From: Bruce Jarnot <jarnotb@api.org>
Sent: Tuesday, October 21, 2003 4:11 PM (GMT)
To: benzconsort-oc@listserve.api.org
Cc: benzconsort-tc@listserve.api.org
Subject: BHRC-OC... Shanghai contracts for review
Attach: APCO Amendment.pdf; APCO Contract.pdf; AHS Contract.pdf; Albertini SRP Contract.pdf; Irons T&E Contract.pdf; UCHSC Grant.pdf

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Benzene Health Research Consortium - Oversight Committee (BHRC-OC)

For those attending the Oct 28 Contract Review, attached are pdf copies of several contracts (with any modifications) for your preview:

- AHS - Contract, Addendum & Extension
- Albertini - Contract & Extension (a sample SRP/ERP contract)
- APCO - Contract & Addendum (2 files)
- Irons T&E - Contract & Extension
- UCHSC - Grant & Addendum

The Communication committee plans to review the APCO contract during their Thursday conference call, and the completed APCO contract review form will be circulated once it's available.

Best Regards - Bruce.

*****
Bruce M. Jarnot, Ph.D., DABT
American Petroleum Institute
Regulatory and Scientific Affairs
1220 L Street, NW (Suite 900)
Washington, DC 20005-4070
phone: (202) 682-8473 fax: -8031
email: jarnotb@api.org

American
Petroleum
Institute

1220 L Street, N...west
Washington, DC 20005-4070
202-682-8100

Red Cavaney
President and CEO

Dr. Richard Irons
Health Sciences Center
University of Colorado
Campus Box C238
4200 East Ninth Avenue
Denver, CO 80262

API Reference No. 01-0000-4788

Dear Dr. Irons:

The American Petroleum Institute ("API"), as the representative for the Benzene Health Research Consortium, is pleased to provide a Grant totaling $13,665,017.00 to fund the University of Colorado Health Sciences Center's ("UCHSC") five-year research study of lymphohematopoietic health risks from occupational exposure to benzene in the Peoples Republic of China. This Grant is being provided to accomplish the research as set forth in the most recent versions of the "Research Protocol and Criteria Document established by the investigators and approved by the review panels as specified in paragraph iv below and the budget approved by the Benzene Health Research Consortium for this program.

1. Grant monies will be disbursed to UCHSC according to the following schedule:

   - 30% in Year One (payable in two installments)
   - 25% in Year Two
   - 15% in Year Three
   - 15% in Year Four
   - 15% in Year Five

   subject to the following conditions:

   i. UCHSC acknowledges that the research study will be conducted consistent with the research proposal and budget developed by the Principal Investigator and the Benzene Health Research Consortium.

   ii. UCHSC will establish cooperative agreements with Fudan University in Shanghai, China; the Shanghai Municipal Center for Disease Control and Prevention; the Shanghai Municipal Institute for Public Health Supervision; and Exxon Mobil Biomedical Sciences in Annandale, N.J. (collectively known as "cooperative entities") to assist in performance of the research study.

iii. It is recognized that payments made by UCHSC to the cooperative entities will be of a pass through nature and that UCHSC will not be responsible for the management of such contracts. It is also recognized that the agreements with Fudan University in Shanghai, the Shanghai Municipal Center for Disease Control and Prevention, and the Shanghai Municipal Institute for Public Health Supervision will not involve cost accounting of funds transferred as part of this Grant given the nature of those institutions and the reporting otherwise provided by the Principal Investigator pursuant to the research proposal and budget.

iv. UCHSC acknowledges that the protocols and conduct of the research during the life of the Grant are subject to annual review and approval by an independent scientific review panel as well as by an ethics review panel, both of which will be established by API. These panels shall be notified immediately when a change in protocol is proposed. No significant changes in protocol that would effect the scope of work will be exercised without approval by both the scientific review panel and ethics review panel.

v. API, or an agent or representative of API, will have access to, and may periodically review, the record of funds disbursed by UCHSC as part of the research study, including disbursements by UCHSC to the cooperative entities.

vi. Dr. Richard Irons, the Principal Investigator, will have budget authority to reallocate funds between and among different budget categories and may authorize the transfer of funds to the cooperative entities identified in this agreement, provided the Grant monies disbursed to UCHCS are used and expended consistent with the research program and operating budget proposed by, and as may necessarily be modified by, API.

vii. Dr. Richard Irons will provide satisfactory biannual reports of all expenditures, as provided by the research proposal and budget. Biannual reports are due January and July of each calendar year. Continuance of funding is contingent on API approval of these biannual reports.

viii. The research study and expenditure of the Grant monies are in compliance with all applicable laws, both foreign and domestic, including the United States Foreign Corrupt Practices Act.

2. This Grant shall be effective upon signature of Grantee below and shall terminate on December 31, 2006.

3. API, however, reserves the right to terminate this Grant by giving thirty (30) days notice of such termination to UCHSC. Upon receipt of such notice of termination, UCHSC shall cease incurring costs on this project, except with the prior approval of

API for such costs on this project, which are necessary to close out the project. In the event of such termination, API's sole obligation will be to reimburse UCHSC for actual costs incurred as of the date of termination and such 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 maximum amount of the annual Grant disbursement for the year in which the Grant is terminated.

4. It is understood that if any of the funds provided under this Grant are not used for this project by the termination date, Grantee shall return such unused funds to API.

