

Information and Requirements for Appointment as Channel Partner Distributor or Reseller – v9.0

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Background:

Most people now agree that high levels of CO₂ emissions are causing damaging changes to our climate. If these CO₂ emissions continue increasing it will threaten life on this Planet. Some 30% of the world's emission of CO₂ is derived from burning fossil fuel to produce electrical power. This world-wide problem has given greater emphasis to the need to source alternative forms of energy and reduce current demand of electricity.

For many years voltage regulators have been used to provide a regulated and stabilised voltage supply to important electrical equipment. This ability to 'regulate' power is essentially the control of voltage. Most electrical engineers know that reducing over-voltage saves power and costs for the consumer; which in turn reduces the demand on power generators; and therefore reduces in CO₂ emissions.

Vanguards Power (VP) refers to this method of reducing over-voltage supply as 'Power Optimisation'.

VP considered how best to redesign our voltage regulators and stabilisers so that they could help lower power usage. The outcome of this 'redesign' was the solid state SCR System – the PropSava (for mains Power Optimisation) and LiteSava range (for lighting Power Optimisation). VP Systems are now being used world-wide as a virtual instantaneous method of saving electrical energy.

VP Systems provides the following benefits to its user in over-voltage supply areas:

- Use less power and save on electricity costs
- Reduce their CO₂ footprint
- Reduce their liability for Carbon Tax
- Their electrical equipment lasts longer –increase in life expectancy
- Reduces the number of electrical breakdowns and maintenance cost

VP products are designed for all users of electrical power – Industrial, Commercial and Domestic.

The Products - PropSava & LiteSava:

The PropSava SCR System is the World's first 3 Phase automated voltage regulator and stabiliser that the User can set their own Output voltage. The User can increase or reduce the output voltage - the **same OR different** values on each phase to their site. Changing the Output voltage offers greater reduction in electric power consumption than has previously been possible. Each Phase has its own computer system, safety controls, transformers and sensors. This provides the benefit of increased performance and reliability of the SCR System over any other type of voltage regulator currently available.

The SCR System uses solid state switching managed by three state-of-the-art digital computer systems. Output voltage is changed via the digital keypad on each phase. The Output Voltage can also be changed over a network or Internet subject to installation of the VP Remote Control System (available 2nd Quarter 2012).

The PropSava SCR System provides greater advantages to the User over any other type of Power Optimisation System in the world such as:

- Increasing site energy savings and reducing further CO₂ emissions,
- Managing voltages more efficiently on older type equipment,
- Controlling production facility performance accurately,
- Ability to run lighting systems at lower voltage values than mains equipment.

The Products - PropSava & LiteSava Continued...

The PropSava SCR.V is much safer (7 standards safety systems) and more reliable than other Regulator such as step-down transformers, servo-operated etc. and has the largest regulation range at 18% - 305V to 440V incoming voltage regulated and stabilised to your Output setting of 210V to 230V.

The PropSava is connected after the electric meter and Master Breaker Switch and before the Distribution/Fuse Box. All power to a site/building passes through the PropSava.

Sites/buildings that use the PropSava SCR.V Power Optimisation System will benefit from:

- Paying less for their electricity.
- Reduction in CO₂ emissions and carbon footprint; consuming less power means less power has to be generated and therefore less CO₂ emitted.
- Reduction in Carbon Tax liability.
- Reduction in electrical equipment breakdowns, downtime and labour costs.
- Reduction in premature electrical equipment failure and the cost of early replacement.

PropSava SCR.V Configuration Choices:

To provide our Customers with the greatest flexibility of choice to suit all site needs and budgets the PropSava SCR.V is available in a variety of configurations. The 3 Main Configurations are as follows:

1. **Base Unit** - Computer controlled automatic voltage regulator and stabiliser with standard Safety Systems including Auto Regulation OFF, Overload, over and under voltage protection and System Temperature.
2. **External Protection System against Current or Voltage Surges** – four choices of Surge and/or Voltage Protection.
3. **Product to Site By-Pass** – three choices of Manual, Automatic and Total Disconnect System

The recommended Configuration for the 3 Phase PropSava System consists of a Base Unit, Current Surge Protection and the Total Disconnect System (TDS) Product to Site By-Pass. This configuration provides the customer with the highest level of power optimisation performance, site power continuity and security for most sites.

