

BC GLOBAL EDUCATION PROGRAM CERTIFICATION AND INSPECTION REQUIREMENTS

APPLICATION

According to the 2013/2014 BC Global Education Program Operating Manual for Offshore Schools (the “**Operating Manual**”), prospective offshore school operators interested in establishing a BC offshore school must submit applications to the BCMOE between September 1 and December 31 each year.

In determining whether to approve an application for a new offshore school, the BCMOE will take into account a range of factors, including the location of the proposed school (in relation to the number and location of existing BC offshore schools and the BC provincial international education priorities); the accuracy, validity, and completeness of information provided; whether the proposed plan for the school adheres to program requirements; and the suitability of the applicant (for operating a BC offshore school). In assessing applicant suitability, the BCMOE considers, among others, the following factors:

- compliance with application requirements;
- the reputation and character of the applicant;
- whether the applicant has previously used the BC curriculum or BC education “brand” without authorization;
- the financial integrity of the applicant, including sources of funding for the proposed school;
- whether any false or misleading information has been provided by the applicant during the application process; and
- any other factors that may be relevant to the BCMOE’s interest in protecting the integrity of the program and/or BC’s positive international education reputation.

If the BCMOE decides to accept an offshore school’s application, the BCMOE will enter into a pre-certification agreement and an initial curriculum delivery agreement with the school operator, and, upon payment by the school operator of all applicable fees, the school is moved into the pre-certification phase. Both agreements are valid for one school year starting from July 1 and ending at June 30.

PRE-CERTIFICATION AND CERTIFICATION

A school in the pre-certification phase is permitted to deliver the BC curriculum for the following school year. During the pre-certification phase, the school operator is not permitted to advertise the school as “BC-certified” or indicate that students will be able to receive a BC high school diploma upon graduation.

The BCMOE will appoint a team of inspectors to perform an onsite inspection of the school in the spring, at the expense of the school operator. Once the inspection team has completed its evaluation of the school, required changes and/or follow-up items for the school operator will be identified and recommendations will be provided to the BCMOE for consideration. If the inspection team determines that all program requirements are met, the school is certified and the school operator will sign a one-year certification agreement with the BCMOE. In the event that the program requirements are not met, the BCMOE may either renew the initial curriculum delivery agreement for another year or advise the school operator that the initial curriculum delivery agreement will not be renewed, in which case the school operator may re-apply to the program at a later time.

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Below is a summary of the key terms of the BCMOE’s standard form of certification agreement:

Category	Description of key terms
Agreement term	The certification agreement commences on the first day of the school year (July 1) in the year in which the Agreement is executed and ends on the last day (June 30) of the school year. The certification agreement may be renewed at the Province’s sole discretion if the Province is satisfied that the school operator continues to meet all the certification requirements.
Qualification criteria for school operators	The school operator represents and warrants as to the qualification requirements, including, but not limited to, the following: (i) it has satisfied all of the certification requirements, including without limitation an annual report submitted in accordance with the requirements of the BC Global Education Program, as may be modified from time to time by the Province of British Columbia (the “ Province ”); (ii) it is able to communicate orally and in writing with the Province in fluent English at a level acceptable to the Province; (iii) it has paid all fees; (iv) it has provided any additional information that the Province reasonably requests; (v) it is considered by the Province, at the Province’s sole discretion, to be a suitable candidate in accordance with the certification requirements; (vi) it is, subject to the written approval of the Province, offering a BC educational program that commences between kindergarten and grade eight, with a minimum enrollment of 60 full-time students in each grade offered in the school; (vii) it has, subject to the written approval of the Province, ensured that students commence full-time enrollment in the school in or before grade eight; and (viii) it provides the Province annually with written confirmation from the appropriate government entity with paramount responsibility for education in the jurisdiction in which the school is located that the operator has obtained written approval or a letter of no objection to obtain certification for the school and operate the school under the certified agreement.
School operator’s representations, warranties and obligations	<p>All statements contained in any certificate, application or other document delivered before or during the continuation of the certification agreement, by or on behalf of the school operator to the Province under the certification agreement or in connection with the school and the provision of an educational program under the certification agreement will be deemed to be representations and warranties by the operator under the certification agreement.</p> <p>All representations, warranties, covenants and agreements made under the certification agreement and all certificates, applications or other documents delivered by or on behalf of the school operator are material and will conclusively be deemed to have been relied upon by the Province and will continue in full force and effect during the continuation of the certification agreement.</p> <p>The school operator must, if requested by the Province, provide evidence satisfactory to the Province that the representations and warranties are true and correct and that the operator’s obligations under the certification agreement have been met.</p> <p>The school operator represents and warrants to the Province that:</p> <ul style="list-style-type: none">• there is no law or decision of a governmental entity, which would prohibit the operator from entering into the certification agreement with the Province;• the certification agreement has been legally and validly authorized and executed by the operator and is legally binding upon and enforceable against the operator in accordance with its terms; and