If the terms of the Grant agreement are acceptable, please sign both copies and return one to API.

UNIVERSITY OF COLORADO

By: ____________________

Date:____________________

AMERICAN PETROLEUM INSTITUTE

By:____________________
Red Cavaney
President

By: G. William Frick
G. William Frick
Vice President, General Counsel
& Secretary

Date: 10/2/01

American Petroleum Institute

1220 L Street, Northwe
Washington, DC 20005-4070
Tel 202-682-8340
Fax 202-682-8270
E-mail feldman@api.org

Howard Feldman
Director
Research Analysis and Scientific Affairs

October 16, 2001

Dr. Richard Irons
Health Sciences Center
University of Colorado
Campus Box C238
4200 East Ninth Avenue
Denver, CO 80262

API Reference No. 01-0000-4788
Amendment No. 1 01-0000-4804

Dear Dr. Irons:

The October 2, 2001 grant agreement between the American Petroleum Institute ("API"), as the representative for the Benzene Health Research Consortium, and the University of Colorado Health Sciences Center (UCHSC), for a five-year research study of lymphohematopoietic health risks from occupational exposure to benzene in the Peoples Republic of China, is amended as follows:

1. Paragraph 1(ii) is amended to include the Children's Hospital Medical Center of Cincinnati as a cooperative entity.

2. Paragraph 1(vii) is amended by replacing the current paragraph with the following text:

   Dr. Richard Irons will provide biannual progress reports as provided by the research proposal. UCHSC will prepare and provide biannual financial reports of expenditures made by UCHSC. Biannual reports are due January and July of each calendar year. Continuance of funding is contingent upon API approval of these biannual reports.

3. Paragraph 3 is amended by replacing the current paragraph with the following text:

   API, however, reserves the right to terminate this Grant by giving thirty (30) days notice of such termination to UCHSC. Upon receipt of such notice of termination, UCHSC shall cease incurring costs on this project, except with the prior approval of API, which shall not be unreasonably withheld, 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 UCHSC for actual costs incurred, including UCHSC's legal commitments to third parties for activities under this grant agreement, as of the date of termination, and subsequent costs incurred with prior approval of API. However, API shall not be responsible for third –party obligations that UCHSC incurs more than one year following termination of this Grant agreement. Furthermore, UCHSC agrees to use its best efforts to minimize the duration of its third-party obligations under this agreement. In no event shall such payment include costs and/or anticipated fees for unperformed work or exceed the maximum amount of the annual Grant disbursement for the year in which the Grant is terminated.

In all other respects, the terms and conditions of the October 2, 2001 grant agreement shall remain in full force and effect.

An equal opportunity employer

If the foregoing is acceptable, please sign below and return one copy of this letter to API.

UNIVERSITY OF COLORADO

Twila Fisher Reighley
Director, Grants and Contracts

10/19/01
Date

AMERICAN PETROLEUM INSTITUTE

Howard J. Feldman
Regulatory Analysis & Scientific Affairs Director

Brenda S. Hargett
Chief Financial Officer

10/16/01
Date

American Petroleum Institute

1220 L Stre... Northwest
Washington, DC 20005-4070
(202) 682-8240
Fax (202) 682-8029
E-mail frick@api.org

G. William Frick
Vice President, General
Counsel & Secretary

Dr. Richard Irons
4800 Baseline Road
#E104-253
Boulder, Colorado 80303

Contract No. 2002-100092

Dear Dr. Irons:

This letter of agreement between the American Petroleum Institute (API) and *Dr. Richard Irons (Contractor)* authorizes *Contractor* to continue efforts on a multi-year study of benzene-exposed workers in China. Specifically, the agreement allows *Contractor* to continue work with the Chinese collaborators on the study by supporting travel and ancillary expenses relating to the research program. The agreement will also support the living expenses of American researchers, including rent of an apartment in Shanghai, China. This agreement will provide a cash advance for this effort, and shall be in accordance with *Contractor's* estimate of related expenses, which is attached and made a part hereof. This agreement is subject to the following terms and conditions:

1. *Dr. Richard Irons* shall be the project manager. *Contractor* shall give API prior written notice of the replacement change in responsibilities ~~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. RDI

2. Technical and administrative aspects of this agreement will be under the direction of *Howard J. Feldman,* Director, Regulatory and Scientific Affairs, American Petroleum Institute, 1220 L Street, NW, Washington, D.C. 20005, or whomever he designates. The designated API representative for work conducted hereunder is *George Woodall (202-682-8067, email: woodallg@api.org). Contractor* shall send all correspondence and reports relating to this agreement to his attention at the foregoing address.

3. API is providing a cash advance in the amount of three hundred ninety-three thousand one hundred four dollars ($393,104) for expenses for calendar year 2002, as outlined in *Contractor's* attached estimate. API shall disburse the cash advance in three (3) installments: (a) $178,210 for the 1st and 2nd quarter of 2002 by March 25, 2002; (b) $81,289 by July 1, 2002; and (c) $133,605 by October 1, 2002. On a quarterly basis, *Contractor* shall provide API with a detailed statement of expenses, including documentation, for costs incurred during that quarter. Such expense statements shall indicate the nature of expenditures, and shall express expenditure amounts in U.S. dollars (or have documented exchange rate and conversion).

