



AMERICAN PETROLEUM INSTITUTE

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API Contract No.: 2016-110246

This letter of agreement between the American Petroleum Institute (hereinafter "API") and Fleishman-Hillard, Inc. (hereinafter "Consultant") is as follows:

- 1. Scope of Work.** API authorizes Consultant to provide advertising strategy, creative, production, and advertisement placement services for print, radio, television and online advertising campaign, as specified in Consultant's statement of work, which is attached as Exhibit A and made a part hereof.

Tasks and deliverables under this agreement include:

- Creative development and production for all advertising materials related to the HF campaign, including print, radio, TV, online and out of home.
- Media placement strategy and planning; management of Strategic Media Services, which is responsible for placing all media buys, except for online.
- Purchase and placement of online advertisements.

Consultant shall complete tasks and prepare deliverables in the timeframe specified in Exhibit A, unless otherwise approved by API. Consultant will not make any media placements without prior written approval by API. Said approval may be via written or hard copy communications.

- 2. Consultant Authorized Representative.** Consultant agrees Alexandra Miller shall be the project manager. 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 a reduction in effort and, in the case of replacement of the project manager, API shall have the right to approve a successor.
- 3. API Authorized Representative.** Technical and administrative aspects of this agreement will be under the direction of Linda Rozett, Vice President, Communications, American Petroleum Institute, 1220 L Street, NW, Washington, D.C. 20005, or as otherwise designated. The API representative for work conducted hereunder is Jocelyn Kelly. Consultant shall send all correspondence and reports relating to this agreement to the designated representative's attention at the foregoing address.
- 4. Compensation.** Pursuant to Exhibit A, Consultant shall provide all of the services under this agreement pursuant to a budget amount not to exceed which shall include all production, placement, professional services and other fees as follows:

An equal opportunity employer

- Labor – an amount not to exceed (with 10% discount applied), which shall be invoiced at Consultant's hourly rates as specified in Exhibit A.
- Media buys/placement – an amount not to exceed
- Production costs and related (hard costs) – an amount not to exceed

Consultant shall adhere to the dollar amounts in the above categories unless API directs otherwise. The parties will execute an amendment to this agreement, as necessary, to provide for additional services agreed upon by the parties. 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. Additional financial terms for this agreement are as follows:
  - a. Consultant reserves the right to bill API in advance for any third party expenditures, including ad buys, and require payment of such bills prior to incurring any third party expense on behalf of API.
  - b. Provided that API has approved the relevant expenditure, on either a line item or cumulative basis, contracts that Consultant enters into on API's behalf with third party vendors, including media vendors, will state that if API does not pay Fleishman-Hillard for all amounts owed to such vendors, then the vendors' sole recourse for payment is from API. Consultant shall not enter into contracts on API's behalf with third party vendors that will cause the overall cost of this agreement to exceed the budget stated in paragraph 5, including contract cost overruns, unless agreed to in writing by API. An agency fee of 10% will attach to any contracts that Consultant must enter into with any third party vendor (excluding ad buys) on API's behalf.
  - c. Consultant shall adhere to the budget specified in its attached proposal, unless otherwise directed by API.
  - d. In the event that the ad placement budget is increased, the parties agree to execute an amendment to this agreement outlining the new budget and commission percentage, if applicable.
  - e. Services provided by Consultant pursuant to this agreement will be billed to API as specified in the table titled, *Payment Schedule*, in Exhibit B. Consultant will develop a budget, to be agreed upon by both parties, for each advertising production project. Said agreement may be via email or hard copy communications.
  - g. Consultant will provide API with a quarterly reconciliation of amounts it has actually paid for media buys, with credit given for any discounts realized. Such quarterly reconciliations shall be submitted to API by April 21, 2016; July 21, 2016; October 21, 2016; and January 21, 2016. Reconciliations will also include actual service fees incurred, hard costs and other production costs. Consultant will issue API an appropriate refund or credit in the event excess payments have been made, with the means of such refund or credit at API's sole discretion.

