From: Clegg, Patsy M SCC-CHSE-PC
Sent: Friday, August 24, 2001 7:52 PM (GMT)
To: 'woodallg@api.org'
Cc: Cagen, Stuart Z SCC <szcagen@Shell.Com>; Tsai, Shan SP SHLOIL-SPS <sptsai@Shell.Com>; 'Twerdok, Lorraine' <twerdokl@api.org>; 'Burnett, Don' <burnetdm@bp.com at burnetdm@bp.com>; 'Beatty, Pat' <pwbe@chevron.com>
Subject: Benzene Consortium Rosters

George,
I seem to have "misplaced" the email with the rosters. However, there are 2 suggestions and a request that Shell would like to make.
On the Oversight Committee and Technical Committee rosters where there are >1 person shown for a company, either indicate which person is the primary contact and who the proxies are or add a column with the role that the person plays. For example, for Lynn Russo, she is representing the Communications Committee, not ExxonMobil.
On the Communications Committee, please add Sarah Colletti, 173-241-6008, sjcolletti@shellus.com, as the Shell rep.
Please add rosters for the SRP and Ethics Panel. With these additions, we will have a complete list of the personnel.
Thanks,

Patsy
Patsy M. Clegg
Product Steward, HSE
Shell Chemical Company, PO Box 4320, Houston, TX 77002
Phone: 713-241-2521 FAX: 713-241-3325
e-mail: pmclegg@shellus.com

APPENDIX A
SCOPE STATEMENT

DATE

The purpose of the Benzene Health Research Program/Shanghai research program is to gain an accurate understanding of the true relationship between benzene exposure and the risk of certain hematopoietic diseases. This information would support product stewardship and provide the regulatory and scientific communities with better information for more accurate assessment of the risks from exposure to benzene.

Three inter-related studies have been proposed for this project:
Case-Control Study - A hospital-based case control study to investigate the potential relationship between benzene exposure and both Non-Hodgkins Lymphoma (NHL) and Acute Myelogenous Leukemia (AML), including an attempt to quantify the potency of benzene for the AML response.
Disease Progression Study - A hospital/clinic-based investigation of the relationship between non-cancer diseases of the bone marrow and AML to determine if effects on bone marrow progress through non-cancer stages to an ultimate leukemia. This study would also attempt to define the shape of the dose response for possible "precursor" diseases and could result in characterization of unique identifiers of benzene-induced hematopoietic disease including AML.
Molecular Epidemiology Study - Investigate quantitative relationships between benzene exposure and potential early indicators of both exposure and effect in a focused population of workers. This study also will attempt to investigate the influence of genetic polymorphisms and concomitant exposures on these relationships

The proposed studies have been designed to include technical, ethical, and cultural considerations.
Technical Validity - In order to maximize scientific validity, the studies are designed to be large, well-managed, and incorporate the latest technology. An independent Scientific Review Panel of recognized experts in relevant disciplines will provide technical review of protocols and manuscripts during the course of the project.
Ethical Compliance – In order to provide guidance on compliance with international guidelines on research involving human participants, an independent Ethics Review Panel including Chinese participation will provide review and guidance of the development and conduct of the study protocols.
Local Participation- In order to maximize participation of local hospitals and manufacturing sites and to benefit from the expertise of local scientists and doctors, these studies include individuals from the Shanghai medical community, Fudan University Medical School, and the Shanghai Municipal Centers for Disease Control and Prevention as co-investigators.

DRAFT 2
August 23, 2001

AGREEMENT
FOR THE CONDUCT AND FUNDING OF A RESEARCH PROGRAM ON
BENZENE
HEALTH RISK FROM OCCUPATIONAL EXPOSURES

PURPOSE, PARTIES, AND SCOPE

1. Purpose:

a. An agreement by and between the undersigned companies (hereafter the " Benzene Health Research Program/Shanghai" or "Research Group")

b. The purpose of this Agreement is for the Research Group to establish and fund a research program on the lymphohematopoietic health risks from occupational exposure to benzene (hereinafter "Program"") and to set the terms, conditions, and policies of this program, including allocation among the companies which constitute the Research Group of costs, including the costs of related expenditures and liabilities incurred by virtue of these jointly-supported data disclosure and testing activities. For the avoidance of any doubt, it is not the intent of the Research Group to set the scientific protocol of the study as this is the exclusive purview of the principal investigators with oversight by the independent scientific review panel. The Research Group is committed to the scientific integrity and independence of the principal investigators and the scientific review panel.