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Specific types of expenses have the following additional documentation requirements:

- **For airline travel** — original receipts and boarding passes. Travel expenses shall be limited to coach class accommodations for domestic travel and business class accommodations for international travel.
- **For hotel** — original receipts. Expenses shall be limited to reasonable accommodations.
- **For resident quarters** — receipt for monthly rent payments.
- **For monthly services (e.g., telephone, internet, utilities, etc.)** — copy of contracts or monthly bills.
- **Other** — must be detailed and any in excess of $50 require an original receipt.

Contractor shall submit quarterly expense statements and documentation, referencing above contract number, to George Woodall within twenty-one (21) days of the end of each calendar quarter.

After reviewing the expense statement from the third calendar quarter, API will use the data from the first three (3) calendar quarters to project expenditures through the end of the calendar year, for purposes of disbursing *Contractor's* cash advance for the first calendar quarter of the next year. Any funds that are not projected for use by year-end will be subtracted from *Contractor's* first cash advance of the next calendar year. In reviewing *Contractor's* financial statement from the fourth calendar quarter, API will make any adjustments based on actual expenditures reported.

4. This agreement shall cover the period January 1, 2002 through December 31, 2002.

5. API shall have the right at all reasonable times during the course of the study, and for a reasonable period following completion of the study, to inspect *Contractor's* financial records relating to the work conducted hereunder, for the purpose of insuring conformance with this agreement and with generally accepted good scientific practices, and to verify the accuracy of invoices. Such inspection shall include the right to photocopy records pertaining to work conducted hereunder, excluding individual timesheets.

6. It is agreed that API shall have the right to terminate this agreement at any time by providing a notice of such termination to *Contractor*. Such notice may be provided either through oral or written communication from API. Upon receipt of such notice of termination, *Contractor* shall cease incurring costs on this project except with the prior approval of API for such costs which are necessary to close out the project. *Contractor* shall submit to API a final financial statement within thirty (30) days of the effective termination date. API agrees, however, to reimburse *Contractor* for the outstanding amounts due under the 3-year lease referenced in paragraph 3 executed by the *Contractor* on API's behalf. The final financial statement shall include documentation required under paragraph 3 and reimbursement for any unspent funds. API shall not reimburse Contractor for costs that are not actually incurred or costs which exceed the maximum amount of the agreement as set forth in paragraph 3.

7. Upon termination of this agreement, *Contractor* shall return to API any information furnished hereunder by API, together with all documents, data or other material developed therefrom.

8. It is understood that *Contractor* is acting as an independent contractor in its performance of any and all work hereunder. *Contractor* shall be solely responsible and liable for reasonable attorneys' fees incurred by API due to *Contractor's* performance hereunder, and the payment of all legal damages awarded to its employees or agents, or to any other person(s), on account of any property damage, personal injury, or death of any person(s) arising from, or in connection with, the performance of this agreement due to any act or omission on *Contractor's* part. *Contractor* shall hold API, its members, officers and employees harmless from such claims, liability or damages.

9. Contractor is responsible for complying with all applicable laws, both foreign and domestic in performance of this contract.

10. Any change, modification, extension, termination, or waiver of this agreement or any of its provision must be in writing and signed by both parties.

11. *Contractor* 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.

12. District of Columbia law shall govern the terms of this agreement.

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

14. Paragraphs 5-14 shall survive the termination of this agreement.

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

RICHARD IRONS

By: RI

Date: April 8, 2002

AMERICAN PETROLEUM INSTITUTE

By: G. William Frick
G. William Frick
Vice President, General Counsel
& Secretary

By: Brenda S. Hargett
Brenda S. Hargett
Chief Financial Officer

Date: April 1, 2002

American Petroleum Institute

1220 L Street, Northwest
Washington, DC 20005-4070
Tel 202-682-8340
Fax 202-682-8270
E-mail feldman@api.org

Howard Feldman
Director
Regulatory Analysis & Scientific Affairs

DEC 27 2002

Dr. Richard Irons
4800 Baseline Road
#E104-253
Boulder, CO 80303

Contract No. 2002-100092
Date Extension and Change in API Representative

Dear Dr. Irons:

The above agreement between the American Petroleum Institute (API) and you, for expenses related to a multi-year study of benzene-exposed workers in China, is amended as follows:

1. The termination date is extended from December 31, 2002 to December 31, 2003.

2. The API representative for this agreement is changed to Lorraine Twerdok, Ph.D., DABT (202-682-8344; e-mail: twerdokl@api.org). All correspondence, reports and invoices related to this agreement shall be sent to her attention at the above address.

In all other respects, the terms and conditions of the above agreement shall remain in full force and effect.

Sincerely,

Howard Feldman

c: Lorraine Twerdok, Ph.D., DABT
James M. Vail, Ph.D.

An equal opportunity employer

American Petroleum Institute
12[illegible] Street, Northwest
Washington, DC 20005-4070
202-682-8000

AGREEMENT
(Not valid for more than $25,000.00)

Richard Albertini, M.D., Ph.D.
Pleasant Valley Road
P. O. Box 168
Underhill Center, Vermont 05490

API Dept: Regulatory Analysis & Scientific Affairs
Contract Number: 2002-100057

This agreement, executed on the last date written below, by and between the American Petroleum Institute (hereinafter "API"), and the party named above (hereinafter "Contractor") is as follows:

Scope of Work

The work to be performed by Contractor under the terms and conditions of this agreement (hereinafter "work") is as follows: Contractor will serve as an independent expert on the Scientific Review Panel for the Benzene Health Effects Research Program, and review and approve study protocols, as well as comment on proposed changes in the scope of the research program as described in *Roles and Responsibilities of the Scientific Review Panel for the Benzene Health Effects Research Program*. Contractor will travel to designated meeting places, and will participate in critiquing protocols, offering suggestions to improve study design.

