

## LICENSE AGREEMENT

This is a legal Agreement (the "Agreement") between you as licensee (hereinafter, the "Licensee") and Quality America, Inc. an Arizona company (hereinafter referred to as "QA"). By downloading these Licensed Materials, you are agreeing to become bound by the terms and conditions of this Agreement. If you do not agree with the terms of this Agreement, promptly remove the Licensed Materials from your computer and cease any use of said Licensed Materials.

### Article I - Definitions

The following terms, when used in this Agreement, shall have the following meanings:

- 1.1 "Agreement" means this document including any Exhibits attached hereto.
- 1.2 "Approved Purpose" means the use of the Licensed Materials in connection with providing SPC training to Licensee's Students.
- 1.3 "Licensed Materials" means QA's SPC training materials (in whole or in part) as more particularly described on Exhibit A attached hereto.
- 1.4 "Student" means any person receiving SPC training from Licensee.
- 1.5 "Effective Date" means the date of original purchase of the Licensed Materials.

### Article 2 - License

- 2.1 QA hereby grants to Licensee, who hereby accepts, a non-exclusive, non-transferable license (the "License") to use the Licensed Materials in accordance with this Agreement for the term specified below.
- 2.2 To the extent that the Licensed Material may be protected by copyright or other intellectual or industrial property rights of QA ("IP Rights"), Licensee shall have the rights to use of such Licensed Materials upon the terms set forth in this Agreement; provided, however, that this Agreement does not grant Licensee ownership of any of IP Rights in the Licensed Materials.
- 2.3 Subject to any limitations set forth in this Agreement, the License granted hereunder entitles Licensee to:
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  - (b) use of the Licensed Materials as MS PowerPoint slides only. To the extent that the Licensed Materials are located on electronic media, such Licensed Materials may be copied in electronic format for presentation purposes by the Licensee.

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(d) modify the Licensed Materials to customize the Licensed Materials for Licensee's particular use in connection with an Approved Purpose, including, without limitation, translating the Licensed Materials into one or more languages other than English. Ownership in any translated version of the Licensed Materials, including without limitation, the copyright to such modifications, shall vest in QA. Licensee hereby assigns, transfers and conveys to QA any and all rights that Licensee may otherwise have in or to any such translated versions, and Licensee shall provide copies of any translated versions of the Licensed Materials to QA, provided that Licensee may, prior to providing QA with any such copies, remove from such modified versions of the Licensed Materials any information proprietary to Licensee. QA disclaims any ownership of any materials added by Licensee to the Licensed Materials.

2.4 Licensee agrees that it will not, except as provided in this Agreement, or as otherwise agreed in writing with QA, copy or duplicate the Licensed Materials or any part thereof.

### Article 3 - Intellectual Property Rights

3.1 The copyright and any other IP Rights that may exist in the Licensed Materials furnished to Licensee under this Agreement shall remain vested in QA.

3.2 Licensee shall not remove, alter or obliterate, or cause to be removed, altered or obliterated, any trademarks, copyrights, trade names or other symbols placed upon the Licensed Materials provided to Licensee. Licensee agrees to acknowledge, in connection with its use of the Licensed Materials, the use of QA property. Licensee's rights hereunder shall continue only during the term of this Agreement and, upon termination of this Agreement, Licensee shall cease to use the Licensed Material.

3.3 Licensee shall not remove, alter or obliterate, or cause to be removed, altered or obliterated, any trademarks, copyrights, trade names or other symbols placed upon Licensed Materials utilized by Licensee.

3.4 In the event that Licensee utilizes the services of any third party in connection with the Licensee's use of the Licensed Materials, including, without limitation, any third party who translates the Licensed Materials into a language other than English, Licensee shall require that each such third party execute an Acknowledgment in the form of Exhibit B attached hereto prior to allowing use of the Licensed Materials by such third party.

### Article 4 - Remuneration and Payment

4.1 In consideration of the license to use the Licensed Materials as provided herein, upon execution of this Agreement the Licensee shall pay to QA the sum as designated on [qualityamerica.com](http://qualityamerica.com) website at the time of purchase (the "License Fee") for the bundled set of topics, as defined in Exhibit A.