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	<ul style="list-style-type: none">• the operator: (i) will directly operate the school and is solely responsible for its operation; (ii) has the power and capacity to accept and execute the certification agreement; (iii) has the power and capacity to perform its obligations under the certification agreement and the certification agreement is binding upon and enforceable against the operator in accordance with its terms; (iv) does not know of any fact that adversely affects, or might adversely affect, in a material way, the operator’s properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under the certification agreement; (v) has all the rights necessary to operate the school and use the facilities for the purposes of the school; and (vi) will operate the school in accordance with the laws of the country where the school is located.
Principals and teachers	<p>The school operator must employ a principal for the school during the term of the certification agreement. The operator must not employ a principal who is employed as a principal for any other BC offshore school. The principal must be an individual who, at the time that the individual is hired by the operator as the principal and during the term of the certification agreement, meets all of the following requirements: (i) is fluent in English; (ii) holds a BC certificate of qualification; (iii) is not otherwise affiliated with the operator, other than through the principal’s employment contract with the operator; and (iv) has experience working at a principal or vice-principal level and has a minimum of three years of teaching experience, preferably in a BC school, except where the Province has provided written approval to the operator for the use of modified criteria due to exceptional circumstances.</p> <p>The school operator must ensure that teachers employed to teach at the school: (i) hold a BC certificate of qualification prior to beginning teaching in the school and during the term of the certification agreement; (ii) provide to the operator police records checks from all Canadian jurisdictions in which they have previously resided; (iii) maintain their certification in good standing complying with all professional requirements under the Province’s Teachers Act; (iv) provide consents for the disclosure of personal information to the Province as required under the certification agreement and for storing and accessing this information outside of Canada; (v) provide instruction in a competent manner to students in accordance with the requirements under the certification agreement and as identified in the requirements of the BC Global Education Program; (vi) teach the programs of study and educational programs that are prescribed, approved or authorized under the certification agreement; (vii) encourage and foster learning in students; (viii) regularly evaluate students and periodically report the results of the evaluation to the students, the students’ parents and the school in accordance with the terms of the certification agreement; (ix) maintain, under the direction of the principal, order among the students while they are in the school or on the School grounds and while they are attending or participating in activities sponsored or approved by the school; and (x) carry out, subject to any applicable contract of employment, those duties that are assigned to the teacher by the principal.</p>
Facilities	<p>The school operator is responsible for (i) ensuring that local health and safety standards in respect of the operation of the school are met; (ii) ensuring that the facilities, grounds and equipment used in conjunction with the operation of the school meet local building code and health and safety standards; and (iii) any damages or compensation arising as a result of any liability related to facilities, grounds, equipment or operation of the school.</p>
Indemnity	<p>The school operator will indemnify and save harmless and forever releases and discharges the BCMOE, its employees and agents, from and against any and all</p>