Authorized Representative

API's authorized representative for this agreement shall be George Woodall (202-682-8067; e-mail: woodallg@api.org). Contractor's authorized representative shall be Richard Albertini, M. D., Ph.D. Neither party shall change authorized representatives without prior written notice to the other party.

Duration

The work shall commence upon signature and shall terminate January 31, 2003. All work performed hereunder shall be completed to the satisfaction of API.

Compensation and Manner of Payment
(complete either A. or B.)

A. Compensation to the Contractor for the work shall be a fixed price of $________.

-or-

B. Compensation to the Contractor for the work shall be at a rate of $ 125 per hour and shall not exceed a total of $8,000 for the entire agreement. Contractor will be reimbursed for certain expenses incurred in the performance of the work. Expenses may include coach class domestic travel or business class international travel, food, lodging, telephone, and other reasonable expenses as determined by API. Contractor must provide appropriate documentation when requesting reimbursement for expenses. For the purpose of this agreement, expenses will not exceed $1,200. The total obligation to Contractor under this agreement shall not exceed (total of fees and expenses) $9,200.

C. To receive payment for work performed under this agreement, the Contractor shall submit a detailed invoice to API's authorized representative as agreed above. Each invoice shall state the date; a summary of the work accomplished and hours worked during the invoice period; itemization and documentation for all reimbursable expenses, including receipts for all reimbursable expenses over $50; and the total dollar amount requested. Payment will be made within thirty (30) days of API's receipt of the invoice.

Restrictions on Publicity

Contractor shall not use the trademark or name "American Petroleum Institute," or any abbreviations thereof, in any publicity, advertising, or for other promotional purposes without the prior written approval of API. This provision shall survive the termination of this agreement.

Termination

API shall have the right to terminate this agreement at any time upon written notice to Contractor. In the event of termination, API's only obligation to Contractor shall be to compensate Contractor for the services provided prior to the date of termination.

Indemnification

It is understood that Contractor is acting as an independent contractor in its performance of any and all work hereunder. Contractor shall be solely responsible and liable for reasonable attorneys' fees incurred by API due to Contractor's performance hereunder, and the payment of all legal damages awarded to its employees or agents, or to any other person or persons, on account of any property damage or personal injury sustained or suffered by, or death of any person or persons arising out of or in connection with the performance of this agreement due to any act or omission on Contractor's part in connection therewith. Contractor shall hold API, its members, officers and employees harmless from such claims, liability, or damages.

Ownership

All reports, papers, and other documents developed hereunder, and the right to copyright such reports, papers, and other documents, shall be the property of API. API may use such materials in any manner which API, in its sole discretion, deems fit and proper, including submission to governmental agencies, use in litigation, or use in proceedings before governmental bodies.

Financial Records and Examination

API shall have the right at reasonable times to inspect and/or copy the financial and technical records used in and relating to the work conducted hereunder, or to perform an audit in order to determine the accuracy of the invoices and technical reports submitted hereunder. API may audit all relevant records of Contractor and any such vendor or subcontractor in connection with the work and all transactions related thereto for the sole purpose of determining whether there has been compliance with this paragraph.

Supporting Documents

Any specifications developed either separately or jointly by API and/or Contractor, any bid or proposal submitted by Contractor, and/or any other supporting documents deemed necessary by API to clarify this agreement, or any part thereof, shall become incorporated herein. In the event of inconsistencies between the terms of this agreement and its attachment(s), the express terms of this agreement shall govern. For purposes of this agreement and this paragraph, the following document(s) is (are) attached and made a part hereof: *Roles and Responsibilities of the Scientific Review Panel for the Benzene Health Effects Research Program.*

Governing Law

The laws of the District of Columbia shall govern this agreement.

Entire Agreement

This agreement and the supporting documents designated herein above represent the entire agreement of the parties. This agreement may not be changed except by written agreement of the parties.

RICHARD ALBERTINI, M.D., PH.D.	AMERICAN PETROLEUM INSTITUTE
______________________	______________________
	Howard J. Feldman Regulatory Analysis & Scientific Affairs Director
	______________________
	Brenda S. Hargett Chief Financial Officer
______________________ Date	______________________ Date

American Petroleum Institute

1220 L Street, Northwest
Washington, DC 20005-4070
Tel 202-682-8340
Fax 202-682-8270
E-mail feldman@api.org

Howard Feldman
Director
Regulatory Analysis & Scientific Affairs

DEC 27 2002

Richard Albertini, M.D., Ph.D.
Pleasant Valley Road
P. O. Box 168
Underhill Center, Vermont 05490

Contract No. 2002-1000057
Date Extension and Change in API Representative

Dear Dr. Albertini:

The above agreement between the American Petroleum Institute (API) and you, for work related to a multi-year study of benzene-exposed workers in China, is amended as follows:

1. The termination date is extended from December 31, 2002 to December 31, 2004.

2. The API representative for this agreement is changed to Lorraine Twerdok, Ph.D., DABT (202-682-8344; e-mail: twerdokl@api.org). All correspondence, reports and invoices related to this agreement shall be sent to her attention at the above address.