- 4.2 In addition to the License Fee specified in 4.1, the Licensee may, at their discretion, purchase any of the following student materials:
- (a) the sum of \$70 for each Student, plus shipping charges ("SPC Student Fee with Certification & Textbooks"). Upon receipt of the SPC Student Fee with Certification & Textbooks, or within a reasonable time period, QA will send to the Licensee (or their designated assignee) one copy each of the following materials:
    - SPC Demystified* by Paul Keller.
    - Twelve-month access (beginning date of order) to QA's Online SPC Study Guide & Exam.*
    - Signed SPC Certification form (upon successful completion of exam).*
  - (b) the sum of \$20 for each Student, plus shipping charges ("Student Fee with Textbooks"). Upon receipt of the Student Fee with Textbooks, or within a reasonable time period, QA will send to the Licensee (or their designated assignee) one copy each of the following materials:
    - SPC Demystified* by Paul Keller.
- 4.3 The Student Fees specified in section 4.2 may be supplemented with or replaced by (if per student cost exceeds \$19) any or all of the following items on a per-student basis:
- (a) A student license, providing twelve months' access from date of order, of Quality America's *SPC IV Excel* software, for an additional fee of \$40 per student;
  - (b) Twelve-month access (beginning date of order) to Quality America's Online SPC Training, exclusive of student materials, for a discounted rate of \$160.
- 4.4 Licensee shall be fully and exclusively responsible for the payment of all sales, use or similar taxes arising as a result of this Agreement.
- 4.5 In addition to the License Fee specified in 4.1, upon execution of this Agreement the Licensee may, at their sole discretion, pay to QA the sum (the "Annual Support Fee") of 15% of the License Fee to receive periodic updates to the Licensed Materials that QA may issue within the twelve months following the Effective Date of the Agreement.

#### Article 5 - Termination

This Agreement is effective from the Effective Date until terminated. You may terminate this License at any time, or it will terminate automatically without notice from Quality America if you fail to comply with any provision of this License. Upon termination for any reason, you shall destroy the Licensed Materials together with any accompanying written materials and all copies, modifications and merged portions in any form. Notwithstanding the above, QA may terminate this Agreement with immediate effect upon Licensee's receipt of written notification to that effect in the event that Licensee fails to remedy any material default in the performance of its obligations hereunder with respect to QA's property rights in the Licensed Materials for a period of ninety (90) days after QA has given written notice to Licensee specifying such default and requesting the same to be remedied.

Upon termination of this Agreement pursuant to this Article 5, Licensee will either return to QA all copies of the Licensed Materials or will certify in writing to QA that all such copies have been destroyed.

#### Article 6 - Miscellaneous

6.1 This Agreement sets forth the entire agreement and understanding between the parties with respect to the subject matter thereof and supersedes all prior oral and written agreements and understandings between them relating thereto.

6.2 No amendment, alteration or modification of this Agreement shall be effective unless made in writing and signed both by QA and Licensee.

6.3 No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, breach of the other, whether express or implied, shall not constitute a consent to, waiver or, or excuse for any other different or subsequent breach.

6.4 If any term or provision of this Agreement shall be found to be illegal or unenforceable, then, notwithstanding any such illegality or unenforceability, this Agreement shall remain in full force and effect and such term or provision shall be deemed to be deleted.

6.5 The headings appearing above the provisions of this Agreement are inserted for convenience only and shall not affect the interpretation or operation of this Agreement.

6.6 All notices and other communications the parties are required to send to one another under this Agreement shall be given in writing and shall be sent to the addresses indicated on the signature page below, or at such other address as may be designated in writing hereafter by the parties. A telex or telefax message shall be considered to be a written notice. If mailed, such notice, demand or request shall be made by certified or registered mail, and deposited in any post office station or letter-box, enclosed in a postage paid envelope, and shall be deemed to have been made on the second (2nd) business day following posting as aforesaid. If commercially sent, the party giving such notice shall use a recognized, commercial courier service and notice shall be deemed to have been made on the day of actual receipted delivery to the addressee. If sent by facsimile transmission, the party sending the transmission shall send it to the facsimile number, if any, set forth below on the signature pages hereof, or to such other number as a party hereto shall direct by written notice given in accordance with Section. Delivery shall be deemed to have been made on the day that the facsimile transmission occurred, if received prior to 4:00 p.m. on a business day at the place of receipt, otherwise on the following business day. References to a "business day" shall mean a day which is not a Saturday, Sunday or legal holiday in Arizona.

6.7 Neither party shall assign or transfer its rights and obligations under this Agreement to any third party without the prior written consent of the other party, provided, however, that each party shall be entitled to assign its rights and obligations hereunder to its successor hereunder to its

successor in interest in the event of a merger or consolidation into another entity (an "Approved Transfer").

