

## **Spirit of the Evolution to Wellbeing Legal Agreements – Commitment**

**September 2013**

### **Spirit of the Agreements:**

- the power of many vs the power of one
- working together with nothing to hide
- clarity of responsibilities and expectations
- win win

### **Structure of the agreement – two parts**

1. Licence Agreement – the right to operate as “Evolution to Wellbeing”; and
  2. Services Agreement – what Evo HQ will do and what you will do.
- Why this structure?
    - You run your own business as Evolution to Wellbeing supported by Evo HQ. You’re not an employee.
    - It allows for your KLIK to be sold
    - It provides clarity of responsibilities and expectations
    - It gives flexibility and the ability to change things quickly and easily eg session locations and times, fees, who does what.

### **What’s in the Agreements?**

Licence Agreement –the dry but important stuff:

Services Agreement – the more meaty, day to day relevant stuff

Tables summarizing the key aspects of the agreements are attached

### **Next steps**

- Review summaries of Agreements (attached)
- Download full versions of Agreements from evo website
- Read Agreements
- Contact evo HQ with any questions

## What's in the Agreements?

### Licence Agreement – the dry but important stuff - Summary:

Evo HQ gives you the rights to operate as “Evolution to Wellbeing” and conduct fitness training sessions in certain locations at certain times.	We want to be a one stop shop for your fitness career
Evo HQ gives you the rights to operate as “Evolution to Wellbeing” at agreed locations and times	We both want certainty of where you operate
Evo HQ will promote Evolution to Wellbeing’s fitness training sessions and send you the leads You will also generate your own leads	We both generate leads – we’re in this together
Evo HQ doesn’t guarantee what your income will be You’re a business person and an independent contractor, not an employee	How much you earn will be determined by your own abilities
Evo HQ commitment to provide: training; product marketing; equipment; timetabling; evo software; and invoicing and accounting	Detail is in the Services Agreement
Your commitment to provide: insurances, workers compensation and licences; certification; equipment; uniforms’ and vehicle.	Detail is in the Services Agreement
You’re an independent contractor running your own business as “Evolution to Wellbeing” You’re responsible for your own workers compensation and superannuation	You’re not an employee though we are beside you, guiding you and providing you with support
\$500 licence fee (annual) to use “Evolution to Wellbeing” \$2,500 administration fee (once off)	Fee goes towards HQ costs supporting your KLIK
The license term is one year renewable at each anniversary	Together we review how we are going and renew the Agreement
During the first 4 blocks (16 weeks) if it’s really not working either of us call it. Fees aren’t refundable as they’ve already been spent.	1 week’s notice by us, 4 weeks’ notice by you as we need to try to replace you.
If either of us ends the agreement there are restraints on who and where you can train: 12 months from training a former client and operating sessions anywhere Evolution to Wellbeing operates	Clients and locations are “Evolution to Wellbeing” clients and locations
You can sell your KLIK by selling (assigning) your rights under the Agreements You find the buyer and agree the price Evo HQ checks the buyer is the right fit to be an Evolutionary	We may want to buy your KLIK so ask us first

### 2. Services Agreement – the nuts and bolts, day to day stuff – Summary:

Evo HQ will manage collection of client fees and transfer these fees to you net of Evo HQ’s service fee and any shared costs	We send you a report of who’s paid and how much
Intellectual property and client records are owned by Evo HQ.	Talk to us beforehand if you want to market anything to

<p>You can't take IP, clients or client information with you if you leave or sell without our agreement</p> <p>You can't use IP, contact clients or use client information for anything other than Evo fitness training sessions while you're with Evo without our agreement</p>	<p>clients. We'll work together to make it happen.</p> <p>It will probably involve a mutually beneficial financial arrangement</p>
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Schedule 1 – Agreement Details – Summary:

Details of who's entering into the Agreement	We both commit to abide by the Agreement
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Schedule 2 – Fees Schedule – Summary:

<p>Service Fees – a step down scale to encourage you to continually increase your revenues</p> <p>Insert table</p> <table><tr><th>Revenue (ex GST) / 4 week block</th><th>Evo Share</th><th>Services Fee</th><th>2<sup>nd</sup> Trainer allowance / 4 week block</th></tr><tr><td>\$0 to 1k</td><td>100%</td><td>-</td><td>-</td></tr><tr><td>\$1k to 2k</td><td>-</td><td>100%</td><td>-</td></tr><tr><td>\$2k to 5k</td><td>50%</td><td>50%</td><td>-</td></tr><tr><td>\$5k to 8k</td><td>50%</td><td>50%</td><td>8-12</td></tr><tr><td>\$8k to 12k</td><td>60%</td><td>40%</td><td>12</td></tr><tr><td>\$12k +</td><td>70</td><td>30%</td><td>16</td></tr></table>	Revenue (ex GST) / 4 week block	Evo Share	Services Fee	2 <sup>nd</sup> Trainer allowance / 4 week block	\$0 to 1k	100%	-	-	\$1k to 2k	-	100%	-	\$2k to 5k	50%	50%	-	\$5k to 8k	50%	50%	8-12	\$8k to 12k	60%	40%	12	\$12k +	70	30%	16	<p>At the start we hold back on charging a service fee so that you have some cash flow, then we make it up as you find your feet.</p> <p>The bigger your revenues get the smaller our service fee gets proportionally.</p> <p>The more revenue you generate the bigger pie gets and the bigger the share of that pie is for you.</p>
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<p>Joining and membership fees - based on number of sessions per 4 week block</p> <table><tr><th>Package</th><th>A</th><th>B</th><th>C</th></tr><tr><td>Fitness sessions per four (4) week block</td><td>10</td><td>14</td><td>Unlimited</td></tr><tr><td>Membership Fee per four (4) week block</td><td>\$189</td><td>\$209</td><td>\$219</td></tr><tr><td>Joining Fee</td><td>\$29</td><td>\$nil</td><td>\$nil</td></tr></table>	Package	A	B	C	Fitness sessions per four (4) week block	10	14	Unlimited	Membership Fee per four (4) week block	\$189	\$209	\$219	Joining Fee	\$29	\$nil	\$nil	<p>Simple standard fee matrix</p>												
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<p>Shared costs – council fees and indoor location hire are shared 50/50 between you and Evo HQ</p>	<p>We both have an interest in the locations so we share the costs</p>																												