In all other respects, the terms and conditions of the above agreement shall remain in full force and effect.

Sincerely,

c: Lorraine Twerdok, Ph.D., DABT
James M. Vail, Ph.D.

An equal opportunity employer

American Petroleum Institute

1220 L Stre… ,orthwest
Washington, DC 20005-4070
(202) 682-8240
Fax (202) 682-8029
E-mail frick@api.org

G. William Frick
Vice President, General
Counsel & Secretary

Otto Wong, Sc.D.
Applied Health Sciences
181 Second Avenue, Suite 628
P. O. Box 2078
San Mateo, CA 94401

Contract No. 2002-100093

Dear Dr. Wong:

This letter of agreement between the American Petroleum Institute (API) and *Applied Health Sciences (AHS)* authorizes *AHS* to continue work under a five-year program in collaboration with Fudan University (Dr. Fu Hua) to conduct case-control studies of acute myeloid leukemia and non-Hodgkin's lymphoma from occupational exposure to benzene in the Peoples Republic of China (outlined in the attached Table 1, which is made a part hereof). This agreement shall fund activities for calendar year 2002 (representing year 1, quarters 2-4, and year 2, quarter 1 of the five-year program). This agreement is subject to the following terms and conditions:

1. *AHS* agrees that the project manager for this agreement shall be Dr. Otto Wong. *AHS* 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.

2. Technical and administrative aspects of this agreement will be under the direction of Howard J. Feldman, Regulatory Analysis & Scientific Affairs Director, American Petroleum Institute, 1220 L Street, NW, Washington, D.C. 20005, or whomever he designates. The designated API representative for work conducted hereunder is *George Woodall (202-682-8067; e-mail: woodallg@api.org)*. *AHS* shall send all correspondence and reports relating to this agreement to his attention at the foregoing address.

3. *AHS* agrees to perform the work for calendar year 2002 for an amount not to exceed four hundred thirty-five thousand five hundred fourteen dollars ($435,514). This represents the relevant portions of the year 2002 budget as detailed in Tables 2, 3, 4 and 5, which are attached and made a part hereof. *AHS* shall invoice API on a monthly basis for work completed under this agreement. API shall pay invoices within thirty (30) days of API's receipt. Said invoices **must** reference the above contract number and shall be submitted to *George Woodall*. Reimbursement of travel expenses shall be limited to coach class for domestic travel or business class for international travel and reasonable accommodations associated with the conduct of this project. An original receipt or copy thereof must support claims for reimbursement of expenses of fifty dollars ($50.00) or more. API may withhold up to fifteen percent (15%) of the agreement amount, pending API's acceptance of all work products and programs as specified in the milestone table in paragraph 5.

4. This agreement shall cover work authorized by API prior to signature below, and shall terminate December 31, 2002.

An equal opportunity employer

5. The schedule and requirements for deliverables under this agreement are as follows:

Due Date	Task/Deliverable	# of copies and medium
21 days after the end of each calendar quarter	Quarterly progress reports	e-mail to George Woodall – woodallg@api.org
May 2002	IRB Approval of Protocols	Electronic version in MS Word
Begin 4th Quarter 2002	Enrollment of study subjects (AML and NHL patients and controls)	Electronic version in MS Word
Begin 4th Quarter 2002	Interviews of study subjects	Electronic version in MS Word
Begin 4th Quarter 2002	Acquisition of employment records of study subjects	Electronic version in MS Word
Begin 4th Quarter 2002	Acquisition of exposure data from Shanghai CDC and factories	Electronic version in MS Word
Begin 4th Quarter 2002	Exposure assessment of individual study subjects	Electronic version in MS Word

6. *AHS* and Fudan University have the exclusive right to publish the findings derived from the case-control studies of acute myeloid leukemia and non-Hodgkin's lymphoma. However, *AHS* shall grant API a royalty-free, irrevocable license to use all reports, drawings, and drafts submitted to API by *AHS*. 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. *AHS* agrees to preserve the confidentiality of information furnished hereunder by API.

7. *AHS* acknowledges that the protocols and conduct of the research during the life of the agreement are subject to annual review and approval by an independent Scientific Review Panel (SRP), as well as by an Ethics Review Panel (ERP), both of which API will establish. These panels shall be notified immediately when a change in protocol is proposed. Both the SRP and the ERP must approve any significant changes in protocol that would affect the scope of work.

8. Draft presentations and manuscripts will be provided to the SRP for comment in advance. Applied Health Sciences and Fudan University Medical Center will carefully consider each and every comment from the SRP. However, the preparation of presentations and manuscripts is the sole responsibility of AHS in collaboration with Fudan University. AHS and Fudan University will have complete control of the content of the presentations and manuscripts.

9. API shall have the right at all reasonable times during the course of the study, and for a one (1) year period following completion of the study, to inspect *AHS'* facilities, including equipment and technical and financial records relating to the work conducted hereunder, for the purpose of insuring conformance with this agreement and with generally accepted good scientific practices, and to verify the accuracy of invoices. Such inspection shall include the right to photocopy records pertaining to work conducted hereunder, excluding individual timesheets of project personnel and information on study participants.

