



AMERICAN PETROLEUM INSTITUTE

**Jack Gerard**  
President and Chief  
Executive Officer

1220 L Street, NW  
Washington, DC 20005-4070  
USA  
Telephone [REDACTED]  
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www.api.org

Ms. Meggan Abboud  
[REDACTED]

Advocates Inc. DC  
[REDACTED]

This letter of agreement between the American Petroleum Institute (API) and Advocates Inc. DC (Consultant) authorizes Consultant for consulting services

This agreement is subject to the following terms and conditions:

1. **Effective Date.** This Agreement shall cover the period January 1, 2015 through December 31, 2015.
2. **Scope.** The following is the scope of work to be performed by Consultant:
  - a.
  - b.
  - c. Consultant will perform other tasks as jointly agreed upon by API and Consultant.
  - d. All work performed hereunder shall be completed to the satisfaction of API.
3. **Project Manager.** Consultant agrees that Meggan Abboud shall be the Project Manager for Consultant's obligations under this Agreement. Consultant shall give API prior written notice of the replacement or reduction in the level of effort of the Project Manager. API shall have the right to approve any replacement of the Project Manager, or a reduction in his or her level of effort.
4. **API Contract Officer.** This Agreement shall be under the direction of Deryck Spooner ([REDACTED] e-mail: [REDACTED]@api.org), or whomever that person designates as the API Contract Officer. The designated API representative for this agreement will be Tara Anderson, Director, External Mobilization ([REDACTED] email: [REDACTED]@api.org). Consultant shall send all correspondence and reports relating to this Agreement to the attention of the API Contract Officer. Consultant shall keep in regular contact with the API Contract Officer, and keep him or her regularly informed of the status of the work performed under this Agreement.
5. **Payment Terms.** API shall pay Consultant an amount not to exceed [REDACTED] for work under this agreement for professional services and expenses as follows:
  - Total of [REDACTED] for professional services, payable in monthly installments of [REDACTED]

An equal opportunity employer

- Up to [REDACTED] for expenses incurred in carrying out this agreement.

API may withhold up to 15% of the agreement amount, pending API's acceptance of all deliverables.

**5. Invoicing and Expense Documentation Guidelines.** Consultant agrees to follow the guidelines in Attachment A, *API Invoicing and Expense Documentation Guidelines*, including how to submit invoices for payment, what constitutes allowable out of pocket expenses, and payments that the Consultant may not pay directly on API's behalf.

**6. Payments to Charitable Organizations, Chambers of Commerce, Business Organizations, Trade Associations.** If payments will be made to charitable organizations, chambers of commerce, business organizations, trade associations, or any other third parties with similar purposes or functions, all such payments shall be made directly by API, and shall not be made by Consultant on API's behalf. Requests for payments by such third parties shall be submitted directly to API via email request made to [REDACTED] and [REDACTED] shall reference the above contract number. Such payment requests must include:

- The full legal name and address of the party to which payment is being made.
- The party's employee identification number (EIN).
- The party's tax exempt status (e.g., 501(c)3, 501(c)4, 501(c)6, etc.).
- Electronic payment instructions (ACH information including ABA routing number and bank account number).

Payments made by API pursuant to this provision shall be deducted from the total amount owed by API to Consultant under this agreement. If Consultant makes any payment to a third party described above without complying with the terms of this provision, Consultant shall not be entitled to include the expense of that payment in the total amount owed by API to Consultant under this agreement.

**7. Subcontract.** Consultant may not assign, subcontract, or otherwise delegate its obligations under this Agreement without API's prior written consent.

**8. Right to Inspect.** API shall have the right at all reasonable times during the course of the Agreement, and for a reasonable period following completion of the Agreement, to inspect Consultant's offices and facilities, including equipment and records relating to the work conducted hereunder, for the purpose of ensuring conformance with this Agreement, and to verify the accuracy of invoices. Such inspection shall include the right to photocopy records pertaining to work conducted pursuant to this Agreement.

