



Web**Assign**®

2015

*Benefit Corporation
Annual Report*

“... WebAssign is in a prime position to contribute solutions that support the evolving state of education.”



A Message from our President

WebAssign's mission is to enhance education by providing an intelligent combination of technology, academic expertise, and superior customer service to educators and learners. Our company's roots are deeply planted in education. From our late founder, physics education specialist, and professor, John Risley, to our employees — many of whom with teaching backgrounds — our passion for enhancing the teaching and learning experience is the bedrock for everything we do.

As we approach our fourth year as a Benefit Corporation dedicated to enhancing education, we reflect on some key trends impacting the growth of technology in higher education.

Mobile devices and cloud computing enable teachers and students to take learning out of the classroom and access course materials from virtually anywhere any time. And with increased mobility comes new teaching models, including flipped classroom and self-paced study.

We've seen an explosion of free online educational resources (OER) with the promise of low-cost, quality content. We've also seen OER spawn the rise, and now fall, of Massive Open Online Courses (MOOCs).

Increased availability of class-level data and real-time analytics enables instructors to adjust their classroom instruction based on easily accessible information about student performance.

All these trends depend on technology and, as an education technology company, WebAssign is in a prime position to contribute solutions that support the evolving state of education.

In the last year, we focused on providing tools for more personalized teaching and learning. We delivered a well-received analytics suite, Class Insights and My Class Insights, for teachers and students, respectively. We deepened relationships with providers of open-source content to offer low-cost digital course materials. And we committed to a company-wide investment in architecting and delivering a student-paced model for developmental math.

We've sown the seeds for a strong future and our commitment to and investment in enhancing education goes beyond our product advancements. We continue to give back to education through a variety of programs. Additionally, we continually seek new ways to expand our benefit mission and have included several ideas for future contribution.

As employees, we are fortunate to work for a company that is completely mission focused. Our mission and our customers inspire and motivate us every day. We look toward the opportunities ahead as a company wholeheartedly dedicated to delivering products and services to enhance education.

Sincerely,

Alex Bloom,
WebAssign CEO and President



About WebAssign's Benefit Mission

As a benefit corporation, WebAssign's mission is to create a general public benefit that has a material positive impact on society and the environment. Four specific topics are addressed as part of WebAssign's benefit mission:

1. Support student learning.
2. Associate closely with North Carolina State University (NCSSU).
3. Hire employees in and around Raleigh, North Carolina.
4. Donate to nonprofit research institutions.

This report details the ways in which WebAssign demonstrated this general public benefit in 2015.

Promote Student Learning

One of WebAssign's goals as a benefit corporation is to promote, support, and improve educational instruction and student learning. In 2015, the company launched a faculty sabbatical program, providing resources and support to faculty members interested in creating content that adds value to the learning environment and could be distributed at no additional charge. The first sabbatical participant, Anne Triplett from the University of Mount Union, authored a collection of sports-themed math and statistics questions designed to increase student engagement by using real-world data. Sports Questions, 1st edition is available at no charge to WebAssign users. The company also created the position of Faculty Advocate Program Director and hired Kimberly Benien, formerly of Wharton County Junior College, to the role. The Faculty Advocate Program will provide professional development services to WebAssign adopters through a team of active faculty who can consult and collaborate on educational best practices with their academic peers.