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	<p>losses, claims, damages, actions, causes of action, costs and expenses that any of them may sustain, incur, suffer or put to at any time either before or after the expiration or termination of the certification agreement, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission of the operator, or of any agent, employee, officer, director or subcontractor of the operator pursuant to the certification agreement or in connection with the school.</p>
Fees	<p>The school operator must ensure that all communications, including publications and promotional materials, accurately set out the amount of fees and other monies payable under the certification agreement to the Province.</p> <p>Below is a summary of the fees for the BC Global Education Program:</p> <ul style="list-style-type: none">• initial application fee — CAD5,000, which is non-refundable and payable at the time of application;• curriculum usage fee — CAD10,000 per school/annum, which is payable on August 1 of each calendar year;• program administration fee — CAD5,000 per annum, which is non-refundable and payable on August 1st of each calendar year; and• student registration fee — CAD350 per student/annum, which is payable on November 30 of each calendar year.
Renewal	<p>The Province at its sole discretion will determine whether the school operator may renew the certification agreement, after: (i) determining if the operator is in compliance with the terms and conditions of the certification agreement; (b) conducting an inspection of the school to assess whether, in the Province’s opinion, the operator is eligible to apply to renew the certification agreement, with or without conditions; and (iii) assessing any other matters that the Province considers relevant to that determination.</p> <p>If the Province has notified the school operator that the school will not be certified, that the certification agreement will not be renewed, or that the certification agreement will be terminated, the operator must: (i) update the schools website; and (ii) notify, in writing, all students or applicants for enrollment in the school and their parents or legal guardians that the school will not continue to operate under the BC Global Education Program and will not be eligible to continue to deliver the BC Curriculum or offer a BC diploma.</p>
Default and Termination	<p>The following events will result in the school operator no longer being in good standing with the BC MOE, and, as a result, will constitute an event of default:</p> <ul style="list-style-type: none">• the operator fails to comply with any provision of the certification agreement, any request or direction of the Province made under the certification agreement, or any reasonable order from the Province;• any representation or warranty made by the operator in the certification agreement, or otherwise made, to the Province before or during the term of the certification agreement which is untrue or incorrect;• the operator fails to correct any deficiency noted in an inspection report within the time specified by the Province, and if no time was specified, within a reasonable time;

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	<ul style="list-style-type: none">• any information, oral or written statement, certificate, report or other document furnished or submitted by or on behalf of the operator pursuant to or as a result of the certification agreement which is untrue or incorrect;• the operator ceases, in the opinion of the Province, to operate;• a change occurs with respect to one or more of the following, including some or all, of the properties, assets, condition (financial or otherwise), business or operations of the operator which, in the opinion of the Province, materially adversely affects the ability of the operator to fulfill its obligations under the certification agreement; or• the operator does not, in the opinion of the Province, continue to provide a school in a manner that meets the Province’s requirements. <p>Upon the occurrence of any event of default and at any time thereafter the Province may, notwithstanding any other provision of the certification agreement, at its sole discretion, exercisable by written notice to the school operator, (i) require that the event of default be remedied within a time period specified by the Province; (ii) immediately terminate the certification agreement and cancel the authorization of the operator to use the BC Curriculum for purposes of operating the school; or (iii) pursue any remedy or take any other action available to it at law or in equity.</p> <p>The certification agreement may be terminated where there is no event of default, by either party if during that school year, the school operator or the Province receives a written request to terminate from the other party. Termination in such manner will become effective at the end of the school year during which notice is given, unless another date is agreed to by the parties in writing.</p>
Damages	Where the certification agreement is terminated due to an event of default prior to the end of the term, the school operator shall pay, in a single payment, as liquidated damages and not as a penalty, the early termination charge of CAD10,000.
Dispute resolution	The certification agreement will be governed by and construed in accordance with the laws of the Province. Any matter regarding the interpretation and application of the certification agreement, and all disputes arising under or in connection with the certification agreement, that cannot be resolved between the parties, will be within the exclusive jurisdiction of the courts of BC.

In addition to the above, the BCMOE’s standard form of certification agreement also contains provisions relating to (i) restrictions on the school operators ability to advertise, make public announcements or make statements about the school and its accreditation or certification; (ii) the operation of the school, including with respect to admissions, the location of the school and compliance with respect to directions, requests or enquiries by the Province; (iii) restrictions on the ability of the school operator to sub-contract its obligations thereunder; and (iv) inspections, audits and reviews by the Province. Reference should be made to the sample form of certification agreement which is attached as Appendix D to the Operating Manual available at <http://www2.gov.bc.ca/assets/gov/topic/54BCE40BEF89C8DE4FAC8501CC63E384/internationaleducation/offshoreoperatingmanual.pdf>.