Base Unit Standard Features and Safety Systems:

The Base Unit PropSava SCR.V is a fully functional stand alone system which has the following standard features:

1. 3 single Phase independent Solid State Digital Computer Controlled Voltage Regulators and Stabilisers.
2. Dynamic 'On-The-Fly' User Changeable Output Voltage between 210V to 230V per phase stabilised at $\pm 1.3\%$.
3. Operational incoming main voltage range between 306V and 440V (18%).
4. Computer Controlled Auto Regulation OFF when User Set Limits are exceeded - does not affect site power when operated.
5. Manual Regulation ON and OFF Control - does not affect site power when operated.
6. Main overload protection – Master Regulation Protection Switch (MRPS) - Equal to or less than Site Isolator size
7. Over and Under Voltage protection safety system – Factory/User Set with audible and visual warnings.
8. Over Load protection safety system – Factory/User Set with audible and visual warnings.
9. System Temperature control safety system – with audible and visual warnings.
10. Temp System Reset.

PropSava SCR V Configuration Choices Continued...

External Protection Systems

The External Protection Systems stop any power surges caused by outside sources, natural or man-made, damaging the PropSava and the site/building electrical equipment.

There are two choices available with two levels of protection for Current and Voltage – although a customer can select both Current and Voltage protection together if they wish:

- Surge Protection Device 1 – 20,000 Amps
- Surge Protection Device 2 – 30,000 Amps
- Voltage Surge Protection Device 3 – 25,000 Volts
- Voltage Surge Protection Device 4 – 40,000 Volts

Product to Site By-Pass Systems

There are **three choices** for the Product to Site By-Pass System:

Choice 1. Manual 3 Position Lever Product to Site - Each time the Lever is moved there is an interruption to site power.	
If User/Factory Regulated Output Settings are exceeded and/or Safety System breached such as: Overload, or Under/Over Voltage, or System Temperature:	<ul style="list-style-type: none"> Overload – default setting is 95% of MRPS Amps value for 20 seconds then Auto REG OFF is activated. If Overload occurs above MRPS Amps value rating prior to Auto REG OFF being initiated then immediate shutdown of PropSava/LiteSava occurs – Site power is terminated. Under Voltage – default setting 195V for 5 seconds – Auto-REG OFF Over Voltage Hardware – 264V instant – Auto – REG OFF Over Voltage Software – default setting 240V for 5 seconds – Auto-REG OFF Over Temperature – 90°C – Auto-REG OFF.
a) PropSava and Site OFF,	• Shut Down - All power to site is terminated. PropSava Input is live.
b) PropSava OFF and Site ON,	• By-Pass – Input PropSava power is diverted to site. PropSava can be shut down
c) PropSava and Site ON.	• Normal – Normal operating position. PropSava is regulating all power to the site.
Choice 2. Automatic Product to Site By-Pass - No interruption to site power - unless safety code requires isolation for maintenance	
a) Automatically Initiated: If any User/Factory Regulated Output Settings are exceeded or Safety System breached the PropSava will automatically activate Automatic Product to Site By-Pass.	<ul style="list-style-type: none"> PropSava Input power is diverted to site. To restore Regulation after new settings entered or problem corrected two Manual By-Pass buttons are provided – By-Pass ON and By-Pass OFF. These two buttons and the Regulation ON/OFF buttons restore Regulation. No interruption to site power in any of the above events. If site cabling or PropSava requires maintenance on the Input side then site power will be interrupted. PropSava can be shut down, but Input is always live.
b) Manual Operated By-Pass using electrically operated push buttons.	<ul style="list-style-type: none"> The PropSava can be manually placed in By-Pass using the By-Pass ON and OFF buttons. This is done to carry out site logging and maintenance after the Input side. No interruption to site power in any of the above events. If site cabling or PropSava requires maintenance on the Input side then site power will be interrupted. PropSava can be shut down, but Input is always live.
3. Total Disconnect System (TDS) - No interruption to site power under any circumstances and full PropSava Isolation	
a) Automatically or Manually selected.	<ul style="list-style-type: none"> Automatically diverts PropSava Input power to site seamlessly under any circumstance. One Key/Button diverts power or starts Regulation & can be operated remotely (option). PropSava is isolated and can be maintained and/or removed without any interruption to site power. TDS reduces installation time.

Vanguards Power (Hong Kong) Limited



Consideration Prior to Application:

Although the PropSava and LiteSava are designed to maximise energy savings, this can **ONLY** be achieved in over-voltage supply conditions.

The PropSava is also used in countries where there is **NOT** enough voltage to start electrical equipment; and therefore provide a valuable service of maintaining production, manufacture and computing services in those countries where power is of poor reliability, quality and consistency.