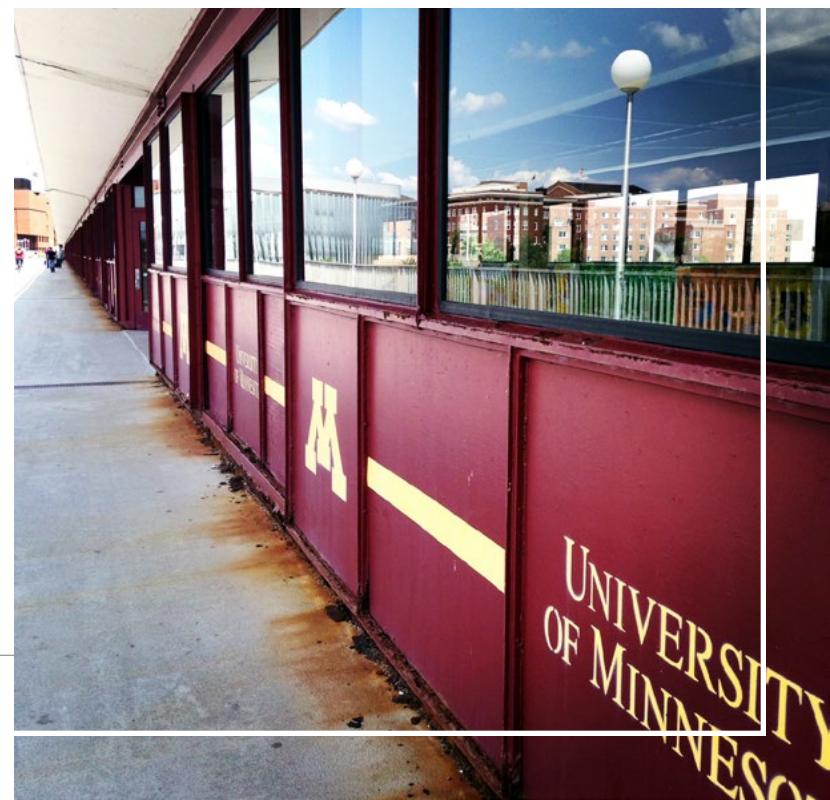
WebAssign deepened its commitment to the Open Education Community by expanding support of open-source textbooks to include general chemistry, macroeconomics, and additional mathematics course areas. WebAssign also partnered with new open education resource provider OpenIntro, which

specializes in statistics education. In 2015, the company contributed more than \$70,000 to open education content provider OpenStax to support OpenStax's mission of improving access to quality content.

Additionally, WebAssign partnered with the Mathematical Association of America, the largest professional society that focuses on making mathematics accessible at the undergraduate level, to provide low-cost solutions to the specialized courses they serve.

Functional improvements to the WebAssign application this year concentrated on exposing actionable data and useful analytics to faculty and students. Class Insights gives faculty an analytical view of student performance on questions and topics throughout a course. The student view, My Class Insights, provides a personalized analysis of performance across multiple concepts and provides extra practice on topics of need.

WebAssign reached 8% more instructors in 2015 than 2014, adding over 1,300 new faculty members to our adopter base. The company added 93 new textbooks to our digital content offering and increased our institution adoptions by 8%, adding 224 new schools.





Align with NCSU

WebAssign's second benefit goal is to associate closely with NCSU. In 2013, WebAssign began hosting a weekly onsite free tutoring program to assist students at the Wake NCSU Early College High School who need additional help with specific course work and general study skills. The program gives students individual access to subject matter experts, and it gives our employees the opportunity to easily assist the students. We continued this program in 2015 and expanded the program to other Centennial Campus Business Partners who also provide employee volunteer tutors to assist.

WebAssign sponsored two fundraising events in association with NCSU. Stop Hunger Now is a nonprofit organization with

a goal of ending global hunger in our lifetime. Employees at WebAssign also volunteered to pack meals for the program. Additionally, WebAssign sponsored the Krispy Kreme Challenge to benefit the North Carolina Children's Hospital.

In September 2015, WebAssign collaborated with the NCSU College of Design. The students in the class were assigned a project to work with our User Experience team to improve the student user experience of WebAssign. Throughout the term, students worked individually and in teams to develop personas and creative solutions for improving WebAssign's user experience. The students then delivered multi-media presentations to members of the technology and executive teams.

Support Our Local Community

Third, WebAssign seeks to recruit its employees from qualified personnel residing in and around Raleigh, North Carolina. The company hired 37 employees in 2015 from the Raleigh area for positions including technology, product management, content services, sales, and finance. As part of our benefit mission, Raleigh-area employees participate in a number of events

organized by the Employee Stock Ownership Plan (ESOP) committee, such as volunteering at Backpack Buddies, Read and Feed, Food Bank, Habitat for Humanity, and The Scrap Exchange. All employees are eligible to take up to 16 hours of paid leave for volunteering events per year.