Schedules 3 Company Services and Schedule 4 Evolutionary Services – Summary:

<b>Services we provide to each other:</b>	<b>Evo HQ (Schedule 3)</b>	<b>You (Schedule 4)</b>
Administrative Support	We want standard stuff out there so we provide it. Procedures manuals, forms and stationery	They're a consumable so you pay for them
Accounting, Finance and Billing	We handle the money stuff - maintain billing software, collect fees, manage invoicing - and transfer net fees to you	You enter and maintain the information as you're dealing directly with the client
Second Trainers and Client Training Ratio	We want to make sure everyone working with Evo are the right people, so we review, approve and induct them. We want to make sure clients receive the Evo experience so we provide a number of second trainer sessions each block at our cost	It's your business so you source and put forward people you believe will be good trainers. You let us know if you consistently get 18 people at sessions. You manage the second trainer to deliver the Evo experience
Timetabling	We manage the fiddly stuff and ensure variety of sessions and equipment We approve proposed cover trainers	You design and deliver sessions using equipment allocated at the times and locations. It's your business so you arrange cover for any absences with an Evo HQ approved trainer
Council and Managing Authority licences	Securing our locations is important so we hold the licences	Keeping locations is important so you always comply with requirements
Marketing	We promote the brand and generate leads through digital and print media campaigns, strategic alliances	You promote the brand and generate leads through local marketing activities and alliance relationships
Events	We promote the brand, generate leads and help retain clients by managing a schedule of events	You promote the brand, generate leads and help retain clients by supporting the schedule of events
Software and IT	We make it easy to run your KLIK and to stay in touch with clients by providing software, the website and social media	You make it easy to run your KLIK and retain clients by keeping the systems updated daily and being active on the

Services we provide to each other:	Evo HQ (Schedule 3)	You (Schedule 4)
	channels.	website and social media. You adhere to client communication and data protection policies
Equipment	We provide and replace foundation and celebrity equipment and storage facility at our own cost. We provide the day to day essentials.	You care for the equipment and replace it if lost or damaged. You pay for the day to day essentials.
Uniforms	We want to promote the brand so provide the uniforms and/or approve and brand your choice of uniform	You want to promote the brand so you pay for the uniforms and branding and wear a clean uniform at all sessions and events.
Training and development	We want you to know what you're doing and for you to deliver a consistent Evo experience so we provide induction training, support materials and ongoing professional development sessions as well as session content and choreography sessions. We also conduct performance evaluations.	You want to know what you're doing and to deliver a consistent Evo experience so you attend training, use the support materials and ask for help when you're unsure.
Vehicle	We want to promote the brand so arrange and pay for branding of your vehicle	You want to promote the brand so you have your vehicle branded and maintain your vehicle well
Certification	We want you to be qualified so you know what you're doing and can deliver a great session.	You want to know what you're doing so you're qualified as a fitness instructor for all equipment we provide.
Insurances, Workers Compensation	We want you to be covered as you work for yourself.	You want to be covered so you hold public liability of \$20m and workers comp policy You ensure that clients complete the pre-training questionnaire.
Sessions	We believe it's important that all KLIKs offer the 6am timeslot – sunrise is key. We want you to be able to offer multiple sessions each day to build your KLIK so that Evo is your career.	You believe 6am is important and sunrise is key so you offer 6am M-F and 7am Sat. You want your work day to be over by 12 midday so you focus on morning

Services we provide to each other:	Evo HQ (Schedule 3)	You (Schedule 4)
	We encourage you to focus on morning timeslots so that your work day can be finished by 12 midday, however we will support you in offering Evo sessions at any timeslot	timeslots. You always approach us before initiating sessions new timeslots and/or new locations..
Session Content	We want you to give great sessions so we train you on session content and choreography and give you access to the session library	You want to give great sessions so you attend training and abide by principles on how to create and deliver the Evo experience. You share session content by contributing to the library
Client Relationship Management	We want you to deliver the Evo experience and have high client conversion and retention rates, so we provide you with systems, train you, track and monitor your performance and give you feedback.	You want to deliver the Evo experience and have high client conversion and retention rates so you attend training, use and update the systems daily, follow the procedures, contact clients regularly, can explain the benefits of Evo to the client, convert trialists to paying members, retain existing clients and ensure clients understand the membership.
Communication	We want you to know how you, your KLIK and the business is going so we provide you with dashboard reports and hold update meetings.	You want to know how you, your KLIK and the business at large is going so you review your dashboard and attend meetings.