VP 3 Phase systems are **custom built** to the site specifications following 7 days power quality logging of the prospective site. It is the data from these 7 days of logging that determine the specifications of the 3 Phase System. With Fixed output Systems most customers select 380V or 220V per phase. On the Variable output Systems you can select any output voltage value between 195V to 230V (338V to 398V).

Manufacturing takes 4 to 5 weeks dependent on volume and production schedules.

At our Head Office in Shenzhen, China, our incoming voltage is about 225V. We use our own PropSava to reduce voltage down to 205V and have been doing so for the last 3 years. We have no loss of equipment performance or failures and we have saved **11.8% of our energy costs to date**.

Most European and Australian electrical engineers are happy to run their single phase electrical equipment at 220V. Therefore, in these parts of the World, as a 'rule-of-thumb' you need a supply (incoming) voltage of above 230V (single phase) to justify a return on investment (ROI) of within 5 years.

If you take the example of 230V incoming voltage with 220V outgoing voltage, this would provide a voltage reduction of 4.34%; which **COULD** provide up to 8.6% power saving.

All electrical equipment responds to voltage reduction in different ways. Some types of electrical equipment responds very well and provides significant energy/cost savings (especially in areas of over-voltage); and some electrical equipment very little energy savings; and others none (**especially** thermostatic controlled resistive type electrical devices).

There are many notable exceptions to the above 'rule-of-thumb'. In some countries they prefer an output voltage of 370V or 214V per phase as a standard on the Fixed output Systems. Some companies want to be seen as employing a "green" approach. These companies value any amount of electrical cost saving as valuable irrespective of the usual ROI term of 5 years; and in some cases seem to be happy with 7 years. We also have other exceptions where the customers seem to be more interested in the value of Carbon Tax refunds and credits than in the energy saving amount.

We would therefore suggest that you take a number of voltage readings, single or 3 phase in different parts of your country. Those areas that have input voltages of greater than 230V will be borderline candidates. Those areas with 235V and above are far better prospects (6.4% voltage saving and up to 12.8% power saving).

Please make sure that you consider the above prior to making any Application for a Channel Partner Distributor.

You are also cordially invited to visit our Head Office and Showroom in Shenzhen at your convenience prior to completing the Application.

Please confirm your dates **prior** to visiting.

Channel Partner Options and Overview:

There are **four options** available to join VP as a Channel Partner:

- 1. Distributor for the sale of 3 Phase Products – Not Available in the UK, Australia, New Zealand:**
 - a. Distributors have annual sales performance targets,
 - b. need office premises,
 - c. has a showroom with installed VP 3 Phase Products,
 - d. must employ sales persons,
 - e. must employ qualified electrical engineers,
 - f. must have sales persons and electrical engineers trained by VP,
 - g. must be able to manage a Reseller network,
 - h. Provide all engineering support services for the Territory Reseller Network,
 - i. Significant investment in showroom equipment, staff and training.
- 2. Reseller for the sale of 3 Phase Products:**
 - a. No annual sales performance targets,
 - b. No office needed (but recommended),
 - c. No showroom needed (but recommended),
 - d. No sales persons need to be employed, sole traders is acceptable,
 - e. No need to employ a qualified electrical engineers but must sub-contract all installation to a Territory qualified electrical engineer,
 - f. No training needed (but recommended),
 - g. Low initial investment required - office area, telephone, computer and website.
- 3. Distributor for the sale of Single Phase Products – Not available in the UK, Australia, New Zealand.**
 - a. Distributors have annual sales performance targets,
 - b. need office premises,
 - c. has a showroom with installed VP single Phase Products,
 - d. must employ sales persons,
 - e. must employ qualified electrical engineers,
 - f. must have sales persons and electrical engineers trained by VP,
 - g. must be able to manage a Reseller network,
 - h. Provide all engineering support services for the Territory Reseller Network,
 - i. Lower investment than for the sale of 3 Phase Systems; showroom equipment, staff and training.
- 4. Reseller for the sales of Single Phase Products**
 - a. No annual sales performance targets,
 - b. No office needed (but recommended),
 - c. No showroom needed (but recommended),
 - d. No sales persons need to be employed, sole traders is acceptable,
 - e. No need to employ a qualified electrical engineers but must sub-contract all installation to a Territory qualified electrical engineer,
 - f. No training needed (but recommended),
 - g. Low initial investment required - office area, telephone, computer and website.