**9. Compliance with Advocacy Laws.** Consultant and any of its agents agree that they shall comply with and render all services under this Agreement in accordance with all applicable federal, state and local laws and regulations, including without limitation the Federal Election Campaign Act of 1971, as amended; the gift and travel rules of the United States Senate and the United States House of Representatives, as amended; the Standards of Ethical Conduct of Employees of the Executive Branch; the Lobbying Disclosure Act of 1995, as amended; the CAN-SPAM Act; the Children's Privacy Protection Act; and any other applicable lobbying, election campaign finance, gift and travel, ethics, and privacy laws. As Consultant's efforts on API's behalf may extend to action within the meaning of the Lobbying Disclosure Act of 1995, Consultant will, if applicable, register with and report to Congress

under the provisions of that Act. At all times, Consultant's and its agents' relationships with public officials and candidates for public office will be maintained in such a manner as to avoid any impropriety or appearance of impropriety that may be attributed to API. Consultant agrees to provide training to all employees reasonably anticipated to provide services under this Agreement on compliance with all applicable laws and regulations, and that Consultant will provide a copy of any training materials to API upon request.

10. **Political Consultant Policies.** Consultant agrees to provide Attachment B, *API Political Consultant Policies and Procedures*, to every employee reasonably anticipated to perform work under this Agreement.
11. **Independence of Political Advocacy.** Consultant agrees that it will assist API in maintaining API's independence of its political advocacy from federal, state or local candidates and political parties. Consultant agrees to give API advance notice of any vendor or consulting relationship it has or later intends to establish with a federal, state or local candidate or political party. Consultant agrees that prior to taking on another engagement which, in API's judgment, presents the risk of an allegation of improper coordination between API and a federal, state or local candidate or political party. Consultant shall establish adequate procedures, including internal firewalls, to ensure API's compliance with the law. If adequate measures cannot be agreed upon, API may terminate this Agreement on three days' written notice. Consultant further agrees that it will take no action that would cause API to improperly coordinate its activities under the law, including, but not limited to, conveying to API non-public information about plans, projects, activities, or needs of a candidate or political party.
12. **Notice Required for Similar Advocacy.** Consultant shall not perform work similar to that provided to API under this Agreement for any entity or individual that conducts advocacy activities in the oil and natural gas sector unless Consultant provides written notice to the API Contract Officer before entering into any agreement to perform such work. This provision shall remain in effect until contract terminates.
13. **Substantive Conflicts.** During the period of this agreement, Consultant shall not represent or engage in efforts for any other party or entity on matters or issues that conflict with positions taken by API. Consultant shall immediately notify the API designee if he becomes aware of the existence of a conflict or potential conflict. Consultant shall not release any information concerning work hereunder to anyone outside API, without prior written approval of API, except for reports required by law.
14. **Defense of Work.** Upon request of API, Consultant agrees to defend its work under this Agreement and to provide testimony in defense of its work to governmental bodies (legislative, executive, or judicial). API shall pay expenses for such services at Consultant's standard billing rates in effect at the time the testimony occurs.
15. **Conflicts of Interest.** No director, employee, officer, or agent of Consultant may give or receive anything of significant value to or from any director, employee, officer, or agent of API, or engage in any business relationship, unless pursuant to the terms of this Agreement. Consultant shall promptly notify API of any violation of this paragraph. Anything of value provided or received in violation of this paragraph shall promptly be provided to API. API may audit Consultant and any agent of Consultant to determine compliance with this paragraph. Consultant further agrees that, during the period of this Agreement, Consultant

shall not represent or engage in efforts for any other party or entity on matters or issues that conflict with positions taken by API. Consultant shall immediately notify the API Contract Officer if Consultant becomes aware of the existence of a conflict or potential conflict.