10. It is agreed that either party (API or *AHS*) shall have the right to terminate this agreement by giving a thirty (30) day written notice of such termination to the other party. Upon receipt of such notice of termination, *AHS* shall cease incurring costs on this project, except with the prior approval of API for such costs which are necessary to close out the project. In the event of such termination, API's sole obligation will be to reimburse *AHS* for actual costs (professional fees and direct expenses) incurred as of the date of termination and

subsequent costs (professional fees and direct expenses) incurred with prior approval of API. 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 3. *AHS* agrees to complete any tasks in progress, should API so request.

11. It is understood that *AHS* is acting as an independent contractor in its performance of any and all work hereunder. *AHS* shall hold API, its members, officers and employees harmless from any omissions or acts of negligence on the part of *AHS* or its designates.

12. Upon request of API, *AHS* agrees to defend its work hereunder and to offer testimony thereon to governmental bodies (legislative, executive or judicial). API shall pay expenses (professional fees and direct costs) for such services at *AHS'* billing rates in effect at the time the services are rendered.

13. NO CHANGE, MODIFICATION, EXTENSION, TERMINATION, OR WAIVER OF THIS AGREEMENT OR ANY OF THE PROVISIONS HEREOF SHALL BE EFFECTIVE UNLESS MADE IN WRITING AND SIGNED BY A DULY AUTHORIZED OFFICER OF THE PARTY AGAINST WHOM IT IS SOUGHT TO BE ENFORCED. CHANGES BINDING ON API MUST BE IN WRITING AND SIGNED BY AN AUTHORIZED API OFFICIAL.

14. *AHS* 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. However, AHS may acknowledge API as the sponsor of the research, and shall so advise API in writing.

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

16. Paragraphs 6-16 shall survive the termination of this agreement.

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

APPLIED HEALTH SCIENCES

Otto Wong
Otto Wong
Chief Epidemiologist and President

Date: March 22, 2002

AMERICAN PETROLEUM INSTITUTE

G. William Frick
G. William Frick
Vice President, General Counsel
& Secretary

Brenda S. Hargett
Brenda S. Hargett
Chief Financial Officer

Date: March 20, 2002

American Petroleum Institute

1220 L Str. Northwest
Washington, DC 20005-4070
(202) 682-8240
Fax (202) 682-8029
E-mail frick@api.org

G. William Frick
Vice President, General
Counsel & Secretary

Otto Wong, Sc.D.
Applied Health Sciences
181 Second Avenue, Suite 628
P. O. Box 2078
San Mateo, CA 94401

Contract No. 2002-100093
Amendment No. 1

Dear Dr. Wong:

The above agreement between the American Petroleum Institute (API) and Applied Health Sciences (AHS), for work related to a multi-year study of benzene-exposed workers in China, is further amended as follows:

1. The API representative for this agreement is changed to Bruce Jarnot, Ph.D. (202-682-8473; e-mail: jarnotb@api.org).

2. This amendment shall fund activities for calendar year 2003 (representing year 2, quarters 2-4 and year 3, quarter 1) of the 5-year program as outlined in the attached Table 1.

3. AHS agrees to perform the work for calendar year 2003 for an amount not to exceed $432,511. This represents the relevant portions of the year 2003 budget as detailed in the attached Tables, 2, 3 4 and 5.

4. AHS shall submit semi-annual progress reports to Dr. Jarnot via e-mail.

In all other respects, the terms and conditions of the above agreement, as amended, shall remain in full force and effect.

If the foregoing is acceptable, please sign below and return one copy of this letter to API.

APPLIED HEALTH SCIENCES

Otto Wong

Otto Wong
Chief Epidemiologist and President

Date: 3-14-03

AMERICAN PETROLEUM INSTITUTE

G. William Frick

G. William Frick
Vice President, General Counsel & Secretary

Brenda S Hargett

Brenda S. Hargett
Chief Financial Officer

Date: 3-11-03

An equal opportunity employer

American Petroleum Institute

1220 L Street, Northwest
Washington, DC 20005-4070
Tel 202-682-8340
Fax 202-682-8270
E-mail feldman@api.org

Howard Feldman
Director
Regulatory Analysis & Scientific Affairs

[redacted]

Otto Wong, Sc.D.
Applied Health Sciences
181 Second Avenue, Suite 628
P. O. Box 2078
San Mateo, CA 94401

Contract No. 2002-1000093
Date Extension and Change in API Representative

Dear Dr. Wong:

The above agreement between the American Petroleum Institute (API) and Applied Health Sciences (AHS), for work related to a multi-year study of benzene-exposed workers in China, is amended as follows:

1. The termination date is extended from December 31, 2002 to December 31, 2003.

2. The API representative for this agreement is changed to Lorraine Twerdok, Ph.D., DABT (202-682-8344; e-mail: twerdokl@api.org). All correspondence, reports and invoices related to this agreement shall be sent to her attention at the above address.

In all other respects, the terms and conditions of the above agreement shall remain in full force and effect.

Sincerely,

c: Lorraine Twerdok, Ph.D., DABT
James M. Vail, Ph.D.