What to do Next:

1. Please read and examine the contents of our website and this document and carefully consider if this is the opportunity you are looking for.
2. Measure voltage in your office, house, neighbours and other areas of your town and/or city.
3. Find out more about the fuel used to generate your electricity; coal, gas, nuclear, hydro, renewable etc.
4. Find out the cost of 1 unit (1,000 watts of power for 1 hour) of electricity from your supplier.
5. Examine Channel Partners Option and Overview on the previous page and consider if you want to apply for Appointment as a:
 - a. Distributor of VP 3 Phase Products – Not available in the UK, Australia, New Zealand.
 - b. Reseller of VP 3 Phase Products,
 - c. Distributor of VP Single Phase Products – Not available in the UK, Australia, New Zealand.
 - d. Reseller of VP Single Phase Products.
6. When you have made your decision and you want to find out more about this opportunity then contact sales@vanguardspower.com and ask them for a no obligation copy of the **Draft Initial Agreement for your selected 5a, or 5b, or 5c, or 5d above.**
7. The VP Sales Department will then send you a Draft Initial Agreement with example prices for your chosen Products. Please read and examine the contents. Ask as many questions as you need. Take any independent professional advise you feel that is necessary to make you decision.
8. If you are happy with the contents of the Draft Initial Agreement then ask the VP Sales Department for a Distributor or Reseller Application form or download it from our website.
9. Upon receipt of the Application Form, please complete, sign and return to the VP Sales department at the email address above.
10. VP Sales Department will acknowledge receipt of the completed Application Form and will pass it to the Marketing Department for processing.
11. Please read the section in this document "Application Form Completion Guidance and Procedure".
12. When your Application has been processed and the Final Agreement is produced but unsigned, you will have the option to request a "Seminar Day" from VP. A Seminar Day is a presentation by one of our power optimisation experts to your invited guests. The VP expert will explain to your invited guests how energy, costs, CO₂ and carbon taxes are saved using voltage regulation systems. The Seminar also explains the benefits of voltage stabilisation and how this extends the life of electrical equipment and reduces maintenance costs. You are permitted to charge your invited guests for attending if you wish. VP does not charge a fee for this Seminar Day but will require payment for travelling expenses. Please contact the VP Sales Department for further information.
13. You are not under any obligation nor will you be charged any costs or fees throughout the Application process.

Requirements for Appointment as a VP Channel Partner – Distributor:

Not available in the UK, Australia, New Zealand.

1. Commercial Premises that are equipped with Landline telephones, fax and computer systems for keeping accurate records of Customers and their purchases, warranty periods and servicing.
2. Facilities and in-house systems to provide Customer Support and assistance for returns and technical advice.
3. A room allocated for staff training with mains power points, desk and chairs.
4. A showroom to demonstrate 50KVA SCRF & ESF 3 Phase PropSava; single phase 12KVA PropSava & 20Amp LiteSava with Light-box Demonstration Unit – requires a room of 4M length by 3M depth.
5. A website and secure email system that can be accessed by members of the public without payment or fee.
6. Minimum of four employed (resident) Sales Staff.
7. One Territory qualified employed (resident) Electrical Engineer.
8. A Company approved and Territory qualified electrical installation company/contractor for single and/or 3 phase voltage installations.
9. Logging and analysis equipment for power quality readings at prospective customer sites.
10. The ability to write and present prospective customer quotations and results of site surveys.
11. Systems and ability to develop and manage Reseller Network.
12. Capable of delivering annual sales in excess of \$1 (one) Million USD of VP Product(s).
13. Distributors must have their sales staff trained and certified by VP in Product Familiarisation Course 1 within 4 weeks of signing the Distributor Agreement; and their resident engineer and installation subcontractors trained and certified in PropSava Installation and Trouble Shooting Course 1 within eight weeks of signing the Distributor Agreement.

Investment:

14. There is a Distributor Appointment Fee of 30,000RMB to cover the costs of producing the Agreement; inspection of your premises; adding Distributors details to our Website; setting-up the On-Line Product Ordering System and training; Government documentation and Court Filings.
15. The purchase of the Showroom Demonstration Equipment and training for 4 sales and 4 electrical engineers - approximately 200,000RMB.
16. There is no annual Distributor Agreement maintenance fee or recurring charges for the term of the Agreement.
17. Please seek independent Professional advice prior to entering into any Agreement with VP.

Channel Partner - Distributor is provided the Following Benefits:

Not available in the UK, Australia, New Zealand.

