

Plant and Equipment Wellness Way Consultant License Agreement

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Overview of the Plant and Equipment Wellness Methodology

Welcome and thank you for becoming a Plant and Equipment Wellness Consultant Licensee. Plant and Equipment Wellness (PEW) is a single coherent, comprehensive, disciplined methodology for achieving world-class reliability and least operating cost from facilities, equipment and infrastructure. It permits companies to realise the most value from their physical assets by making their plant and equipment healthy and keeping them so all their service life.

Licensed Consultants are taught the PEW asset management and maintenance methodology to achieve operational excellence as introduced in the book [Plant and Equipment Wellness](#) by Mike Sondalini. The book is an overview of the philosophies and strategies of the PEW and the training provided fully covers all aspects of the PEW tools, techniques and processes. PEW is the first Physics of Failure based asset maintenance and operational management strategy. As such it is the first asset management methodology that generates operational and asset maintenance strategy from reliability first principles. By targeting component health and wellbeing PEW delivers high machine and equipment reliability that subsequently lets your Client sites produce world class operational and maintenance performance.

PEW brings operational excellence to companies by combining asset management best practices, precision maintenance and simple Lean Six Sigma practices in an ACE 3T quality system to produce outstandingly reliable plant and equipment of lasting health and condition. A summary of the PEW methodology framework is in the [Plant Wellness Way Framework Manual](#) on our website. You can read more details on Plant Wellness at the [Plant Wellness Way webpage](#) and from a list of core [Plant Wellness Tutorials](#) explaining selected aspects of the methodology.

Plant Wellness requires life cycle operational risk reduction that concentrates on component defect elimination and operating failure prevention. Unlike other asset and maintenance management methodologies that focus mostly on doing maintenance, this methodology requires companies to apply controls and protection across the organisation and throughout the asset life cycle to prevent operating risk to plant and equipment health. When the connotation of holistic, life cycle asset health is intended the name Plant Wellness Way (PWW) is used in place of PEW.

Because the PEW methodology identifies component level operating risks and develops appropriate strategy to address those risks using the 6-step IONICS process, the PEW method is universally applicable to all industries, facilities, equipment and infrastructure. The necessary improvements in the business processes and operating practices are first identified and then implemented at Client operating sites.

This gives PEW the exceptional advantage of being able to estimate the economic value added to a business from doing selected defect elimination and risk reduction actions. Your PEW Consultancy gives Clients what they want—new operational success with operational excellence and the means to identify the future new profits available to them. You can provide Clients with the very best asset management strategy to return the greatest value to their business forevermore.

A PEW License has many ways to benefit your Clients. Clients will see you as a great source of practical value and vital professional input to their business and operational decision making. As a PEW Licensed Consultant you can also offer a Plant Wellness Site License to each Client site. A Site License allows an individual operation to use the PEW methodology in-house. You assist, guide, train, and monitor Clients in the proper use of the PEW. The Client pays you a monthly fee for each Operating Site License.

1. Definitions

The meanings of words and phrases used in the Plant and Equipment Wellness Consultant Licensee Agreement are noted below and apply unless an alternate context is indicated in the document:

- The Anniversary Date is the same day each calendar year starting with the Commencement Date noted in Schedule 1 of this Agreement.
- Singular terms also imply their plural and vice-versa where the context requires.
- Personal terms also imply an organisation, company or a legal entity, and vice-versa.
- General Training Pty Ltd (GTPL) is a company incorporated in Perth, Western Australia, Australia.
- Lifetime Reliability Solutions is a GTPL trading name registered in Western Australia.
- PEW is the Plant and Equipment Wellness enterprise asset management methodology.
- PWW means the Plant Wellness Way, and is a marketing term that represents the business-wide, holistic, life cycle perspective used in the PEW methodology.
- The Consultant and Site Licensee Network (CSLN) is a voluntary association of Licensed Consultants and Licensed Operating Sites who use the PEW method.
- A geographic region is a defined area of the Earth designated by GTPL in which a Licensee operates. A named city or town includes its suburbs unless stated otherwise. A named country includes the area within internationally recognised borders unless stated otherwise. A named state, principality, kingdom, territory or region within a country includes the area within its internationally recognised borders unless stated otherwise.
- Licensed Consultants are persons, companies, and other legal entities given permission by GTPL to use the PEW enterprise asset management methodology, and its associated decision tools and techniques, for payment of a License Fee.
- Documents of Evidence are records provided by Licensed Consultants to GTPL as proof of how the Fee was determined.
- An Operating Site Agreement is a separate License Agreement between a Licensed Consultant and a Client's operating site that permits the approved site to use the PEW methodology for an agreed Site License Fee paid to the Licensed Consultant.
- IONICS is the acronym for the steps used to apply the PEW methodology – Identify risks, Order by importance, Numerate options, Introduce solutions, Control processes and Synthesize new ideas

2. License Agreement

General Training Pty Ltd (GTPL) provides you with a License to use our proprietary Plant and Equipment Wellness Way methodology. By signing Schedule 1 you agree to be a Plant and Equipment Wellness Licensed Consultant and to accept the associated obligations.