6. **Term.** This agreement shall be effective on January 1, 2016 and shall terminate on December 31, 2016.
7. **Subcontract.** It is understood that Consultant has sole right to subcontract production and media placement services to vendors of its choosing. Subject to other provisions of this agreement, Consultant shall be responsible for the performance of and payment to its subcontractors. Such subcontractors are subject to the terms of this agreement, and Consultant shall communicate such to all subcontracting parties for this agreement.
8. **Conflict of Interest.** During the period of this agreement, Consultant personnel providing services under this agreement 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 it becomes aware of the existence of such a conflict or potential conflict. Consultant shall not release or discuss any information concerning any work performed hereunder to anyone outside API, without prior written approval of API, except as required by law.
9. **Lobbying Act.** Consultant shall render all services during the term of this engagement in accordance with all applicable federal and state laws and regulations. As Consultant's efforts on API's behalf may extend to action within the meaning of the Lobbying Disclosure Act of 1995 (Public Law 104-65), as amended, Consultant will, if applicable, register with and report to Congress under the provisions of that Act. Consultant and any of its assignees agree to comply with the Lobbying Disclosure Act of 1995 (Public Law 104-65), as amended, and any other applicable lobbying or ethics laws and regulations in their performance hereunder, including, without limitation, the Federal Election Campaign Act of 1971, as amended, the Gift Rules Guidelines of the United States Senate and House of Representatives and the Standards of Ethical Conduct of Employees of the Executive Branch. Consultant's 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 shall ensure that it, and any of its employees and assignees who are members of the core account team who are performing work under the scope of this agreement, have been informed of the current gift and ethics rules for the House and the Senate, as well as the current terms of the Lobbying Disclosure Act, either by attending formal training or an informal briefing by an individual with requisite knowledge.
10. **Compliance.** Consultant agrees that it: (a) will comply with all applicable laws governing bribery and corrupt practices, including but not limited to the U.S. Foreign Corrupt Practices Act; (b) will not take any action in furtherance of bribery of a government official or employee, or any political party or candidate; and (c) will not give or offer anything of value to any government official or employee, or any political party or candidate, for the purpose of: (i) influencing or rewarding any act or decision of such official, employee, party or candidate, either directly, or indirectly through an agent or subcontractor; (ii) inducing such official, employee, party or candidate to violate his or her lawful duty; (iii) inducing such official, employee, party or candidate to influence any government or instrumentality thereof; or (iv) securing any improper advantage for API. For the purposes of this paragraph, employees of state-owned entities are considered to be "government officials or employees." Consultant agrees to notify API immediately if Consultant receives any information indicating a possible violation of the requirements of this paragraph. Consultant represents that no government official or employee, or any political party or candidate has an ownership interest greater than 5% in Consultant. Consultant further agrees to notify API if, during the term of this Agreement, any government official or employee, or any political

party or candidate acquires an ownership interest greater than 5% in Consultant. Consultant agrees that API may, in its sole discretion, immediately terminate this Agreement if API learns information which it determines, in its sole discretion, to be evidence of a breach by Consultant or Consultant's officers, directors, employees, or agents, of any representation set forth in this paragraph, and that API shall not be liable for any damages alleged to be caused by such termination. Consultant and any of its agents agree that they shall comply with and render all services under this agreement in accordance with all other applicable federal, state and local laws and regulations.

11. **Consultant Pre-existing Materials.** API understands that Consultant's pre-existing proprietary materials used for work under this agreement shall remain the property of Consultant. Such proprietary materials include, but are not limited to (i) Consultant databases, media lists, media training guides, Consultant branded materials and proposals Consultant submits to API that API does not engage Consultant to develop; and/or (ii) stock photography or any materials obtained from third parties pursuant to license agreements.
12. **Intellectual Property Ownership.** All advertisements, photography, art work, reports, drawings, drafts, data, print materials/ mechanicals and other documents or materials developed hereunder, and the right to copyright such reports, drawings, drafts, data and other documents, whether in electronic media or hard copy, shall be the sole property of API, except to the extent that any such materials are proprietary to Consultant or a third party, as set forth in Section 10 above. API may use its proprietary 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. Consultant shall receive approval from API for all advertisements before releasing them for placement.
13. **Trademarks.** If API requests that Consultant create any logos, slogans, trademarks, designs, service marks or other trademarkable items ("Trademarks") under this engagement, both API and Consultant will cooperate in risk assessment to determine whether such Trademarks are available for API's use and do not infringe rights of other parties. API will (i) elect to have Consultant conduct searches for proposed Trademarks, and Consultant shall obtain a search from a trademark search firm and an opinion of a reputable law firm analyzing the availability of the Trademarks and potential conflicts with existing trademarks ("Trademark Search Opinion"); or (ii) elect to conduct such searches and analyses, select its own legal counsel, and obtain its own Trademark Search Opinion. In either case, API shall pay all fees, charges, and costs (including but not limited to trademark search services and legal counsel engaged by Consultant or by API on such matters); and Consultant shall not be liable to or indemnify API for the results or outcomes of the Trademarks searches, Trademark Search Opinions, or for API's reliance thereon. Should API desire to register any Trademarks, then API will engage its own legal counsel to do so and API shall be responsible for all costs and undertakings in connection with such registration with federal, state or foreign agencies.
14. **Talent Personnel.** This agreement and its related budget and payments include all session fees payable to talent or other union or guild personnel for their services through December 31, 2016, and all required guild or union pension and welfare contributions attributable to such payments. From and after January 1, 2016, API will be responsible for all payments related to talent services in the Radio and TV spot(s), without limitation reuse and residual payments and related pension and welfare contributions. If API elects to re-hire Consultant, such payments for reuse of radio and TV spots developed under this agreement will be