2. Responsibility for Full Costs – Joining the Research Group commits each Company to pay its full portion of the total costs of the completed program. If a Company leaves the Research Group prior to completion of the program, it shall remain liable for payment of its full portion of the total costs of the completed program as defined in Sections 11 and 12 of this Agreement, except as provided in Section 9 of this Agreement.

3. Incorporation by Reference – With respect to conduct of the Program by API, this Agreement incorporates by reference all API Policies and Procedures. Copies of all applicable policies regarding the conduct of litigation, contracting, financial transactions and research will be provided upon request.

4. **Data -** Reporting-Each participating member is responsible for any required reporting, such as T.S.C.A. 8(e).

5. **Formation of Oversight Committee and Voting**

a. For the purpose of this Agreement, with the exception of paragraph 6, the Research Group shall take actions through and by means of a deliberative body of its representatives (the "Oversight Committee"). The Oversight Committee shall consist of representatives from all the companies in the Research Group. Each member of the Oversight Committee whose company is current on invoiced contributions will have one vote on all matters with the exception of funding. For funding matters, voting will be on a share basis. All resolutions and actions of the Oversight Committee shall be approved by a majority of no less than 2/3 of all votes cast, including all *in absentia* votes as described below in this Section. A vote may be taken only in the event of a quorum of representatives that shall have no fewer than 50% of the members of the Oversight Committee. All votes may be conducted *in absentia,* by mail, telephone, telefax, or e-mail return ballot, within the deadline specified for the vote. Each appointed representative may also designate a proxy. Proxies do not count for purposes of a quorum.

b. **Oversight Committee Responsibilities** – It is agreed that the Oversight Committee has authority over such administrative and managerial obligations as, but not limited to, determining the scope of the Program pursuant to Section 9 below, the approval of contracts or other agreements with investigators, approving additional expenditure of funds, and assuring that API performs in conformance with the Program and this Agreement. The Oversight Committee shall have the authority to form subcommittees, including but not limited to an Independent Scientific Review Committee and an Independent Ethics Review Board. The Independent Scientific Review Committee shall [insert from George]. The Independent Ethics Review Board shall [insert from George].

Don't see any reference to Technical Oversight/Review committee

6 **Termination** – The Research Group may terminate some or all further work under this agreement upon a 2/3 vote among all members. Voting will be on a per share basis. Contractual obligations already incurred by API will be paid by participating members per the terms of this agreement.

7. **Scope** – The scope is defined in Attachment A.

8. **API Responsibilities**

API's activities under this section shall be subject to oversight and approval by the Oversight Committee and API Policies and Procedures. API agrees to submit periodic reports on the status of the Program to the Oversight Committee and the participants.

a. API and the Research Group agree that API will, among other duties, negotiate, enter into, and administer agreements for the conduct and the test program.

b. Provide administrative oversight for the program.

c. Calculate, collect and disburse the financial contributions required of the Research Group under this Agreement.

d. Communicate results to the Research Group and others as directed by the Oversight Committee

e. In negotiating agreements with investigators, API agrees to use its best efforts to obtain a contractual promise and insurance coverage for negligence from the investigator(s) to fully indemnify API and participating companies.

