US Consortium will:
5.1 Specify and supply the method of assessment to be employed in each subject of the TCAE US Program.

5.2 Admit and enroll all students (up to the numbers specified in Schedule 4) who successfully complete Part I studies at TCAE into Part II studies for the subsequent semester in the respective universities in the US Consortium.

5.3 Provide staff as follows:

5.3.1 Annually assign a representative from UK to act as full-time Academic Director to oversee the overall academic standards and advise on selection of students into the TCAE US Program; and

5.3.2 Assign one (1) additional faculty member from US Consortium to act as resident full-time Lecturer in the TCAE US Program in any Semester PROVIDED always that total enrollment reaches 600 students at TCAE for the prior Semester; and

5.3.3 Assign another additional faculty member from the US Consortium to act as resident full-time Lecturer in the TCAE US Program in any Semester with each additional increment of 100 students above total enrollment of 600 students at TCAE for the prior Semester.

In the event that any of the above staff from UK is unable or unwilling to fulfill or continue his or her obligations at TCAE as specified above, UK shall provide a replacement staff at UK’s cost.

5.4 Through the Academic Director, provide advice regarding the suitability, and approve or disapprove, staff employed or to be employed by TCAE to assist in the teaching of any subject in the TCAE US Program, and from time to time evaluate the performance of such staff in any such teaching.

5.5 Subject to the successful completion of Part I studies at TCAE and Part II studies at the US Consortium by students, to award the respective Degrees to such students in accordance with the rules and regulations of the individual universities in the US Consortium.

5.6 Through the Academic Director, assist TCAE to prepare, organize, coordinate and conduct the teaching program in respect of the TCAE US Program.

5.7 UK will provide TCAE with copies of curricula; syllabi; course and subject outlines; and assignment and examination materials in relation to the TCAE US Program and, at the request of TCAE and as reasonable, with other relevant materials in connection with the TCAE US Program. UK, on behalf of the US Consortium will provide recommendations for text books to be used by the TCAE US Program.

5.8 Allow TCAE to promote and advertise the US Program as a twinning degree program which is conducted in collaboration with the US Consortium. Such promotion and advertising will be subject to prior review and approval by the US Consortium.
5.9 Provide academic advice and act as a consultant to TCAE in respect of the TCAE US Program.

Unless otherwise stated, the entire costs and expenses for the undertakings in this Clause shall be borne by UK utilizing funding provided under the financial provisions specified in #8.

6. TERM OF AGREEMENT

SUBJECT ALWAYS to Clauses 11 and 16, the Term of this initial Agreement shall be for a period of four (4) years commencing on 1st JANUARY, 1993 and expiring on 31st DECEMBER, 1996. At the end of each year, however, this agreement will be automatically extended for an additional one year period (i.e. a "rolling four year agreement" will be in effect) unless the parties to the agreement determine not to continue the agreement. In the event that any party to this agreement determines that it no longer wishes to participate, it must provide in writing, with one year's advance notice, a statement of intent to withdraw.

During the Term, there will be intakes of new students into each Semester at TCAE, the first intake at TCAE will occur in the JANUARY 1993 Semester.

It is agreed between the parties that this Agreement and its continuance during the Term is subject to the continuation of the current policies of the American and Malaysian governments which sanction agreements of this nature.

It is further agreed and understood that if as a result of a change in the policy or the legislation of any of the American and/or Malaysian government ("the Governments") there is imposed on the US Consortium any substantial financial penalty for the continued participation by the US Consortium in the TCAE US Program or if the US Consortium staff are prevented or obstructed by government action or policy or Act of God, force majeure or terrorist activities from carrying out their obligations hereunder then this Agreement may be terminated by notice in writing by the US Consortium to TCAE and upon receipt of such notice by TCAE this Agreement shall terminate and, save as otherwise provided in this Agreement, neither party shall have any further claims whatsoever against the other. This clause will extend and apply to TCAE mutatis mutandis.

PROVIDED always that in the event of termination of this Agreement for any of the above reasons, the US Consortium and TCAE will cooperate to collectively fulfill the obligations and commitments to all students enrolled in the TCAE US Program prior to the said termination in accordance with the terms and conditions of this Agreement.

7. PLACES ALLOCATED

The number of places allocated to students of TCAE is outlined in Schedule 4.

8. FINANCIAL PROVISIONS

In respect of the services to be provided by the US Consortium in this Agreement and in particular for the services in Clause 5, TCAE will be responsible to pay the following costs and fees during the Term in the following manner:
8.1 The US Consortium and TCAE hereby agree that all costs and fees payable by TCAE in respect of the services to be provided by the US Consortium in this Agreement shall be payable to UK only.

8.2 TCAE will pay to UK the following fees:

8.2.1 Administration Fee of US Dollars Seventy Nine Thousand Four Hundred and Ninety Three only (US$79,493.00) per annum in respect of remuneration package for the full-time Academic Director assigned by UK (more particularly described in Clause 5.3.1); and other administration, services and advice provided by UK into the US Program (more particularly described in Clauses 5.1, 5.2, 5.4, 5.5, 5.6, 5.7, 5.8 and 5.9).

