

AHP 50-LICENSEE NETWORK & VETTING PLAYBOOK

Version 2 Addendum

Added Sections:

- 1) Licensee Legal Guardrails Appendix
- 2) Pilot KPI Gate Sheet (Pass/Fail)
- 3) Revenue Waterfall Model

1) LICENSEE LEGAL GUARDRAILS APPENDIX

A) Core Legal Structure

- Master License Agreement (MLA)
- Territory Addendum per licensee
- Operating Standards Annex
- Data/Reporting Compliance Annex

B) Platform Protection Terms

- IP ownership retained by platform
- Restricted use + non-compete carve-outs by territory
- Confidentiality and data-use restrictions
- Mandatory systems usage and reporting obligations

C) Control Rights

- Audit rights (scheduled + for-cause)
- Step-in rights for critical compliance/safety failure
- Corrective action obligations with fixed cure windows
- Suspension and termination triggers

D) Default Triggers (examples)

- Repeated quality/safety KPI breach
- Reporting non-compliance
- Unauthorized product/process changes
- Material legal/regulatory violations

E) Transition/Exit Controls

- Data and process handback requirements
- Customer/project continuity protocol
- Brand/IP decommissioning obligations

2) PILOT KPI GATE SHEET (PASS/FAIL)

Pilot Duration

- 90 to 180 days

Approval Gates (example baseline)

1. Throughput Improvement
 - PASS if $\geq 10\%$ cycle-time improvement vs baseline
2. First-Pass Quality
 - PASS if $\geq 15\%$ improvement in first-pass acceptance
3. Rework Rate
 - PASS if $\geq 20\%$ reduction vs baseline
4. Safety
 - PASS if no material degradation in safety outcomes
5. Reporting Discipline
 - PASS if $\geq 95\%$ on-time data/report submissions
6. SOP Compliance
 - PASS if $\geq 90\%$ adherence on audited checkpoints

Pilot Decision Logic

- Full License: all critical gates pass
 - Conditional License: minor miss with remediation plan
 - Decline: critical gate failures
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3) REVENUE WATERFALL MODEL

A) Licensee-Level Economics

Gross Revenue

- Cost of Goods / Ops Costs
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Platform Charges

- Per-unit production fee
- Platform software/service fee (if structured)
- Training/certification fees (as contracted)

Residual

- Licensee net margin after platform charges

B) Ownership Participation Layer

- Platform captures 20% ownership participation (as legally structured)
- Participation economics flow through distributions/dividends per agreement

C) HoldCo-Level Revenue Streams

1. Per-unit production fee income
2. Platform service/software income
3. Training/certification income
4. Ownership participation distributions

D) Reporting Cadence

- Monthly: unit output + fee accrual + QA metrics
 - Quarterly: ownership distribution review + forecast updates
 - Annual: platform-level performance and valuation rollup
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4) EXECUTIVE IMPLEMENTATION ADDITIONS (NEXT 30 DAYS)

1. Finalize legal term sheet for guardrails and default triggers
 2. Lock pilot KPI gate thresholds as contractual exhibits
 3. Publish standardized revenue waterfall template for all licensees
 4. Add gate-review committee for pilot pass/fail decisions
 5. Align finance/legal/ops reporting into one monthly governance packet
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5) EXECUTIVE NOTE

These additions convert the platform from conceptual scale strategy into an enforceable, auditable, finance-ready licensing system capable of institutional expansion.