6.8 Subject to Section 6.7 above, this Agreement shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties.

6.9 This Agreement shall in all respects be exclusively governed by and interpreted in accordance with the laws of the State of Arizona.

**EXHIBIT A**  
**(Description of Licensed Materials)**

1. Establishing Process Baseline (33 slides)

- a) Enumerative vs. Analytic Statistics.
- b) Process Variation.
  - (i) Deming's Red Bead.
- c) Benefits of Control Charts.
- d) Requirements vs. Control.
  - (i) Tampering.
- e) Control Chart Interpretation.
  - (i) Relative to Process Baseline Estimates.

2. X-Bar Charts (34 slides)

- a) Uses.
- b) Construction & Calculations.
- c) Assumptions.
- d) Rational Subgroups.
- e) Sampling Considerations.
- f) Interpretation.
  - (i) Run Test Rules.

3. Individuals Data (32 slides)

- a) Uses.
- b) Construction & Calculations.
- c) Assumptions.
- d) Sampling Considerations.

- e) Interpretation.
  - f) Overview of Other Individuals Charts.
    - (i) Run Charts.
    - (ii) Moving Average Charts.
    - (iii) EWMA Charts.
4. Process Capability (27 slides)
- a) Histograms.
  - b) Probability Plots.
  - c) Goodness of Fit Tests.
  - d) Capability & Performance Indices.
    - (i) Relative to Process Control.
    - (ii) Interpretation.
    - (iii) Estimating Error.
5. Attribute Charts (25 slides)
- a) Uses.
  - b) Selection.
  - c) Construction & Calculations.
  - d) Sampling Considerations.
6. Short Run SPC (15 slides)
- a) Uses.
  - b) Calculations.
    - (i) Nominals chart.
    - (ii) Stabilized Chart.

7. Serial Correlation (25 slides)
  - a) Applications.
  - b) Estimating Autocorrelation.
  - c) Interpreting Autocorrelation.
  - d) Batch Control Charts.

## Optional Topics

*(Available for additional cost of \$75 per topic)*

1. Measurement Systems Analysis (31)
  - a) Stability Studies.
  - b) Linearity Analysis.
  - c) R&R Analysis.
    - (i) Range Method Calculations.
    - (ii) Interpretation.
    - (iii) Using Control Charts.
    - (iv) Destructive Tests.
    - (v) ANOVA Method.
2. Introduction To Regression Analysis (32 slides)
  - a) Scatter Diagrams.
  - b) Linear Model.
  - c) Interpreting the ANOVA Table.
  - d) Confidence & Prediction Limits.
  - e) Residuals Analysis.



f) Overview of Multiple Regression Tools.

(i) DOE vs. Traditional Experiments & Data Mining.

3. Statistical Inference (37 slides)

a) Confidence Intervals on Mean

b) Confidence Intervals on Percent

c) Hypothesis Test on Mean

d) Hypothesis Test on Mean of Two Samples

e) Power & Sample Size.

f) Contingency tables.

g) Non-parametric Tests.

## EXHIBIT B

### (Form of Third Party Acknowledgment)

The undersigned hereby acknowledges and agrees as follows:

1. The undersigned has contracted with \_\_\_\_\_ (the "Licensee"), which is providing SPC training course for its clients (the "Training Course"). Among the materials that Licensee will be using in connection with the Training Course are certain materials (the "Licensed Materials") provided to Licensee by QA Publishing, L.L.C. ("QA") pursuant to a License Agreement between QA and Licensee (the "License Agreement").

2. Use of the Licensed Materials is subject to the terms of the License Agreement. In that regard:

(a) The undersigned acknowledges that the Licensed Materials contain material proprietary to QA, and any use of the Licensed Materials will be subject to such proprietary rights.

(b) The undersigned will return any and all Licensed Materials in the undersigned's possession to Licensee upon completion of the undersigned's duties, and delete any portion of the Licensed Materials held by the undersigned in its computer(s) or in other electronic form at such time.

(c) The undersigned will acquire no rights or interest in or to the Licensed Materials by virtue of the performance by the undersigned of the undersigned's duties and obligations to Licensee with respect to the Training Course, and the undersigned will not assert any rights or interests therein by virtue of such performance.

Dated: \_\_\_\_\_, 20\_\_

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