The Administration Fee per annum shall be payable in approximately six (6) equal payments over each Academic Year as follows:

(a) US$13,248.84 before the first teaching day of the first Semester of the Academic Year.

(b) US$13,248.84 before the last teaching day of the first Semester of the Academic Year.

(c) US$13,248.83 before the first teaching day of the second Semester of the Academic Year.

(d) US$13,248.83 before the last teaching day of the second Semester of the Academic Year.

(e) US$13,248.83 before the first teaching day of the third Semester of the Academic Year.

(f) US$13,248.83 before the last teaching day of the third Semester of the Academic Year.

The first Semester of the first Academic Year shall be the JANUARY 1993 Semester.

8.2.2 In the event of assignment of any full-time Lecturer by UK under Clauses 5.3.2 and 5.3.3 herein, an additional Lecturer Fee of US Dollars Thirty Seven Thousand and Five Hundred only (US$37,500.00) per semester for each full-time Lecturer assigned.

The Lecturer Fee per semester shall be payable in two (2) equal installment payments over the said Semester as follows:

(a) US$18,750.00 before the first teaching day of the said Semester.

(b) US$18,750.00 before the last teaching day of the said Semester.
8.2.3 The fees stated in Clauses 8.2.1 and 8.2.2 shall be increased in each Academic Year at a fixed rate of five (5) percent per annum during the Term in respect of adjustment for inflation. The first increase shall occur in the JANUARY 1994 Academic Year.

8.3 In addition to the fees in Clause 8.2, TCAE will provide the following benefits only to each UK professor assigned to TCAE either as resident full-time Academic Director or resident full-time Lecturer:

8.3.1 Accommodation in a furnished town-house or such equivalent accommodation at TCAE's choice. The rental, deposits and service charges for the accommodation shall be borne by TCAE as well as all utilities costs (including but not limited to electricity, water and telephone) for the accommodation of the individual UK professors. Personal long distance telephone calls shall be the financial responsibility of the individual professor(s).

8.3.2 Use of a company car for both business and personal use which shall be maintained by TCAE. The costs for maintaining the car (i.e. road tax, insurance, petrol and services) shall be borne by TCAE provided always that all costs for repairs and maintenance shall be with the prior written approval of TCAE.

8.4 In the event that withholding and/or any other form of tax is required by the Malaysian authorities for any payment of monies, costs and/or fees to be paid or payable to UK, the corresponding deduction in respect of withholding and/or other tax shall be made by TCAE from the payment to be paid or payable to UK. The UK will apply to claim for the deducted taxes from the Malaysian authorities and TCAE will assist in the preparation and submission of such paperwork as may be required.

8.5 Apart from the foregoing costs and fees and save as expressly provided in the Agreement, TCAE shall not be responsible for paying to the US Consortium and/or their staff and/or any other person, body, firm, corporation or company any other fees, costs, payments, allowances, claims whatsoever in connection with the TCAE US Program.

9. INSURANCE

Prior to the commencement of this Agreement, TCAE will at its sole expense obtain public liability insurance with coverage of Malaysian Ringgit One Million (M$1,000,000.00) with a reputable and responsible insurer, and this insurance will cover all parties to the agreement--TCAE and the US Consortium.

TCAE will keep such insurance current during the continuance in force of this Agreement or any extension thereof.

The Universities of Kentucky, Tennessee, and Oklahoma State are agencies of their respective states, are vested with Sovereign Immunity, but are subject to provisions of tort claims acts of their respective states. Negligence claims against the Universities for personal injury or property damage may be filed and decided under the provisions of those act. Limits
on recovery are placed for any one person and for multiple claims resulting from a single act of negligence.

10. MONEYS PAYABLE

Except where the arrangement provides to the contrary, all moneys payable hereunder are expressed in US Dollars and are to be paid in US Dollars to "THE UNIVERSITY OF KENTUCKY" and forwarded to:

Commerce National Bank
Acct. # 0-20913-1350
Bank # 71403094
Lexington, Kentucky
U.S. of America

Correspondence should refer to the UK Office of International Affairs/Taylor's College program, and list Dr. Russell H. Brannon as the contact person, Tel. (606) 257-4067.

11. TERMINATION

11.1 In addition to the provisions contained in Clause 6, this Agreement may be terminated in the event of a breach by a party of any of its obligations under the Agreement, by the non-defaulting party giving to the other notice in writing specifying that breach and stating that the Agreement will be terminated if that breach is not remedied.

If such breach is not remedied within ninety (90) days from the date of receipt by the other party of the notice, this Agreement shall thereupon terminate without prejudice to any other rights which any party may have against the other party arising out of this Agreement.

11.2 The termination of this Agreement under Clauses 6 and 11.1 hereof shall be without prejudice to all accrued and continuing obligations of any party towards the other party, incurred or agreed to prior to the day of termination AND the US Consortium and TCAE hereby agree that notwithstanding such termination of the Agreement, the US Consortium and TCAE will cooperate to collectively fulfill the obligations and commitments to all students enrolled in the TCAE US Program prior to the said termination in accordance with the terms and conditions of the Agreement.

