

MANUFACTURER AFFILIATE MEMBERSHIP

DEFINITIONS

Industrial Automation Products (IAP)

Industrial Automation Products (IAP) are the products and systems used for industrial control and plant automation that requires significant application knowledge and technical expertise for sales and successful installation.

IAP Manufacturer

An IAP Manufacturer is a manufacturer or national marketer of IAP.

Automation Solution Provider

An Automation Solution Provider (ASP) is an independent (see MER #3 for definition) value-added distribution organization that focuses on the sale of:

- ✍ Knowledge
- ✍ Technology based industrial automation products (IAP)
- ✍ Design and application engineering
- ✍ Support services
- ✍ Integrated solutions
- ✍ Value added services including application engineering assistance, customer training through seminars and/or schools, demonstration room/lab and equipment, post-order product service and warranty support, and start-up assistance.

IAP Sales

IAP sales include sales to users, OEMs, systems integrators, utilities and governments; but exclude national direct mail solicitation sales to distributors. Also excluded are sales to integrated supply groups outside of an ASP's Area of Primary Responsibility (APR).

Membership Eligibility Requirements - Manufacturer Affiliate

To be a Manufacturer Affiliate of the AHTD, the applicant must fulfill, on a continuing basis, the following requirements:

1. At least 61% of annual sales of IAP must be sold through independent automation solution providers to the ultimate customer in the industrial control and plant automation marketplace.
2. Applicant must have annual sales of IAPs in excess of \$3,000,000.
3. Applicant must have been in business manufacturing and selling or remarketing IAPs for at least the three full years immediately preceding year of application.
4. The highest ranking officer of applicant's company/division responsible for all national sales philosophy, distribution policies, and operations for IAP must agree to and in fact attend at least one of the two membership meetings held each year. This executive is urged to attend two meetings per year, although only one is required to maintain membership.
5. Applicant must submit certification forms from five AHTD members in good standing that the applicant meets the Membership Eligibility Requirements. At least three of these certification forms must be from Automation Solution Providers (ASPs).
6. Applicant agrees to comply with AHTD by-laws, rules and regulations.
7. Each member must recertify for membership periodically at intervals set by and at the discretion of the Board of Directors.

PRELIMINARY MANUFACTURER MEMBERSHIP REQUIREMENTS

For applicants who do not satisfy one or more of the manufacturer affiliate requirements, there is a two-year preliminary membership period. All Preliminary Manufacturer Members are required to resubmit a membership application after two years. At that time, one of three things may happen by a vote of the Board of Directors:

1. If the applicant meets all MERs for full Manufacturer Affiliate Membership, it may become a Manufacturer Affiliate Member.
2. If the applicant does not meet all MERs for full Manufacturer Affiliate membership, but demonstrates having made significant progress toward meeting all MERs since the time of its first application, it may be approved for one additional two-year period as a Preliminary Manufacturer member. Such "renewal" of the preliminary status may only be given once.
3. If the applicant fails to meet the conditions described in either paragraph 1. or 2. above, it will be dropped from membership in AHTD.

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IAP Sales

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Membership Eligibility Requirements - Preliminary Manufacturer

To be a Preliminary Manufacturer of the AHTD, the applicant must fulfill, on a continuing basis, the following requirements:

1. The applicant must demonstrate serious intent to begin selling at least 61% of their annual sales of IAP through independent ASPs (i.e. ASP must operate its business free from direct or indirect control by any manufacturer whose product the ASP sells) to the ultimate customer in the Industrial Control and Plant Automation marketplace.
2. Applicant must have annual sales of IAPs in excess of \$1,000,000.

3. Applicant must have been in business manufacturing and selling or remarketing IAPs for at least the one full year immediately preceding year of application.
4. The highest ranking officer of applicant's company/division responsible for all national sales philosophy, distribution policies, and operations for IAP must agree to and in fact attend at least one of the two membership meetings held each year. This executive is urged to attend two meetings per year, although only one is required to maintain membership.
5. Applicant must submit certification forms from five AHTD members in good standing that the applicant meets the Membership Eligibility Requirements. At least three of these certification forms must be from Automation Solution Providers (ASPs).
6. Applicant agrees to comply with AHTD by-laws, rules and regulations.
7. Each member must recertify for membership periodically at intervals set by and at the discretion of the Board of Directors.

AUTOMATION SOLUTION PROVIDER MEMBERSHIP

DEFINITIONS

Industrial Automation Products (IAP)

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Automation Solution Provider

An Automation Solution Provider (ASP) is an independent (see MER #3 for definition) value-added distribution organization that focuses on the sale of:

- ✍ Knowledge
- ✍ Technology based industrial automation products (IAP)
- ✍ Design and application engineering
- ✍ Support services
- ✍ Integrated solutions
- ✍ Value added services including application engineering assistance, customer training through seminars and/or schools, demonstration room/lab and equipment, post-order product service and warranty support, and start-up assistance.

IAP Manufacturer

An IAP Manufacturer is a manufacturer or national remarketer of IAP.

IAP Sales

IAP sales include sales to users, OEMs, systems integrators, utilities and governments; but exclude national direct mail solicitation sales to distributors. Also excluded are sales to integrated supply groups outside of an ASP's Area of Primary Responsibility (APR).

Membership Eligibility Requirements - Automation Solution Provider

To become an Automation Solution Provider member of AHTD, an applicant for membership must fulfill the following AHTD ASP Eligibility Requirements for the current year, and for the three full years immediately preceding membership, and during the course of membership.

1. Applicant must be an Automation Solution Provider (ASP), with at least 61% of ASP's total operating income (income generated from all operations of your business) derived from the buying and reselling of IAP within its authorized Area of Primary Responsibility (APR).
2. The applicant's total industrial automation products sales as an ASP will have exceeded \$1 million dollars annually for at least the three consecutive fiscal years immediately preceding year of application.
3. An eligible ASP must operate its business free from direct or indirect control by any manufacturer whose product the ASP sells.
4. At least 61% of the total company (all divisions) sales, by dollar volume, must be IAP sales.
5. Applicant must provide support for IAPs with its own personnel in ASP's APR.
6. Beyond the basic ASP function (see ASP definition) , an applicant must further provide the following customer value-added services: application engineering assistance (e.g. programming); customer training through seminars and/or schools; demonstrations through showrooms and portable displays; post-order product service and warranty support; and start-up assistance.
7. The Senior Executive responsible for all sales philosophy, distribution policies and operations for IAPs must agree to and in fact attend at least one of the two membership meetings held each year. The Senior Executive is urged to attend two meetings per year, although only one is required for membership.
8. Applicant must submit certification forms from five AHTD members in good standing that the applicant meets the Membership Eligibility Requirements. At least three of these certification forms must be from Automation Solution Providers (ASPs).
9. Applicant agrees to comply with AHTD by-laws, rules and regulations.
10. Each member must recertify for membership periodically at intervals set by and at the discretion of the Board of Directors.