An equal opportunity employer

American Petroleum Institute

1220 L Street, Northwest
Washington, DC 20005-4070
(202) 682-8240
Fax (202) 682-8029
E-mail frick@api.org

G. William Frick
Vice President, General
Counsel & Secretary

Mr. Robert Schooling
APCO Worldwide Inc.
1615 L Street, NW
Suite 900
Washington, DC 20036

Contract No. 2002-100098

Dear Mr. Schooling:

This letter confirms the agreement between the American Petroleum Institute (API) and APCO Worldwide Inc. (APCO) for the provision of public affairs, public relations and government relations support to the Benzene Health Research Consortium (BHRC). The agreement shall be comprised of (1) a monthly retainer with associated tasks (Section III, Process, of APCO's February 14, 2002 memorandum to BHRC Members), and (2) development and implementation of a communications plan for the BHRC (Section II, Recommended Tactics, of APCO's memorandum mentioned above. APCO shall perform the work under this agreement as specified in its February 14, 2002 memorandum BHRC members and accompanying table (Appendix A) and fee schedule (Appendix B), which are attached and made a part hereof. The following terms and conditions will govern the agreement:

1. The entire agreement shall begin on March 1, 2002. The retainer portion of the agreement shall terminate February 28, 2003, and the remainder of the agreement shall terminate upon API's acceptance of all deliverables outlined in paragraph 8 below.

2. APCO's principal representative for this agreement shall be *Robert Schooling*. APCO shall give API prior written notice of any replacement of the principal representative or material reduction in the level of effort of the principal representative in fulfilling this agreement. API shall have the right to approve a material reduction in effort and, in the case of replacement of the principal representative, API and APCO shall jointly agree on a replacement.

3. This agreement will be under the direction of Howard J. Feldman, Regulatory Analysis & Scientific Affairs Director, American Petroleum Institute, 1220 L Street, NW, Washington, D.C. 20005, or whomever he designates. The designated API representative for work conducted hereunder is *Matthew Todd* (202-682-8319; e-mail: toddm@api.org). APCO shall send all correspondence and reports relating to this agreement to his attention at the foregoing address.

4. API's total obligation to APCO for this agreement shall not exceed four hundred sixty thousand five hundred dollars ($460,500) as follows:

   a. A monthly retainer of $20,000 per month. API shall make the first two retainer payments within 10 days of receiving a signed agreement from APCO. Thereafter, API shall pay the monthly retainer fee to APCO by the first of each month for that month. The total retainer fee for this agreement shall not exceed $240,000. Services outlined in Section III of APCO's February 14, 2002 memorandum shall be defined as "retainer services," and shall be applied against the retainer. Unused retainer fees can be carried over to the next month(s). (For the avoidance of doubt, API shall continue to make monthly retainer fee payments of $20,000, notwithstanding any unused fees.) At the end of the agreement period, APCO shall return any unused retainer balance to API.

b. An amount not to exceed $180,500 for the following tasks under Section II of APCO's February 14, 2002 memorandum and Appendix A to this agreement: II.B, II.F, II.H, II.K1, II.K2, and II.M. APCO shall bill API at the rates set forth in Appendix B to this agreement, and the cost for each individual task shall not exceed the associated amount shown in Appendix A. API and APCO shall contract for additional tasks via task order and amendment to this agreement, which both parties shall sign before work commences. Such task orders and amendments shall include a scope of work, deliverables and associated costs, including compensation and expenses, and shall be automatically incorporated by reference herein upon execution by the parties.

c. Related expenses not to exceed $40,000. Such expenses shall include but not be limited to reproduction, postage, telephone and travel. APCO shall receive advance written authorization from API before committing to any travel expenses or other expenses over $2,500. Reimbursement of travel expenses shall be limited to coach class transportation and reasonable accommodations if travel is requested by API. An original receipt or copy thereof must support claims for reimbursement of expenses of fifty dollars ($50.00) or more.

APCO shall invoice API on a monthly basis for work completed during that month, payable within thirty (30) days of API's receipt of the invoice. Each invoice shall separately list the amount being billed for each task. Said invoices **must** reference the above contract number and shall be submitted to *Matthew Todd.* API may withhold up to ten percent (10%) of the agreement amount, pending API's acceptance of all work products and programs under this agreement.

5. APCO shall comply with all applicable laws and regulations in its performance hereunder, and shall be responsible for such registration and reporting as may be required for both APCO and API. Further, APCO agrees to comply with any other applicable lobbying or ethics laws and regulations in its performance hereunder. Finally, APCO's relationships with public officials and candidates for public office will be maintained in such a manner as to avoid any impropriety.

6. During the period of this agreement, APCO shall not represent or engage in efforts for any other party or entity on matters or issues that conflict with positions taken by API with respect to benzene health research. APCO shall immediately notify the API designee if he/she becomes aware of the existence of a conflict or potential conflict. APCO shall not release any information concerning work hereunder to anyone outside API, without prior written approval of API, except for reports required by law.

7. No director, employee or agent of APCO shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with the work hereunder, nor

enter into any business arrangement with any director, employee, or agent of API other than as a representative of API. APCO shall promptly notify API of any violation of this paragraph. Any consideration received as a result of such violation shall be paid over or credited to API. API may audit relevant records of APCO and any such vendor or subcontractor in connection with the work performed hereunder, for the sole purpose of determining compliance with this paragraph.

8. APCO shall perform the tasks and prepare deliverables specified in APCO's February 14, 2002 memorandum. Upon signature of this agreement, APCO and API shall establish a mutually agreeable schedule for tasks and deliverables to ensure the objectives of the benzene health research program and this agreement are met in a timely manner. The schedule shall be signed by both parties and automatically incorporated by reference herein upon execution.

