

MEMORANDUM OF UNDERSTANDING

Addison Wesley Longman, Inc. ("Employer") and Local 2110, U.A.W. ("Union"), agree that all terms and conditions of the collective bargaining agreement ("Agreement") shall be extended through December 31, 2000, with the following modifications:

1. Section 6.1: Christmas Eve Day shall be eliminated as a holiday and instead, the Employer shall designate an additional day off to provide a long weekend at either Christmas or New Year's.
2. Sections 7.1 and 7.2: Minimum hiring rates shall be increased by three percent (3%) effective January 1, 1999 and January 1, 2000.
3. Section 7.4.6: The effective dates of the increases set forth in this Section 7.4 shall be the beginning of the nearest pay period to January 1, 1999 and January 1, 2000.
4. Section 9.1: Modify last two paragraphs as follows:

In addition, any bargaining unit employee who reached six years of service by December 31, 1998 shall receive an extra personal day in the employee's sixth, eighth and ninth years, but shall not be entitled to the bonus week in their 15th, 20th or 25th years.

Employees who did not reach six years of service by December 31, 1998 shall not receive an extra personal day in their sixth, eighth and ninth years, but shall receive a bonus week of vacation during their 15th, 20th and 25th years of service.

5. Section 20.1: This Agreement shall be effective until December 31, 2000.

Section 20.1.1: For the purposes of this Agreement, the first year of the Agreement shall mean January 1, 1999 to December 31, 1999; the second year shall mean January 1, 2000 to December 31, 2000.

6. Bargaining Unit Employees shall be eligible for participation in the "Pearson Profit Sharing Plan" and the "Save for Shares Plan."

7. Sections 9.7 and 14.6: Delete.

ADDISON WESLEY LONGMAN, INC.

By: Annika Jansen

Date: 12/23/98

LOCAL 2110, U.A.W.

By: Michael J. Smith

Date: 12/23/98