MAINTAINING CERTIFICATION AND ANNUAL REPORTING

According to the Operating Manual, operators of BC-certified offshore schools are responsible for, among others:

- directly operating the school, including delivery of the BC curriculum in English;

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- the financial management and administration of the school, including the payment of all applicable fees and relevant costs to the BCMOE;
- improving and maintaining student achievement and ensuring that there are no significant discrepancies between Provincial exam marks and course marks;
- ensuring that the education program provided at the school meets BC provincial education standards as described in program agreements (i.e. achieving Prescribed Learning Outcomes, using provincial Performance Assessment Standards, meeting instructional time requirements, adhering to exam invigilation instructions, meeting English language assessment and development standards, etc.);
- developing policies and procedures regarding student admissions, student discipline, parental appeals, evaluation of teachers and administrators, and dispute resolution;
- ensuring that only those students with sufficient English language capability are permitted to enter the program and that students studying in the program have access to adequate English language development supports as required;
- complying with all applicable laws, bylaws, orders, directions, rules, and regulations of any city, state, provincial, and national government body of the region/country in which the school operates;
- recruiting, hiring, compensating, and providing suitable accommodations for administrators and teachers;
- establishing and maintaining complete and accurate records for students, the school, and administrators and teachers;
- meeting the BCMOE data and annual reporting requirements; and
- supporting and participating in the BCMOE’s inspections of the school as required.

Operators of BC-certified offshore schools must continuously demonstrate that all program requirements are being met. In order for a school’s certification to be renewed on an annual basis, the school operator must submit a completed annual report to the BCMOE by September 30 of each year, which consists of an inspection catalog and an update of the school’s business plan. The inspection catalog must include inspection documents prepared by the school operator in accordance with the requirements of the Global Education Program, which the operator must complete in support of the Province’s inspection process. The business plan must include: (i) description of the school and its five-year plan; (ii) school operations and capacity, including audited financial statements; information on the management structure and approach to engaging staff, students, and parents; and school marketing and promotion; (iii) human resources, including the operator’s plan for ensuring that all teachers and administrators are properly certified at all times; and (iv) student achievement and approach to delivering educational program(s) at the school.

Certified offshore schools must also pass annual onsite inspections, which take place between October and December of each year at the expense of the school operators. Once the inspection team has completed its evaluation of a certified school, required changes and/or follow-up items for the operator will be identified and recommendations will be provided to the BCMOE for consideration. Final inspection reports will also be made public on the BCMOE’s website. The BCMOE will review the inspection results and follow-up with operators as required. Taking into consideration the results of the inspection process, any remedial action(s) taken by the operator to address concerns resulting from the inspection, and any other factors deemed relevant by the BCMOE at the time, the BCMOE will renew or discontinue its certification agreement with the operator.

Operators of certified offshore schools may submit a request to the BCMOE to move to a biennial inspection process when certain requirements are met. Schools approved for a biennial inspection process must still meet annual reporting requirements in order for their certification to be renewed on an annual basis. For schools on a biennial inspection cycle, the Ministry will still renew the certification agreements with their owner/operators on an annual basis provided that annual reporting requirements have been met and the most recent inspection process has been successfully passed.

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At its discretion, the BCMOE may remove an operator’s certification at any time during the school year if the operator is found to be out of compliance with the BCMOE’s requirements, including if the operator fails to remain in “good standing” with the BCMOE. The BCMOE will consider the following criteria in assessing whether a school operator remains in good standing with the BCMOE:

- whether the operator is currently and has been consistently complying with agreement requirements;
- whether all applicable program fees have been paid and costs covered in full and on time;
- whether the operator and/or individual/entities acting on behalf of the operator are in compliance with relevant legislation of the country/region in which the school is operating;
- whether the operator and/or individuals/entities acting on behalf of the operator are currently or have recently acted in a manner that could negatively impact the integrity of the BC Global Education Program and/or BC’s positive international education reputation; and
- any other criteria that the BCMOE considers relevant at the time.

RECENT REFORMS

The BCMOE announced reforms of its Global Education Program and initiated further reviews of its administration of such program to protect its high-quality education brand. It issued the Transition Guidelines for Offshore schools (the “**Transition Guidelines**”) in January 2013, which include various new requirements for certification application and renewal inspection. The reforms in the Transition Guidelines are all included in the Operating Manual, and reflected in the certification agreement for the 2013/2014 school year. All of our BC-certified high schools have entered into such certification agreements with the BCMOE for the 2013/2014 school year and have taken or plan to take measures to meet the new requirements. Below is a summary of the measures we have taken or plan to take for certain important new requirements.