11.3 No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of such right or power preclude any other or further exercise hereof or the exercise of any other right or power herein.

12. SEVERABILITY

Any term, condition, stipulation, covenant or undertaking of this Agreement which is illegal, prohibited, invalid or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition, invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions herein this Agreement.
13. **INDEPENDENT CONTRACTORS**

Save as specifically provided to the contrary, the parties shall act in all matters pertaining to this Agreement as independent contractors and nothing in this Agreement shall constitute either party the agent of the other or be construed to imply the existence of a partnership between the parties or to make or constitute either party the agent or representative legal or otherwise of the other party and neither party shall so hold itself out or have any authority to act or assume any obligations or responsibility on behalf of the other party nor shall any party be liable or bound by act or omission of the other party.

14. **MUTUAL TRUST**

In entering this Agreement, the parties recognize that it is impracticable to make provision for every contingency that may arise in the course of the performance of this Agreement. Accordingly, the parties declare it to be their intention that this Agreement shall operate between them with fairness and without detriment to either of them in accordance with the purpose of this Agreement as set out in Schedule 1.

If, in the course of this Agreement, unfairness to any party is disclosed or perceived or if by reason of any unforeseen occurrence or development the operation of this Agreement is likely to cause any inequitable hardship to either party contrary to the spirit of this Agreement, the parties hereto shall negotiate immediately in good faith and use their best endeavors to agree upon such action as may be necessary and equitable to remove the cause or causes of the same.

15. **NOTICE**

Any notice, demand or communication hereunder required to be given by one party to another shall be made in writing and deemed to be properly given if forwarded by facsimile AND prepaid air courier to its address given herein below or such other address as may from time to time be notified for this purpose and any notice so served shall be deemed to have been served five (5) days after the time of sending. The said correspondence shall be subsequently confirmed by the receiving party giving same as soon as practicable thereafter.

**UK**

The Chancellor  
111 Administration Building  
The University of Kentucky  
Lexington, Kentucky 40506  
U.S. of America  
Telephone: (606) 257-2911  
Facsimile: (606) 257-1333
16. RENEWAL OF AGREEMENT

One year extensions of the original four year agreement will be automatic at the conclusion of each year of the agreement unless the parties to the agreement stipulate otherwise at the end of each year (i.e. the agreement will always have an effective four year time horizon).

17. APPROVAL BY AUTHORITY

This Agreement shall be subject to the approval of the Malaysian Ministry of Education.

18. SOLICITOR COSTS

Each party hereto shall bear and pay their own solicitors (i.e. legal) costs in connection with the preparation of this Agreement.
19. ENTIRE AND ONLY AGREEMENT

The foregoing Clauses, Schedules and Annexure hereto shall constitute the entire and only Agreement between the parties relating to the provision of the TCAE US Program and shall not be released, changed or modified in any manner except by agreement in writing and signed by or on behalf of all the parties hereto.

20. BINDING OF AGREEMENT

This Agreement shall be binding upon the heirs, legal representatives, successors in title and permitted assigns of the US Consortium and TCAE.

IN WITNESS WHEREOF the parties hereto by their respective authorized representatives have hereunto set their respective hands and/or seal the day and year first hereinbefore written.

Signed for and on behalf of

THE UNIVERSITY OF KENTUCKY

By: Name Robert E. Hemenway
    Title Chancellor, Lexington Campus
    Signature
    Date: 9/30/92

In the presence of: Name Russell H. Brannon
    Title Associate Vice Chancellor and Director of International Affairs
    Signature
    Date: 9-30-92

THE UNIVERSITY OF TENNESSEE

By: Name C. W. Minkel
    Title Dean of the Graduate School
    Signature
    Date: 9-30-92

In the presence of: Name Russell H. Brannon
    Title Associate Vice Chancellor and Director of International Affairs
    Signature
    Date: 9-30-92
OKLAHOMA STATE UNIVERSITY

By : Name Arthur Klatt
    : Title Interim Director of Office of International Programs
    : Signature [Signature]
    Date: 9/30/92

In the presence of : Name Russell H. Brannon
    : Title Associate Vice Chancellor and Director of International Affairs
    : Signature [Signature]
    Date: 9-30-92

TAYLOR'S COLLEGE (ADVANCED EDUCATION) SDN. BHD.

By : Name Dato' M S Tan
    : Title Managing Director
    : Signature [Signature]
    Date: 30/9/92

In the presence of : Name Y.A.M. Tengku Syarif Temenggung Perlis
    Syed Amir Abidin Jamalullail
    : Title Chairman, Business Board of Directors
    : Signature [Signature]
    Date: 30/9/92

In the presence of : Name Tan Sri Dato' Murad bin Mohd Noor
    : Title Chairman, Academic Board of Governors
    : Signature [Signature]
    Date: 30/9/92

- 13 -