included in and payable as part of the budget for a properly executed amendment or separate agreement with Consultant. In the event API elects not to re-hire Consultant for advertising services after the term of this agreement, if API decides to reuse the spots developed under this agreement, API shall first execute and deliver to Consultant a Transfer of Rights Assumption Agreement in the format required by AFTRA/SAG or similar entity, naming API as the "Transferee," at no additional cost to API. The parties acknowledge that Consultant is not an AFTRA/SAG signatory.

15. **Use of Materials.** Consultant will not use any materials, whether draft, final, hard copy or electronic format, developed under this agreement, or release or discuss any information concerning this agreement or the work performed hereunder to parties outside API without prior review and written approval from API, unless such information is in the public domain or has otherwise been publicly released by API.
16. **Consent to Release.** Consultant agrees to preserve the confidentiality of information prepared for API, furnished hereunder by API, or received on behalf of API. To that end, Consultant shall not discuss or otherwise release any information concerning its representation of API and API's member companies or any of the work hereunder to anyone outside API, without prior written approval of API's President, except for reports required by law. This includes media contacts, articles or talks before any audiences. In addition, Consultant shall not place itself in a position where it appears or can be assumed that Consultant is speaking for API or its members, except to the extent that Consultant is acting at API's direction. However, Consultant may identify API as one of its clients in its annual report and other internal materials, but must receive written approval from API's Vice President, Communications before identifying API as one of its clients in external materials.
17. **Confidential Information.** Consultant may not disclose any confidential or proprietary information belonging to API, except that required by law or court or governmental order or process. However, Consultant shall immediately notify and provide a copy to API upon receiving such disclosure orders, provided such notice is not prohibited by law or judicial order. In addition, where possible, Consultant shall give API an opportunity to seek maximum confidential treatment of such disclosure as may be permitted by applicable law, regulation or court order. This obligation shall survive the termination of this agreement.
18. **Third Party Infringement.** Consultant and API mutually represent and warrant that none of the material contained in any advertisements or other deliverables will violate or infringe upon the propriety or statutory rights of any person or entity, or constitute an invasion of anyone's right to privacy. In the event Consultant or API are alleged to have engaged in any conduct which, if true, would constitute a breach of such warranty, the parties mutually shall defend, indemnify and hold each other and their respective officers, directors, members, employees, and agents harmless from any and all claims or causes of actions, including court costs and reasonable attorneys' fees resulting from such conduct.
19. **Indemnification.** Notwithstanding any other provision of this agreement, API agrees to hold Consultant harmless for actions brought by third parties for API's negligent acts arising out of the performance of this agreement. Consultant agrees to hold API harmless for actions brought by third parties for negligent acts by Consultant and/or its subcontractors arising out of their performance of this agreement.
20. **Termination.** Either party may terminate this agreement by giving 30 days written notice to the other. Upon receipt of such notice of termination, Consultant shall cease incurring costs

on this agreement except with the prior approval of API for such costs which are necessary to close out the agreement. 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, including legal, uncancelable commitments to third parties. In no event shall such payment include costs and/or anticipated fees for unperformed work or exceed the maximum amount of the agreement as set forth in paragraph 4. Should Consultant elect to terminate this agreement, Consultant agrees to complete any assignments underway, if API so requests.