FINANCING AND ADMINISTRATION

10. Financial Contributions

a. The estimated budget is a total sum of $20,000,000 for all direct and administrative costs. Direct costs include the data collection, analysis, and summary of existing data; purchase, storage and analysis of test samples; characterization of the test materials; testing to be conducted by testing laboratories; monitoring and auditing of test data, and communication of results by the Oversight Committee. Administrative costs include but are not limited to: API overhead, staff salaries, travel, postage and express mail services, telephone costs, and facility costs of meetings away from the API office in Washington, D.C.

b. Individual companies will pay on a share basis. The number of shares a company will have is based on the following table:

Category	Number of Shares
U.S. Refiner (based in refinery capacity)*	
Small (≤500,000 bbl/day)	1
Medium (>500,000 bbl/day and ≤1,500,000 bbl/day)	2
Large (>1,500,000 bbl/day)	3
Non-U.S. Refiner (no U.S. refineries	1
Free-standing Chemical Company (outside refining sector	1
Upstream Company (no refining operations)	1
Other (trade association, government, NGO)	Negotiable

*U.S. refinery capacity will be determined based upon refinery ownership as of October 1, 2000. Capacity will be calculated using the Oil and Gas Journal's 2000 Pennwell Directory.

c. The maximum cost per share shall be $1.5 million.

d. The oversight committee shall have authority to alter the funding formula, provided however that the maximum contribution shall not exceed the members number of shares times $1.5 million.

e. Payment Schedule.

August 2001	15%
January 2002	15%
August 2002	25%
August 2003	15%
August 2004	15%
August 2005	15%

11. Indemnification

a. NOTHING IN THE AGREEMENT SHALL BE CONSTRUED TO LIMIT THE RIGHTS OF API OR ANY COMPANY TO SEEK RELIEF AGAINST ANY LABORATORY THAT IS NEGLIGENT OR VIOLATES ANY LAWS, RULES OR REGULATIONS IN CONNECTION WITH THE TESTS PERFORMED IN CONNECTION HEREWITH

b. GENERAL INDEMNIFICATION – IN ADDITION TO THE PREVIOUS PROVISIONS IN THIS AGREEMENT, THE RESEARCH

GROUP AGREES TO INDEMNIFY API AGAINST ALL OTHER LIABILITIES ARISING OUT OF THIS AGREEMENT EXCEPT TO THE EXTENT SUCH LIABILITIES ARE CAUSED BY THE NEGLIGENCE OR BREACH OF THIS AGREEMENT BY API.

MISCELLANEOUS PROVISIONS

12. **Effective Date of this Agreement** – The effective date of this Agreement shall be the date of execution by both parties.

13. **Government Law** – This Agreement shall be governed by the laws of the District of Columbia Actions brought under this Agreement shall be brought in any court of competent jurisdiction in the District of Columbia.

14. **Interpretation of this Agreement** – If any term of this Agreement is deemed invalid or unenforceable for any reason, the remaining terms hereof shall not be effected, impaired or invalidated and shall remain in full force and effect.

15. **Modification of this Agreement** – This Agreement may be amended only by a written addendum agreed to and signed by each member of the Research Group.

16. **Successor Liability** – The obligation imposed under this Agreement shall apply to the legal successors and assigns of the Research Group members, including any acquirer of all or substantially all of the assets of such a Company or Companies, or API.

17. **Termination Date** – Except as provided by paragraph 8, this Agreement and the program for which it provides shall terminate no sooner than January 1, 2007 (and no later than 2 years after completion of the last study.

18. **Signature** – This Agreement may be signed in multiple counterparts, which together shall constitute a single Agreement.

Ratification and Execution of the
AGREEMENT
FOR THE CONDUCT AND FUNDING OF A RESEARCH PROGRAM ON
BENZENE
HEALTH RISK FROM OCCUPATIONAL EXPOSURES

ACCEPTED FOR:

_____
Company

_____
Name Signed

_____
Name Typed

_____
Title

_____
Date

Telephone:_____; Fax:_____;Email:_____

Contact person (If different than signer above:)

_____
Name and Title

Telephone:_____; Fax:_____;Email:_____

Ratification and Execution of the
AGREEMENT
FOR THE CONDUCT AND FUNDING OF A RESEARCH PROGRAM ON
BENZENE
HEALTH RISK FROM OCCUPATIONAL EXPOSURES

ACCEPTED FOR:

American Petroleum Institute (not sure that it is API that we are contracting with. Aren't the companies contracting with the "Research Group?"

Name Signed

_____
G. Williams Frick

Vice President, General Counsel & Secretary
Title

_____
Date

(Name Signed)

_____
Brenda Hargett

Chief Financial Officer
(Title)

(Date)