16. **Restrictions on Use of API Information.** Consultant shall not use any API content, information, processes, knowledge or any copyrightable work created under this Agreement or any materials developed therefrom for any other purpose than to satisfy the terms of this Agreement, or release the content or findings of the work performed hereunder to parties outside API, without prior review and written approval from the API Contract Officer, unless such materials are in the public domain or are otherwise publicly released by API. Consultant shall not disclose the existence of this Agreement, its terms, the content or findings of the work performed hereunder to any parties outside API, and shall preserve the confidentiality of information furnished hereunder by API or received on behalf of API pursuant to the obligations described under Nondisclosure of Confidential Information.
17. Consultant shall not use any content, information, processes, knowledge or any copy writable work created under this Agreement or any materials developed therefrom for any other purpose than to satisfy the terms of this Agreement, or release the content or findings of the work performed hereunder to parties outside API, without prior review and written approval from API authorized representative Deryck Spooner, unless such materials are in the public domain or are otherwise publicly released by API. Further, Consultant shall not disclose the existence of this Agreement, its terms, the content or findings of the work performed hereunder to any parties outside API, and shall preserve the confidentiality of information furnished hereunder by API or received on behalf of API.
18. Consultant shall not perform similar work for an entity or individual unless Consultant obtains prior written permission from API approval authority Deryck Spooner. This restriction shall remain in effect until the contract terminates.
19. **Nondisclosure of Confidential Information.** This paragraph governs Consultant's obligations with respect to API's Confidential Information. Confidential Information includes, but is not limited to, deliverables and any technical and business information relating to API's activities, products, services, employees, customers, member organizations; and the existence, terms and substance of this Agreement. Confidential Information does not include information that is or becomes publicly available without act or omission by Consultant or API; was in Consultant's possession before API's disclosure to Consultant; or is lawfully disclosed to Consultant by a third party without restriction on disclosure.

Consultant certifies that it currently is not obligated by any agreement with any other third party to disclose Confidential Information related to this Agreement. Consultant agrees: (i) to use API's Confidential Information only for purposes of performing this Agreement; (ii) to not disclose API's Confidential Information to any third party pursuant to a contractual obligation without prior written approval from API; (iii) prior to disclosing Confidential Information to the extent required by lawful order of a court or government entity, Consultant shall immediately notify API of such order, provide a copy of the order to API, allow API to review and comment on Consultant's response to such order before disclosure, and allow API to seek maximum confidential treatment of the Confidential Information allowed by law; and (iv) to use commercially reasonable efforts to secure against discovery or disclosure of API's Confidential Information.

The parties agree that the requirements of this paragraph are material terms such that failure to comply with this paragraph is grounds for API to terminate this Agreement and entitle API to a refund of all monies paid. At the termination of this Agreement, Consultant will return or destroy (at API's election) all Confidential Information in Consultant's possession or control.

20. **Warranty of Materials.** Consultant represents and warrants that none of the data, mailing lists or other material used in activities under this agreement or contained in any of the deliverables under this agreement will violate or infringe upon the proprietary or statutory rights of any person or entity, or constitute an invasion of anyone's right to privacy. In the event Consultant is alleged to have engaged in any conduct which, if true, would constitute a breach of such warranty, Consultant shall defend, indemnify and hold API, its officers, directors, employees, and agents harmless from any and all claims or causes of actions, including court costs and reasonable attorneys' fees resulting from such conduct.
21. **Intellectual Property Ownership.** All reports, drawings, drafts, data and other documents or materials developed hereunder, and all intellectual property rights in such reports, drawings, drafts, data and other documents or materials, including copyrights and patent rights, shall be the sole property of API. API may use such materials in any manner in which API, in its sole discretion, deems fit and proper, including submission to governmental agencies, use in litigation, or use in other proceedings before governmental bodies. In the event that any court or governmental authority determines that API does not own all rights in all reports, drawings, drafts, data and other documents or materials developed hereunder, Consultant shall immediately assign all such rights to API. Consultant will not use the aforementioned items or other material developed therefrom, or release the content or findings of the work performed hereunder to parties outside API without prior review and written approval from API, unless they are in the public domain or are otherwise publicly released by API. Consultant agrees to preserve the confidentiality of information furnished hereunder by API.
22. **Restrictions on Publicity.** Consultant agrees that the trademarks "American Petroleum Institute" and "API" are the registered trademarks of API (the "API Marks"), and Consultant agrees that it shall not use the API Marks or any formative marks, in any publicity or advertising, or for any other purpose without the prior written approval of API.
23. **Return of Materials.** Upon termination of this Agreement, Consultant shall return to API all property and information that API provided to Consultant, or, at API's election, destroy such property and information.
24. **Consultant is Independent Contractor.** Consultant acknowledges that it is an independent contractor in its performance of any and all work pursuant to this Agreement, and the only obligations assumed by API are those specifically described in this Agreement. No association, partnership, or joint venture of any kind has been created by this Agreement. Consultant agrees not to refer to itself as API's agent nor refer to the relationship between the parties as an association, partnership, joint venture, or any other business combination. Consultant shall have no authority to act or contract on behalf of API. API shall not be liable for taxes, Workers' Compensation, unemployment insurance, employer's liability, employer's FICA, social security, withholding tax, and/or other taxes or withholding for or on behalf of Consultant or any other person under Consultant's direction in performing the services under this agreement. All such obligations and costs are Consultant's responsibility.