2.1. Ownership of Plant and Equipment Wellness Method

The Plant and Equipment Wellness (PEW) enterprise asset management methodology, which includes its decision tools, techniques and practices, is owned by its creator, Mike Sondalini of Perth, Western Australia. He has authorised General Training Pty Ltd to provide world-wide access to the PEW method via licensing arrangements with Parties approved by GTPL.

2.2. PEW Consultant License

A Consultant License permits you to use PEW with Clients in your geographic region. Your consultancy will be provided with a unique PEW Licensed Consultant Code Number.

Once this Agreement is signed by all parties you are permitted to use the Plant and Equipment Wellness methodology.

As a PEW Licensed Consultant you get access to the latest approved methods and tools of PEW available from GTPL.

2.3. Consultant License Geographic Coverage

The geographic coverage of this PEW Consultant License is detailed in Schedule 1.

GTPL will not register another Licensed Consultant in your geographic region. However, we do not preclude other Consultant Licensees from having customers in your locality.

2.4. Register Your Business Trading Name

You are required to register a separate business trading name under which you will conduct all PEW activities. All services provided to Clients are to be done under that registered business trading name.

The trading name must be registered with at least one Business Name Registration Body recognised by a legal government in your geographic region to ensure that you have the legal right to use the trading name in that locality.

You can adopt the Lifetime Reliability Solutions (LRS) name as your trading name in your region if you wish too, but it is not a stipulation to trade under the LRS name.

2.5. License Fees

A License Fee is paid to GTPL equal to an agreed percent (%) of the gross income of your registered trading business.

The License Fee is paid monthly. Payment for the month is made by the end of the last business day in the following month. Payment is to be made into the GTPL bank account. Bank funds transfer details will be provided to Licensees after signing this Agreement.

Payment is made in the currency of your country. Our bank will convert the payment into the value corresponding to the exchange rate applicable at the time of the transaction. Where our bank does not accept payment in your currency you are to provide the equivalent USD payment into our bank account.

Failure to pay the License Fee when due results in termination of the Licensing Agreement but does not extinguish the obligation to pay the License Fee.

2.6. Confidentiality

By signing this Agreement you commit to retaining confidentiality about the precise methods, techniques and proprietary knowledge of PEW to within the Plant Wellness Consultant and Site Licensee Network.

It is the unique PEW knowledge that provides your business with its competitive advantage. If that specialist knowledge becomes general knowledge you lose that advantage.

2.7. Consultant Licensee is a Separate Legal and Commercial Entity

No employer-employee relationship exists between the parties to this Agreement. Licensees are a separate, independent, legal and commercial entity and not an employee of GTPL.

This Agreement does not represent a direct or implied shared ownership connection between Licensees and GTPL. How Licensees operate and manage their business is totally their choice and GTPL has no part in any legal, commercial, financial, insurance or other agreement that a Licensee enters into.

Under no circumstances are any obligations, or implied obligations, entered into by the Licensee, yourself, business partners, shareholders, or other businesses or persons associated with a Licensee transferable to GTPL.

2.8. Licensees Carry Their Own Insurance

Licensed Consultants are responsible to insure themselves for any legal, commercial, financial, product or other obligations and risks, such as, public liability, professional indemnity, loss of income, accident and illness, Acts of God, etc.

2.9. This is not a Franchise Agreement

This Agreement is not a franchise arrangement. There is no requirement for Licensed Consultants to operate their business in prescribed ways.

2.10. Documented Evidence for License Fee Calculations

Licensed Consultants provide GTPL with copies of the following Documents of Evidence.

Each month provide:

- a summary of each Client project performed under your consultancy business trading name. In the Summary indicate each Client's name, their business address, your internal Client project identification number, and a brief description of the work done that month for each Client listed
- a tabulated list of all invoice numbers and gross invoice values sent to Clients and payments made by Clients during the month

For each Financial Year provide:

- a copy of the annual financial year accounts for your PEW Consultancy trading name
- a copy of the annual financial year tax return for your PEW Consultancy trading name

Furthermore you agree to provide full access to your financial accounts, business records and Client lists at any time should GTPL choose to conduct, at its own expense, an audit of your business and its operations.

2.11. Consultant License Termination and Renewal

A Consultant License terminates unless the License Fee due is paid in full when due.

Where no monthly License Fee is payable because no financial transactions occurred during the month the Consultant License remains in force.

Once a Consultant License expires it can only be reinstated at the discretion, and with written approval, of GTPL. No obligation exists to relicense an expired Licensee.