21. **Right to Inspect.** API shall have the right at all reasonable times mutually agreed to by both parties during the agreement and for a reasonable period following termination of the agreement, to inspect all records directly relating to the work conducted hereunder, for the purpose of ensuring conformance with this agreement. Such inspection shall include the right to photocopy records pertaining to work conducted hereunder, excluding individual timesheets and/or personnel records. No inspections shall be conducted by an entity that is compensated on a contingent fee basis.
22. **Return of Information.** Upon termination of this agreement, Consultant shall return to API any information furnished hereunder by API, together with all documents, data or other material developed therefrom.
23. **Subcontract.** Consultant may not assign, subcontract, or otherwise delegate its obligations under this agreement without API's prior written consent.
24. **Independent Contractor.** It is understood that Consultant is acting as an independent contractor in its performance of any and all work hereunder and nothing in this agreement is intended or should be construed to create a partnership, joint venture, or employment relationship. Consultant agrees not to refer to itself as API's agent nor refer to the relationship between the parties as a joint venture or partnership. Consultant shall be responsible for payment of all taxes solely based on Consultant's income as may be applicable under the agreement. API shall be responsible for all other taxes, including, without limitation, taxes on the sale or use of goods and services, value added taxes, and general services taxes, imposed by any government or taxation authority, as a result of Consultant's performance of the services.
25. **Complete Agreement.** This agreement sets forth the entire agreement between the parties and supersedes all prior proposals, understandings or agreements, oral or written, relating thereto.
26. **Modification.** Any change, modification, extension, termination, or waiver of this agreement or any of its provisions must be in writing and signed by the undersigned or their successors.
27. **Restrictions on Publicity.** Consultant will not use the trademark or name of the American Petroleum Institute or any abbreviation thereof, in any publicity, advertising, or for other promotional purposes without the prior written approval of API.
28. **Choice of Law.** The laws of the District of Columbia shall govern this agreement. The parties agree that the only venue for hearing any disputes related to this agreement shall be the District of Columbia.

29. **Limitation of Liability.** EXCEPT AS REGARDS THE INDEMNITY OBLIGATIONS OF THE PARTIES, NEITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF, OR RELATING TO, THIS AGREEMENT (WHETHER IN CONTRACT, TORT OR OTHER LEGAL THEORY) SHALL EXCEED THE AMOUNT OF FEES PAYABLE BY API TO CONSULTANT PURSUANT TO THIS AGREEMENT. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE OR OTHER INDIRECT DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST REVENUES OR PROFITS), WHETHER OR NOT NOTIFIED OF SUCH DAMAGES. THIS SECTION SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

30. **No Hire.** DURING THE TERM OF THIS AGREEMENT, AND FOR SIX MONTHS THEREAFTER, NEITHER PARTY SHALL HIRE THE EMPLOYEES OF THE OTHER WITH WHICH THEY HAVE HAD CONTACT UNDER THIS AGREEMENT. IN THE EVENT THAT A PROHIBITED HIRE IS MADE, THE HIRING PARTY SHALL PAY THE NON-HIRING PARTY EQUAL TO TWO TIMES THE FORMER YEARLY BASE SALARY OF THE EMPLOYEE(S) SO HIRED.

31. **Execution and Counterparts.** 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 electronic transmission shall constitute the final agreement of the parties and conclusive proof of such agreement.

32. **Inconsistencies.** In the event of inconsistencies between this agreement and its attachments, the express terms of this agreement shall govern.

33. **Survival.** Paragraphs 7-32 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.

FLEISHMAN HILLARD



Date: 1/29/2016 | 10:20 AM ET

AMERICAN PETROLEUM INSTITUTE

  
\_\_\_\_\_  
Jack Gerard  
President & Chief Executive Officer

Date: 1/29/2016 | 10:21 AM ET

**EXHIBIT A**  
**STATEMENT OF WORK**

This Statement of Work (SOW) will cover the work effort on the part of Consultant for the period covering January 1, 2016 through December 31, 2016. Any changes to this amendment shall be communicated and approved by API in writing.