18. Exclusive Sales Territory.
19. Sell VP Systems to end user and/or Reseller at your own defined market price.
20. All sales within the Territory for the VP System are via the Distributor.
21. The right to develop a Reseller Network within the Distributor Territory.
22. Unlimited Territory sales leads to the Distributor free of charge.
23. All VP Systems for showroom at supplied at cost price.
24. Connection, wiring and commissioning of all showroom VP Systems free of charge.
25. Full Technical Support free of charge for the duration of the Agreement.
26. Distributor Company and Profile listed on VP Website.
27. Use of VP in-house secure ordering and tracking system.
28. Performance related discounts, special offers and competitions.
29. Provide Resellers with additional chargeable services such as logging, installation, maintenance and warranty repair.
30. Right to show an approved VP logo at Distributors office, website and documents.
31. Right to brand VP brochures and information with Distributors logo.
32. Distributors may also use their own logo on VP Systems below VP Logo.

Requirements for Appointment as a VP Channel Partner - Reseller:

1. Landline telephones, fax and computer systems for keeping accurate records of Customers and their purchases, warranty periods and servicing.
2. A website and secure email system that can be accessed by members of the public without payment or fee.
3. A Company approved and Territory qualified electrical installation company/contractor for single and/or 3 phase voltage installations if no Territory Distributor exists.
4. Logging and analysis equipment for 3 Phase power quality readings at prospective customer sites if no Territory Distributor exists (3 Phase sales only).
5. The ability to write and present prospective customer quotations and results of site surveys.

Investment:

6. There is no annual Reseller Agreement maintenance fee or recurring charges for the term of the Agreement.
7. Please seek independent Professional advice prior to entering into any Agreement with VP.

Channel Partner - Reseller is provided the following benefits:

8. Sell VP Systems to end user and/or Reseller at your own defined market price.
9. Full Technical Support free of charge for the duration of the Agreement.
10. Reseller Company and Profile listed on VP Website.
11. Performance related discounts, special offers and competitions.
12. Right to show an approved VP logo at Reseller place of work (office), website and documents.
13. Right to brand VP brochures and information with Reseller logo.

Application Form Completion Guidance and Procedure:

- a) Please ensure that you understand the contents of this document **before** you decide to make an Application. If there is any doubt please contact us for further clarification.
- b) There is **no cost or obligation** for completing a Channel Partner Distributor or Reseller Application.
- c) All documentation may be sent in PDF format to our secure Company email address.
- d) We **only** provide Example Prices for 3 Phase Products as shown in the 1st Draft Agreement sent to you prior to receiving a completed Application Form. Full 3 Phase price lists are only available **after you have completed** your Application **AND** we have confirmed and agreed its contents.
- e) If you are interested in making an Application, please **FULLY** complete our Application Form and return to our Sales Department. They will acknowledge receipt and forward to our Marketing Department for processing.
- f) Do not leave any questions of the Application Form **unanswered or blank** as it will be returned to you. If a question is not relevant use 'N/A' – not applicable, or 'None'.
- g) If you are applying for Appointment as a Distributor you **MUST** have a qualified electrical engineer employed by your Company as your permanent member of staff. You will **NOT** be able to sell VP Products without a Nationally Qualified Electrical Engineer who has **switchgear** experience in 3 Phase products (if applying for 3 Phase sales). If you do not have the above mentioned qualified electrical engineer on your staff at the time of application your Application will **NOT** be considered and immediately rejected. We will need proof of the electrical engineers qualifications at the time of application. Please send documents that support the qualifications of the electrical engineer stated.
- h) Upon receipt of your completed Application Form we will authenticate the contents by checking with Government Departments/agencies etc., company registration, Directors/Owners.
- i) When the Application has been confirmed by our Marketing Department you will be advised and a 2nd Draft Distributor Agreement will be sent to you for your comments.
- j) If you are applying for Appointment as a Distributor, once the content of the Distributor Agreement has been agreed by both parties VP will ask for sight of your Business Plan. This document will outline to VP how your company will represent VP and its Products within your Territory; identifying personnel, sales & marketing, support systems etc.
- k) After receipt of your Business Plan, VP will arrange an inspection of your premises. VP will send a Senior Manager to meet with you and your staff.
- l) Following a successful inspection, VP will then ask you to sign the Distributor Agreement at your site. VP will **NOT** sign the Distributor Agreement at this time.
- m) VP will then issue Invoices for the payment of the Distributors Agreement Fee, Showroom Demonstration Equipment and Training.
- n) Upon receipt of payment for the above mentioned items, VP will countersign, stamp and return to you an original copy of the Distributor Agreement.
- o) A Business Plan is not required if you are Appointed as a Reseller.

If you are interested in being appointed, please download, complete and return to us the Application Form on our website: <http://www.vanguardspower.com>.