Expired and terminated Licensees are automatically excluded from the Consultant and Site Licensee Network until relicensed. Before a Consultant License can be renewed any outstanding License Fee must be paid in full and all Documents of Evidence provided.

Consultant Licensees who intentionally generate a minimal License Fee in order to retain a PEW License, or whom after five years of being a Licensed Consultant still do not have sufficient Clients to sustain a viable business, will have their PEW Consultant License terminated, unless alternate arrangements are approved in writing with GTPL.

2.12. Exiting a Consultant License

Consultant Licensees can rescind their PEW License at their discretion by providing 30 days notice in writing to GTPL. The License Fee applicable at midnight on the final day is to be paid to GTPL. Once a Consultant License is rescinded the Licensee must stop using PEW methods, tools and techniques forevermore.



During the termination of a Consultant License Agreement all financial, legal and commercial issues are to be resolved to the written satisfaction of the Parties involved.

Licensees that exit their PEW License Agreement with their License Fee fully paid, retain all payments and income derived from their involvement in the Consultant and Site Licensee Network (e.g. such as profit share income from improvements that they introduced to PWW).

2.13.Licensing Individual Client Sites

With the written approval of GTPL, a Licensed Consultant can also license their Clients' individual operating sites to use the Plant and Equipment Wellness methodology. A Licensed Operating Site pays a Site License Fee to their Licensed Consultant.

Once a Client site has a PEW Operating Site License their Licensed Consultant passes the PEW methodology and techniques onto that specific operation. A Operating Site License gives your Clients access to all the methods and tools of PEW for use only at the specific sites approved in the Operating Site License Agreement. PEW methodology, techniques, practices or tools must not be passed onto persons at unlicensed sites.

2.14.Selling or Transferring a Consultant License

Licensed Consultants can sell or transfer their PEW Consultant License with the approval and written consent of GTPL.

GTPL receives no share of moneys from the selling of a Licensed PEW Consultant business.

The new owners of a Licensed PEW Consultancy are required to endorse the PEW License Agreement with GTPL prior the business handover date. If the new owners do not wish to remain Licensees, or a current Agreement is not endorsed prior the business handover date, or no new Agreement is finalised with the new owners by the business handover date, the existing PEW License Agreement terminates at midnight of the handover date.

Licensee Fee payments due are not extinguished by a business sale or transfer. Outstanding License Fee payments are to be paid to GTPL by midnight of the business handover date.

2.15.Consultant and Site Licensee Network

The Consultant and Site Licensee Network (CSLN) is a free, voluntary association of Consultants and Licensed Operating Sites who use the PWW. The purpose of the CSLN is to drive continual improvement and innovation of PWW. All PEW Consultant and Site Licensees automatically belong to the CSLN.

Only Licensed Consultants can remain in and use the CSLN.

GTPL administers the Consultant and Site Licensee Network. GTPL self-funds the services and support provided to the CSLN .

2.16.Collaborative Improvements

All Consultant and Site Licensees are encouraged to be involved in improving PEW. This includes allowing other Consultant and Site Licensees to purchase Members' improvement ideas and to assist in conducting trials and experiments to test new ideas and proposals. Where new ideas require testing and proving Consultant and Site Licensees are asked to volunteer in trials to gather evidence on the values and benefits of the idea. New ideas and solutions are marketed free of charge to other Consultant and Site Licensees by GTPL through the CSLN.

By developing and improving the PWW techniques Consultant and Site Licensees stay far in front of their competitors. Through collaboration your business gains new competitive advantage in your markets by getting access to advanced practices and better methods which no else in your region has available.

2.17.Unacceptable Behaviour

Licensees are required to trade ethically and legally in compliance with this Agreement, to observe United Nations requirements related to operations of businesses, and meet the legal requirements of the governments in their region. Licensees that do not comply with minimum behavioural requirements will be issued written infringement notices by GTPL to address their behaviours and practices within a specified period, or their License is revoked.

Situations where the PEW Consultants License can be revoked include:

- Non payment of the License Fee when due
- Falsification of Documents of Evidence
- Intentional infringement of PEW Consultant License stipulations
- More than two repeat reoccurrences of behavioural infringement notices addressing similar or closely related issues

Licensees ejected due to Unacceptable Behaviour must immediately stop using the PEW methodology and immediately forfeit all future payments and income from involvement in the CSLN to GTPL. The forfeited moneys are to be used to enhance and develop the operation and usefulness of the CSLN to its Members.

2.18.Life of This Agreement

This Agreement remains in force perpetually and transcends the death of its Signatories, and transfers to the legal representatives of its Signatories, until terminated by situations and events noted in this Agreement.

Unless approved and agreed in writing by GTPL the clauses and terms in this Agreement preside over all other arrangements made with GTPL.