**A. Scope of Work and Budget (including Fees and Costs)**

Consultant will provide support

The project will consist of the following tasks and deliverables with corresponding budget and payment schedule:

Phase/Task/Activity	Budget		
	Labor Costs	Media Buy/Ad Placement	Hard production costs & other expenses
<b>Strategy development, account management &amp; research</b>			
<b>Creative development and production:</b>			
<b>Q1 (Jan 2016 – March 2016) Media planning and placement:</b>			

<b>Q2 (Apr 2016 – June 2016) Media planning and placement:</b>			
<b>Q3 (July 2016 – Sept 2016) Media planning and placement:</b>			
<b>Q4 (Oct 2016 – Dec 2016) Media planning and placement:</b>			
<b>Sub Total</b>			
<b>2016 agency fee 10% discount applied to labor total. Savings applied to increase Media Buy/Ad Placement</b>	<b>(10%)</b>	<b>+10% of labor costs</b>	
<b>2016 Total</b>			
<b>Total</b>			

#### **B. Invoicing**

Invoices shall be submitted to facilitate payment in accordance the payment schedule set forth below. In the event that payments are not made substantially in accordance with the below payment schedule, Consultant reserves the right to suspend media buys until payments are current.

For purposes of this SOW all budgeted fees and expenses per task are considered to be "not-to-exceed" amounts unless otherwise directed by API in writing. Consultant services shall be billed/tracked in accordance with its standard hourly rates, as set forth below and shall remain in effect for the duration of this agreement.

### **C. Payment Schedule**

Labor costs will be invoiced to API on the 10<sup>th</sup> of each month for the previous month's work.

Production costs will be pre-billed to API at least sixty (60) days in advance of each of the two shoots. Consultant will provide API with production estimates prior to the pre-bill.

The Media budget will be invoiced on a monthly basis as indicated in the below schedule:

<b>Invoice Date</b>	<b>Media Buy</b>
1/20/2016	
2/20/2016	
3/20/2016	
4/20/2016	
5/20/2016	
6/20/2016	
7/20/2016	
8/20/2016	
9/20/2016	
10/20/2016	
11/20/2016	
12/20/2016	

Fleishman Hillard Hourly Rates for Labor:

Senior Partner	
Partner	
SVP	
VP	
MS	
AS	
SAE	
AE	
AAE	
Intern	

**D. Wiring Instructions**

Payments may be wired to Consultant at the following wire information:

<b>Bank Name:</b>	Bank of America
<b>Bank Address:</b>	540 W. Madison Street Chicago IL 60661
<b>Bank Telephone:</b>	800-699-7188 x86221 - US
<b>Account Name:</b>	Fleishman-Hillard, Inc.
<b>Account Number:</b>	
<b>ABA:</b>	
<b>ACH:</b>	
<b>Swift Code:</b>	

**EXHIBIT B**  
**API INVOICING AND EXPENSE DOCUMENTATION GUIDELINES**

Provide this Exhibit B to Company's Account Manager and/or Billing Department

Please review these Guidelines carefully. Payment will be delayed for incomplete invoices or unsubstantiated expenses. For questions, contact the API representative named in the agreement. Sections III and IV also apply to invoices submitted for subcontractor expenses.

**I. General Invoice Guidelines**

1. Invoices shall reference API Contract No.: 2016-110246.
2. API may request specific activity/expense itemization on the invoice.
3. Each invoice shall have a unique invoice number that will not subsequently be reused.
4. Invoices shall be in US dollars unless otherwise specified in the agreement.
5. Invoices shall provide a detailed description of the services provided. This includes, but is not limited to, tasks performed, hours worked, goods procured, itemized expenses.
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. A current W-9 and banking information are required from new vendors; payment is contingent upon receipt of W-9. International vendors may have additional requirements.

**II. Submitting Invoices for Payment**

1. API uses Anybill, a third party vendor, to receive and route invoices for payment.
2. Submit invoices to Anybill using one of the following methods; do not include API staff on communications to Anybill:
  - a. **Anybill Email (preferred):**
    - i. Email submissions are limited to ONE PDF FILE per invoice, which includes all backup documentation, AND cannot exceed 10 MB.
  - b. If the above TWO criteria cannot be met, fax or mail the invoice to:
    - i. Anybill Address:
    - ii. Anybill Fax:

**III. Required Supporting Documentation**

1. Documentation is required for expense reimbursement of \$75 USD or more.
2. Documentation must show amount incurred by Vendor; estimates or quotes are insufficient.
3. Expenses must be itemized on the invoice, or an attachment to the invoice, such that totals match amounts on supporting documentation.
4. Receipts must be legible, oriented upright, and be in the same sequential order as 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 stating the fare amount, taxes, fees, etc., as well as class designation.
3. If upgrading from coach class, include documentation identifying 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.

-End Exhibit B-