

APPLICATION FOR CERTIFICATION TO COUNTERFEIT COMPONENTS AVOIDANCE PROGRAM

The below named organization, the Independent Distributor (ID), makes this application for Certification of its counterfeit components avoidance practices for conformance to the Components Technology Institute Inc. ("CTI") Counterfeit Components Avoidance Program Requirements as defined in CCAP-101™ & CR (the "Certification Program") and agrees and accepts the following terms and conditions:

1. The ID applying for Certification shall develop and formally document their Counterfeit Components Avoidance Practices that implement and comply with CCAP-101. These Procedures shall be submitted to CTI for approval prior to an audit.
2. After CTI receives the Application for Certification a cost proposal will be provided to the ID for their acceptance.
3. When required, CTI can provide training for ID personnel in accordance with the CCAP-101 requirements. This is an optional extra cost effort above the Certification.
4. CTI will audit the ID's operations at one facility to evaluate the ID's compliance with the approved practices. After the ID passes the audit, CTI will issue a Certification indicating that the ID is Certified to CCAP-101.
5. CTI will maintain a list of Certified IDs to CCAP-101 on its website and promote the Certification status to potential customers. The ID agrees to hold CTI harmless for any loss of business caused by failure to become certified, termination or suspension of Certification.
6. A Certified ID is permitted to represent its products as "CCAP-101 Certified" that have passed the approved procedures implementing CCAP-101 for as long as ID's Certification is in effect. If CTI terminates or suspends the ID's Certification, for delivery of counterfeit components or failure to conform to the CTI approved procedures the ID will immediately cease representing its products as "CCAP-101 Certified."
7. The ID's Certification is effective for one year unless terminated or suspended by CTI for delivery of counterfeit components, failure to perform the required tests and inspections or misuse of the Certification. If ID seeks reinstatement, ID will be responsible for expenses incurred by CTI in the investigation and resolution of the conduct resulting in suspension or termination of ID's Certification. Certification is renewable on an annual basis upon completion of a re-certification and ID's continued performance to the CCAP-101 requirements.
8. All components delivered by ID identified in any way as being in conformance to the Certified Program shall be inspected and tested to the full requirements of CCAP-101. If any of the CCAP-101 requirements are not followed, or are modified, deleted or changed by ID or customer the components shall not be delivered as Certified to CCAP-101. Additional testing requirements may be added by the customer and that do not affect the components' authenticity or Certification compliance. The ID may offer non-certified components for sale, such offering of components shall not in any

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way imply they are similar or conform to CCAP-101. Certification to CCAP-101 shall not be used in any way to obtain orders for non-certified components.

9. CTI and the ID each agree to maintain and protect the other party's proprietary and/or confidential information with the same degree of care it normally uses in the protection of its own trade secrets and other information and data of a proprietary and/or confidential nature to prevent disclosure and unauthorized use of such information.
10. The ID agrees to promptly notify CTI of any customer complaints of counterfeit products delivered as Certified to CCAP-101 by ID or persons or entities in ID's control.
11. The ID agrees to keep accurate records of all Certified Products sold, and agrees to make available to CTI such records on an annual basis for re-certification, investigation of counterfeit claims or at any other time as reasonably requested by CTI.
12. The ID agrees to adhere to the terms of this Application for as long as ID retains its Certification to CCAP-101.
13. **CTI MAKES NO EXPRESS WARRANTIES AND WAIVES ALL IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT REGARDING THE CERTIFICATION PROGRAM. NO ADVICE OR INFORMATION GIVEN BY CTI OR ITS REPRESENTATIVES SHALL CREATE A WARRANTY, WHETHER ORAL OR WRITTEN. CTI AND ITS AGENTS AND EMPLOYEES ARE NOT LIABLE FOR ANY COSTS OR DAMAGES ARISING DIRECTLY OR INDIRECTLY FROM THE USE OF THE CERTIFICATION PROGRAM, CERTIFICATE OF COMPLIANCE, OR CCAP-101 INCLUDING ANY INDIRECT, INCIDENTAL, EXEMPLARY, MULTIPLE, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES. EXCEPT TO THE EXTENT THAT SUCH DISCLAIMERS ARE EXPRESSLY PROHIBITED BY LAW, CTI DISCLAIMS ANY AND ALL LOSS, DAMAGE OR LIABILITY ARISING OUT OF OR RELATING TO ID'S USE OF THE CERTIFICATION PROGRAM, CERTIFICATE OF COMPLIANCE, AND CCAP-101.**
14. ID agrees to be responsible for any and all claims made by customer or users related to the delivery of Counterfeit Components under this Certification. In this regard, ID hereby agrees, at its expense, to defend and indemnify CTI from and against any claims, demands, and actions brought against CTI and based upon negligence committed by ID in providing products represented as Certified. ID will indemnify, defend, and hold harmless CTI and its officers, directors, employees and affiliates from and against any and all losses, claims, damages, liabilities, and expenses (including reasonable attorneys' fees and costs) arising out of or related to ID's use or misuse of the Certification Program, or CCAP-101.
15. The validity, interpretation, and legal effect of this Application shall be governed by the internal substantive laws and not the choice of law rules of the State of Alabama. Any judicial

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proceeding for injunctive or equitable relief brought against CTI or ID with respect to this Application or any other agreements referenced herein shall be brought exclusively in any court of competent jurisdiction in Alabama.

- 16. This Application shall not be modified or amended except by a written agreement dated subsequently to the date of this Application and signed on behalf of ID and CTI by their respective duly authorized representatives as an amendment hereto. This requirement of written form can only be waived in writing.
- 17. Nothing contained in this Application shall be construed as creating a joint venture, partnership or employment relationship. Except as specified herein, neither party shall have the right, power or implied authority to create any obligation or duty, express or implied, on behalf of the other party hereto.
- 18. This Application constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all previous communications, representations, understanding and agreements, either oral or written, between the parties with respect to such subject matter hereof.

Name of ID: _____

Address of ID: _____

Telephone: _____ Fax: _____

Web address: _____

E-mail address: _____

Signature of Corporate Officer/Owner: _____

Printed Name: _____

Title: _____

Date: _____

Application accepted by CTI: _____
Leon Hamiter, President

Date _____