Requirement	Transition process	Measures we have taken or plan to take
School operator must have financial and organizational capacity to operate a BC school (as defined in the certification agreement and further outlined in the Operating Manual).	Applies to all schools effective immediately.	As of the Latest Practicable Date, we had been able to comply with this requirement for all of our high schools under operation.
Students must enter the BC education program on a full-time basis no later than grade eight. Students who have previously been instructed in English on a full-time basis may be admitted after grade eight, provided that they have passed the English language assessment and met all the other English language requirements specified in the Operating Manual.	Applies to all new applicant schools effective immediately. Not applicable to existing schools.	Our high schools in Shanghai and Luoyang are exempt from this requirement. We have obtained permission from the BCMOE to offer BC curriculum to students of these high schools from grade 10. The BCMOE views our foundations program and bridging program as substitutes for offering BC curriculum from grade 8. We also plan to obtain the same exemption for high schools we plan to open in the future.

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Requirement	Transition process	Measures we have taken or plan to take
Students in offshore schools must pass an English language assessment, as described in the Operating Manual, prior to being enrolled in the BC program. Each school’s principal is responsible for signing-off on all English language assessments and subsequent student admission decisions.	Applies to all schools effective beginning in the 2013/2014 school year.	As of the Latest Practicable Date, we had been able to comply with this requirement for our high schools under operation. The vice director of our English teaching center, who is a BC-certified teacher, has developed an English language assessment exam for applications to our high schools. The exam is strictly invigilated, and exam results are signed off by our BC principals. The exam results are also placed in the student’s file for inspection by the BCMOE.
Each school must have a minimum of 60 full-time students within each grade. New applicant schools must be able to clearly demonstrate prospective enrollment of at least 60 full-time students per grade as part of the application process, and confirm that annual enrollment targets are being met through the annual reporting and inspection processes.	Effective immediately for all schools applying to enter the BC Global Education Program after January 2013. New schools will have a maximum of three years from the time the school opens to meet this requirement.	As of the Latest Practicable Date, we had been able to comply with this requirement for our high schools under operation. For high schools we plan to open in the future, we do not foresee any hardship in fulfilling this requirement within the first three years of operation.
Students in offshore schools must pass provincial exams in order to graduate, and are expected to write provincial exams for a specific grade during the year in which they are enrolled in that grade.	Applies to all schools effective in the 2014/2015 school year. Each school must submit to the BCMOE as part of its 2013/2014 annual report, a plan outlining the supports that will be in place to ensure student success in provincial examinations.	We are communicating with the director of the BC Global Education Program and expect to receive more information about this requirement before September 2014.
A school must implement the new program governance structure which consists of school operator, offshore program consultant (not mandatory), principal (and vice-principal), and teachers.	Applies to new applicant schools effective immediately. Applies to existing schools beginning in the 2013/14 school year.	As of the Latest Practicable Date, we had been able to comply with this requirement for all of our high schools under operation.
All courses are eligible to be delivered through distributed learning from the BCMOE-approved distributed learning providers identified in the certification agreements, with the exception of provincially-examinable subjects.	Applies to all schools effective beginning in the 2013/2014 school year.	As of the Latest Practicable Date, we had been able to comply with this requirement for all of our high schools under operation.

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Requirement	Transition process	Measures we have taken or plan to take
All schools must establish a “twinning” relationship with a BC K-12 public or certified independent school.	Applies to all schools effective beginning in the 2013/2014 school year.	We are communicating with a superintendent of the BCMOE regarding an exemption from this requirement. We are also in the process of negotiating with the Comox Valley School District to establish a “twinning” relationship for our high school in Shanghai.
25% of graduating offshore students are expected to complete a minimum of one semester’ study at a K-12 public or certified independent school in BC.	Applies to all schools. All schools must meet this requirement by the end of the 2015/2016 school year.	We are communicating with the BCMOE regarding an exemption from this requirement.
Exams will be invigilated by a BCMOE-appointed official during the first year a certified school has eligible students write the exam.	Effective immediately for all schools not currently certified under the BC Global Education Program. Not applicable to existing certified schools.	We are communicating with the BCMOE regarding whether this requirement applies to our high schools in Shanghai and Luoyang and to seek more information about this requirement.
The BCMOE has the ability to perform: (i) an unannounced inspection of any school at any time; and/or (ii) a learning audit of any school at any time if there are concerns about the quality of educational programming and/or student achievement.	Applies to all schools effective immediately.	Our high school in Wuhan was the first BC offshore school to undergo an unannounced inspection. The inspection occurred on March 17 and 18, 2014 and the results were very positive and are made public on the website of the BCMOE. We believe that we are able to pass such unannounced inspections in the future.