Increase Donations

WebAssign also seeks to contribute funds annually to nonprofit research universities that are customers of the corporation. The funds are designated for financial aid to help needful students pay for the use of the corporation's products or other student educational expenses.

WebAssign created the WebAssign Gives program, to encourage employees to recommend recipients of our donation program. As a result, WebAssign increased the

benefit corporation donations by more than 100% from 2014, with donations to eight schools and one nonprofit foundation. One such school receiving a donation was Seneca High School in Seneca, South Carolina. As a Title 1 school, at least 40% of Seneca High School's population comes from low-income families. Seneca students raised money over the summer, and WebAssign donated \$2,000 to enable 425 students to use the WebAssign technology in physics and chemistry.

WebAssign 2016 B Impact Report

Self Reported and Unverified*

	Company's Points UNVERIFIED	Percent Earned —	Ordinary Businesses** UNVERIFIED	Other Sustainable Businesses —	B Corps*** CERTIFIED
Overall B Impact Score	85.2 pts		51 pts****	80 pts	97 pts****
Governance	15.4	68.3%	6	10	14
Corporate Accountability	11.9	76.6	3	6	10
Transparency	3.5	50.0	3	3	4
Workers	32.3	64.6	20	22	26
Compensation, Benefits & Training	21.0	62.4	15	15	17
Worker Ownership	5.6	62.5	1	2	3
Work Environment	5.7	77.3	4	4	5
Community	33.9	48.2	15	32	44
Community Practices	32.8	48.8	10	16	20
Suppliers & Distributors	0.0	0.0	2	4	4
Local Involvement	6.0	50.0	3	5	6
Diversity	5.8	58.8	1	2	3
Job Creation	1.0	9.5	1	2	2
Civic Engagement & Giving	4.7	35.9	2	4	5
Customers	15.3		5	15	18
Consumer Products & Services	15.3		5	15	18
Serving Those In Need					
Products or Services	15.3				
Environment	3.7	18.4	6	9	13
Environmental Products & Services			2	4	8
Environmental Practices	3.7	18.4			
Land, Office, Plant	1.5	13.8	3	4	5
Inputs	1.4	22.2	1	2	3
Outputs	0.7	28.6	1	1	1
Suppliers & Transportation	0.0	100.0	0	1	3

* All of this information in this report is self-reported by the company and unverified by a third party, which is compliant with all benefit corporation statutes. B Lab has not verified and does not make any claims about the veracity of any of the information contained in this report. The B Impact Scores presented in this report are also self-reported and unverified and are thus of limited use for benchmarking. B Impact Scores typically decline by a material amount after review by B Lab, typically as a result of misunderstanding of questions, not misrepresentation of answers.

** Median score of Ordinary Businesses that have completed the B Impact Assessment (BIA).

*** Median scores of all Certified B Corporations that have received a minimum certified score of 80 on the BIA.

**** For Ordinary Businesses and Certified B Corps, Total B Impact Scores will not equal the sum of the sub-scores since each reflects a median score.

Benefit Assessment

WebAssign became a benefit corporation in 2012 in the state of Virginia. WebAssign elected to become a benefit corporation after careful consideration of founder John Risley's vision for the future of the company. WebAssign is measuring its public benefit by using the B Lab's Impact Assessment tool. The Impact Assessment measures a company's positive social impact on its stakeholders. For the Impact Assessment, stakeholders are defined as employees, suppliers, suppliers' employees, shareholders, the environment, and the local community. The maximum score for the Impact Assessment is 200. WebAssign's

score is 85. The average B Corp score is 97, and the average for other sustainable businesses is 80. WebAssign's Impact Assessment scores are shown in the adjacent chart.

WebAssign is exploring ways to improve the Impact Assessment score in 2016. The ESOP committee has received a list of items in the environmental category and plans to incorporate some of these ideas into our business operations. Additionally, WebAssign's goal of donating services and money to schools can continue to grow.

Conclusion

In conclusion, WebAssign is proud to be a Benefit Corporation and is proud of the hard work of its employees and partners in

2015. The company has satisfied its benefit mission in 2015 and looks forward to doing more in 2016.

WebAssign

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