25. **Insurance Requirements.** Consultant shall carry Workers' Compensation insurance and any other insurance required by the jurisdiction in which the work pursuant to this Agreement will be performed. Consultant shall obtain and maintain Comprehensive General Liability Coverage in an amount sufficient to cover all of Consultant's operations and obligations under this Agreement. Consultant shall require any subcontractor to obtain and maintain the same level of insurance as that required by Consultant under this paragraph. Consultant agrees to provide evidence of insurance if requested by API.
26. **Indemnity.** Consultant shall indemnify, defend and hold harmless API, its employees, directors, officers, and agents from and against all claims, demands, suits, actions or other proceedings brought by third parties ("Claims"), and from and against all damages, payments made in settlement, and other liability payable to such third parties, and all costs and expenses incurred (including without limitation reasonable attorneys', accountants' and experts' fees and expenses), as a result of such Claims to the extent such Claims: (i) are alleged to arise out of or are or were caused by the Consultant's breach of its obligations under this Agreement or (ii) are for damages to any property or bodily injury to or death of any person alleged to be arising out of or caused by its negligence or willful misconduct.
27. **Limitation of Damages.** API SHALL HAVE LIMITED LIABILITY TO CONSULTANT OR ANY OTHER THIRD PARTY FOR ANY DAMAGES, LOSSES OR CLAIMS ALLEGED TO ARISE OUT OF THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING NEGLIGENCE, OR FOR ANY INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES, OR FOR ANY CLAIM MADE AGAINST CONSULTANT BY ANY OTHER PARTY. SUCH LIMITED LIABILITY SHALL NOT EXCEED THE FEES PAID TO CONSULTANT BY API.
28. **API Tax Exempt Status.** API is a nonprofit corporation exempt from United States federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986 as amended. No provision of this Agreement shall obligate API to take any action that is inconsistent with or that could jeopardize its tax-exempt status.
29. **Payment of Taxes.** Consultant agrees to remit all sales, use, excise, and other taxes collected from API now or hereafter as required by any government body or authority based on or in any way measured by this Agreement.
30. **Assignment.** Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party.
31. **Termination.** API may terminate this Agreement at any time by giving notice of such termination to Consultant. Upon receipt of such notice of termination, Consultant shall cease incurring costs on this project except with the prior approval of API for such costs that are necessary to close out the project. In the event of such termination, API's sole obligation will be to reimburse Consultant for actual costs incurred as of the date of termination and subsequent costs incurred with prior approval of API. In no event shall such payment include costs and/or anticipated fees for unperformed work or exceed the payment amount of this Agreement as set forth above.
32. **Notice of Claims.** Consultant agrees to notify API Contract Officer within five business days of any threats of litigation or of any assertion or allegation that the rights of any third party have been violated by any actions taken pursuant to this Agreement. In response to

said assertion, Consultant agrees to: (1) consult with API Contract Officer to determine what action needs to be pursued, and (2) to take any action that is deemed necessary by API to protect both parties. The parties agree that if API determines that there is a reasonable basis for said assertion that API may immediately suspend or terminate this Agreement. API shall not be liable to Consultant for any lost royalty, cost, expense, or damage whatsoever resulting from a suspension or termination made pursuant to this paragraph.