2.19.Dispute Resolution

Unresolved disputes will be addressed through use of a mutually agreed independent Arbitrator, or nationally recognised independent Arbitration Body. The outcome of arbitration will be final on all parties involved in the dispute.

2.20.Presiding Law

Australian laws preside in relation to this Agreement.

3. What Lifetime Reliability Solutions Provides

To Consultant Licensees we provide the following:

- The complete Plant and Equipment Wellness Manual explaining the methods and requirements of the PEW methodology.
- Marketing and exposure through the www.lifetime-reliability.com website.
- Full details of the techniques and tools used to apply the methods and requirements of Plant and Equipment Wellness.
- You are entitled to use the ‘Lifetime Reliability Solutions’ name, the ‘Plant Wellness Way’ name, the ‘Plant and Equipment Wellness’ name, and the associated logos for branding and marketing purposes.
- A Lifetime Reliability consultant is appointed to support and advise companies undertaking the obligations and requirements of the PEW. Mutually agreed consulting fees apply for all consulting services provided by GTPL to Consultant Licensees.
- Assistance in developing the documents, spreadsheets, forms and procedures used to meet the obligations and requirements of the PEW at agreed consulting rates.
- Five business days to teach and learn the PEW concepts, methods and techniques; for strategising business plans; and for developing marketing programs for your region.
- Supplementary consulting, training and analysis assistance from GTPL at agreed consulting rates.
- Assistance at agreed consulting rates for developing Licensed Consultants’ business systems to professionally and effectively deliver the PEW to Clients.
- Access to a library of training presentations and information topics covering the PEW methodology of asset management, maintenance management and reliability which Consultant Licensees can use as appropriate to their needs.
- Help to Consultants with marketing by providing copywriting content for ads.
- Continual improvement by accessing advice and experience of other Consultant Licensees and Licensed Sites in the CSLN.
- Supportive consulting and auditing at agreed consulting rates to help Consultant Licensee Client organisations develop and travel the PWW quickly.
- Access to revisions and updates of PEW documents, methods and tools at cost prices.

3.1. Licensee Training

Licensees can receive training from Lifetime Reliability Solutions HQ in the use of PEW. The training and transfer of fundamental knowledge on PEW is included in the License. You are welcome to have other people attend the training (typically they are people who will apply PEW, any business partners, potential customers, senior employees, etc).

All training is conducted at suitable training premises that you provide at your cost.

Licensees are provided exclusive access to all PEW documents and the specific details of PEW techniques in the training course and strategising sessions.

The training provided covers the particular perspectives, methods and techniques used in PEW. PEW is a holistic approach that addresses asset life cycle issues and the training explains and practices the methods and tools used. PEW also requires thorough understanding of plant and equipment operational situations at a much more scientific level of appreciation than is common and the training explains how to get to that level of detail.

Within the PEW training are included all the practical methods, techniques and practices that companies adopt to implement the failure prevention and defect elimination requirements of PEW. You learn how to deliver lasting high equipment reliability, high plant availability and maximum operating profit to Clients.

3.2. Licensee Marketing Support

We provide marketing and promotional materials explaining how companies benefit from Plant and Equipment Wellness and how it solves a company's operational problems and delivers operational excellence. PEW is a point of differentiation that makes your consultancy unique and highly valuable for Client companies to use.

To gain our assistance with marketing and promotion Consultant Licensees need to develop a mutually acceptable marketing plan (We can help you through that marketing process and give you standard promotional documents). The cost of promoting and advertising your business (e.g. in websites, newspapers, industry magazines, yellow pages ads, flyers, business cards, etc) will be at your expense.

4. Questions about this Agreement

Please ask us if you have questions after reading this Agreement. This can be by correspondence or by arranging a time to discuss your questions.

Thank you for your interest in a Plant and Equipment Wellness Consultant License. Please sign Schedule 1 and return a copy to us, along with a copy of Schedule 2 if applicable, and thereby secure the rights to use the Plant and Equipment Wellness methodology for your business.



Mike Sondalini
Director
Lifetime Reliability Solutions

Schedule 1

This Plant and Equipment Wellness Consultant License Agreement with GTPL is as stated in the pages of this Agreement, including the agreed alterations and provisions noted in Schedule 2.

By signing this document all Parties willingly accept the License Arrangement.

Name of Licensed Consultancy: _____

Geographic Coverage of License: _____

Directors of Licensed Consultancy: _____

Signature of Director of Licensee: _____ Date: _____

Witness to Signature: _____

Directors of GTPL: _____

Commencement Date of License: _____

Signature of Director of GTPL: _____ Date: _____

Witness to Signature: _____

Schedule 2

The Plant and Equipment Wellness Consultant License Agreement is modified as noted below.

Name of Licensed Consultancy: _____

Signature of Director of Licensee: _____ Date: _____

Signature of Director of GTPL: _____ Date: _____