33. **Method of Giving Notice.** Any notice required or authorized by this Agreement shall be given in writing and shall be delivered by personal delivery, e-mail transmission, overnight courier, or by certified or registered mail, and shall be deemed received: (i) on the date of personal delivery or facsimile or e-mail transmission (with confirmation of transmission), or (ii) on the next business day if delivered by overnight courier, or (iii) on the third business day if deposited into the United States mails. All notices to API shall be sent to the API Contract Officer. All notices to Consultant shall be sent to the Project Manager.
34. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, without regard to the rules regarding conflicts of law. The parties agree that any action, suit, or proceeding based upon any matter, claim, or controversy arising under this Agreement shall be brought exclusively in the federal or state courts located in the District of Columbia. The parties consent to the jurisdiction and venue of such courts, and waive any objections to the jurisdiction and venue of those courts.
35. **Complete Agreement.** This Agreement sets forth the entire agreement between the parties. This Agreement supersedes all prior proposals, understandings or agreements, oral or written, relating thereto.
36. **Severability.** The terms and conditions of this Agreement are severable. If any term or condition of this Agreement is deemed to be illegal or unenforceable, all other terms of this Agreement shall remain in effect.
37. **Priority of Terms.** For any inconsistencies between this Agreement and its attachments, the express terms of this Agreement shall govern.
38. **Modification and Waiver.** The failure of either party to enforce its rights under this Agreement at any time for any period shall not be construed as a waiver of such rights. No changes or modification or waivers to this Agreement will be effective unless in writing and signed by all parties, and any modification of this Agreement must be specifically referenced.
39. **Execution.** This Agreement may be signed in multiple counterparts that together shall constitute a single agreement. This Agreement, including any modifications, waivers, or notifications relating thereto, may be executed and delivered by facsimile, electronic mail, or other electronic means. Any such electronically transmitted document shall constitute the final Agreement of the parties.
40. **Authority to Contract.** The undersigned individuals represent and warrant that they are expressly and duly authorized by their respective entities to execute this Agreement and to legally bind their respective entities as set forth in this Agreement.
41. **Surviving Terms.** Paragraphs 8-40 shall survive the termination of this Agreement.

If the above terms and conditions are acceptable, please sign below and return an executed copy of this agreement to API.

Advocates Inc. DC



Date: 2/24/2015 | 6:01 PM ET

American Petroleum Institute

[REDACTED]  
Jack Gerard  
President & CEO

Date: 2/24/2015 | 6:06 PM ET

**ATTACHMENT A****API INVOICING AND EXPENSE DOCUMENTATION GUIDELINES**

Vendor shall provide this Exhibit A to their Account Manager and/or Billing Department
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Please review these Guidelines carefully. Incomplete invoices or unsubstantiated expenses will result in payment delays. For questions, contact the API representative named in the agreement. Sections IV, V and VI also apply to invoices submitted for subcontractor expenses.

**I. General Invoice Guidelines**

1. Invoices shall reference API Contract No.: 2015-109232.
2. Each invoice shall have a unique invoice number that will not subsequently be reused.
3. Unless otherwise specified in the agreement, invoices shall be in US dollars.
4. Invoices must clearly provide a detailed description of the services provided. This includes, but is not limited to, tasks performed, hours worked, and itemized expenses.
5. API may request specific activity/expense itemization on the invoice.
6. Invoices are payable within 30 days of API's receipt of a complete and accurate invoice.
7. API may withhold up to 15% of the agreement amount, pending API's acceptance of all deliverables.
8. API will request a current W-9 and banking information from new vendors; payments shall be contingent upon return of the W-9 to API.

**II. Submitting Invoices for Payment**

1. API uses Anybill, a third party vendor, to receive and route API invoices for payment.
2. Invoices should be submitted directly to Anybill using one of the methods provided; it is not necessary for API staff to be included on communications to Anybill.
3. Complete invoices shall be submitted to Anybill using one of the following methods:
  - a. Anybill Email (preferred):
    - i. Email submissions should be made up of ONE PDF FILE for each invoice, including supporting documentation.
    - ii. Individual PDF files cannot exceed 9MB. If file exceeds this size, separate invoice & documents into as few PDF files as possible, name them in sequence (i.e., 1 of x), and submit to Anybill in a single email.
  - b. Anybill Fax: \_\_\_\_\_

**III. Required Supporting Documentation**

1. Vendor must provide documentation when seeking reimbursement of expenses of \$75 USD or more.
2. Documentation must clearly show the amount incurred by Vendor (or subcontractor); estimates or quotes are insufficient.
3. Expenses shall be itemized on the invoice, or an attachment to the invoice, such that they match amounts on supporting documentation.
4. Receipts must be legible, oriented upright, and be in the same sequential order as listed in the itemization.

**IV. Out of Pocket Expenses**

1. Reimbursement of travel expenses is limited to coach class transportation and reasonable accommodations if travel is requested by API.

2. Air travel must include the ticketed itinerary that states the fare amount, taxes, fees, etc. as well as class designation.
3. If upgrading from coach class, Vendor must submit documentation that identifies the coach fare at the time the ticket was purchased, and clearly identifies the amount of overage paid by Vendor.
4. Reimbursement for vehicle mileage shall be at the prevailing IRS rate.

**V. Payments to Charitable Organizations, Chambers of Commerce, Business Organizations, Trade Associations**

1. If Vendor's proposal provides that payments will be made to charitable organizations, chambers of commerce, business organizations, trade associations, or any other third parties with similar purposes or functions, all such payments shall be made directly by API, and shall not be made by Vendor on API's behalf. Requests for payments by such third parties shall be submitted directly to API via email request made to [REDACTED] and shall reference the above contract number. Such payment requests must include:
  - The full legal name and address of the party to which payment is being made.
  - The party's employee identification number (EIN).
  - The party's tax exempt status (e.g., 501(c)3, 501(c)4, 501(c)6, etc.).
  - Electronic payment instructions (ACH information including ABA routing number and bank account number).
  - Form W-9 for the party to which the payment is being made.
2. Payments made by API pursuant to this provision shall be deducted from the total amount owed by API to Vendor under this agreement. If Vendor makes any payment to a third party described above without complying with the terms of this provision, Vendor shall not be entitled to include the expense of that payment in the total amount owed by API to Vendor under this agreement.

**Attachment B**

**API POLITICAL CONSULTANT POLICIES AND PROCEDURES**  
*(Keep this copy for your records)*

**I. Statement of Policies**

1. Primary responsibility for the direction and strategy of this matter is with API staff and the company advisors on the government relations strategy committee or other responsible committee. This includes all payments that may be made to charitable organizations, chambers of commerce, business organizations, trade associations, or any other third parties with similar purposes or functions. As agreed by you in your contract, all such payments shall be made directly by API, and shall not be made by you or any of your employees or subcontractors on API's behalf.
2. API takes all of its compliance and legal obligations very seriously. Accordingly, you have agreed to comply with and render all services to API in accordance with all applicable federal, state, and local laws and regulations. These laws and regulations include, but are not limited to:
  - a. Federal criminal statutes prohibiting bribery of public officials and illegal gratuities, 18 U.S.C. § 201, and any state and local laws prohibiting the same;
  - b. Gift, travel, and related ethics rules adopted by the U.S. House of Representatives, the U.S. Senate, federal agencies of the Executive Branch, and similar rules adopted by state and local legislative bodies and agencies;
  - c. The Foreign Corrupt Practices Act;
  - d. Federal prohibitions on coordinated communications, 52 U.S.C. § 30116, and any state and local laws prohibiting the same;
  - e. Federal prohibitions on political contributions in the name of another person, 52 U.S.C. § 30122, and any state and local laws prohibiting the same; and
  - f. Registration and disclosure laws applicable to lobbyists, agents, and other professionals, including the Lobbying Disclosure Act, and state, county, municipal, and other local laws requiring the same.
3. API requires its political consultants to understand its obligations under the laws and regulations described above, and to train their employees on a regular basis to understand and comply with the same. If you have written policies and procedures regarding the training of your employees in these matters, you are required to provide a copy to API upon request. If you do not have a training program designed to address these issues on a regular basis, you are strongly urged to speak with your legal counsel or compliance officer about implementing one.

**II. Recordkeeping.**

1. You are required to keep these Policies and Procedures, as well as any training materials described in Section I(3), on file at all times for inspection by API.

-END-