9. All reports, drawings, drafts, data and other documents developed hereunder, and the right to copyright such reports, drawings, drafts, data and other documents, shall be the 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. APCO 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. APCO agrees to preserve the confidentiality of information furnished hereunder by API.

10. API shall have the right at all reasonable times during the course of the agreement, and for a reasonable period following termination of the agreement, to inspect APCO's offices, including financial 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 hereunder, excluding individual timesheets.

11. It is agreed that API shall have the right to terminate this agreement by giving a thirty (30) day written notice of such termination to APCO. Upon receipt of such notice of termination, APCO shall cease incurring costs on this project, except with the prior approval of API for such costs which are necessary to close out the project. In the event of such termination, API will reimburse APCO for actual costs incurred as of the date of termination and subsequent costs incurred with prior approval of API, and APCO will return any unused retainer fees to API. 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.

12. Upon termination of this agreement, APCO shall return to API any information furnished hereunder by API, together with all documents, data or other material developed therefrom.

13. It is understood that APCO is acting as an independent contractor in its performance of any and all work hereunder. APCO shall be solely responsible and liable for reasonable attorneys' fees incurred by API due to APCO's negligent or willful misconduct, and the payment of all legal damages awarded to its employees or agents, or to any other person or persons, in

connection with the performance of this agreement due to any negligent act or omission on APCO's part in connection therewith. APCO shall hold API, its members, officers and employees harmless from such claims, liability, or damages.

API shall be solely responsible and liable for any loss or expense, including reasonable attorneys' fees incurred by APCO as the result of any claim, suit or proceeding made or brought against APCO, or in which APCO is asked to participate, based upon any materials provided by API, as well as any claim or suit arising out of the nature or use of API's products, except for losses or expenses that result from APCO's negligence or willful misconduct. API shall hold APCO, its members, officers and employees harmless from such claims, liability, or damages.

14. APCO 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.

15. The laws of the District of Columbia (except the conflict of laws provision thereof) shall govern this agreement.

16. The terms and conditions of this agreement may only be modified in writing and signed by an authorized official of the both parties.

17. Paragraphs 7-17 shall survive the termination of this agreement.

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

APCO WORLDWIDE INC.

By: [signature]

Date: 5-7-02

AMERICAN PETROLEUM INSTITUTE

By: G. William Frick
G. William Frick
Vice President, General Counsel & Secretary

By: Brenda S. Hargett
Brenda S. Hargett
Chief Financial Officer

Date: May 6, 2002

APCO
worldwide

February 14, 2002

MEMORANDUM

TO: BHRC Members

FROM: APCO Worldwide

RE: Communications Plan

Overview and Mission Statement

Our charge is to develop a strategic communications plan for the "Shanghai Health Study" incorporating the issues and agreements reached during the Washington, D.C. meeting with members of the Benzene Health Research Consortium (BHRC).

Targeted audience comprehension and ultimate acceptance of the study and its results in approximately five years is the primary purpose for employing a strategic communications plan. Informing and updating the key audiences prior to the study's commencement, and consistently throughout the project, demonstrates transparency and maximizes opportunities for study acceptance by removing "process" obstacles at the outset. Accomplishing these objective requires:

- Actively engaging key audiences through effective outreach;
- Conveying consistent messages; and
- Defining the study clearly and emphasizing its potential to advance currently limited scientific and medical conclusions regarding benzene.

I. Strategy

The project's overarching communications principle is discreet and direct conversations with interested parties, rather than a broad and sustained media campaign. Attaining and preserving credibility, both in the study results when they become available and the information distributed during the investigations, is critical. Three strategic benchmarks for all ensuing communications follow:

- **Ensure actual and perceived transparency of process, within the accepted norms of scientific research protocols** – If the study is to be useful to the Consortium as an instrument to shape public policy it must be conducted, and just as importantly, perceived to be conducted, under absolutely transparent conditions. This means putting in place a variety of mechanisms to ensure that perception aligns with reality throughout the process. Ensuring transparency of process should not in any way impact or interfere with the scientific research protocol.

- **Engage in early and constructive dialogue with stakeholders** – The relevant stakeholders: benzene "thought leaders", NGOs such as the Leukemia Society of America, regulators, remaining industry, trade media, *etc.* will be the ultimate arbiters of the study's credibility.

- **Demonstrate leadership through open and honest communications** – The participating companies have already demonstrated their desire to fulfill their product stewardship responsibilities by funding this study. It will be important to ensure that all actions at all times are conducted in a manner consistent with societal expectations and that the resulting plan recognizes the skepticism with which the work will be viewed by many involved in the process.

The known and anticipated challenges to industry related studies only reinforce the need to implement and adhere to a disciplined communications system. Clearly conveying the industry's corporate social responsibility in undertaking this rigorous, independent and scientifically substantial study is the final essential strategic element.

II. Recommended Tactics

The strategies outlined above provide guiding principles for determining the tools necessary to obtain study acceptance. While the plan's success requires extended involvement by both the BHRC and APCO, once a communications plan is approved, lead responsibility for each tactic will be decided. In this case, lead responsibility means tactic development or production with input from the remaining organization. The BHRC and API possess the comprehensive scientific, technical and industry perspectives while APCO will contribute assessments from the regulatory, governmental, issues management and strategic communications perspective.

Listed below are tactics discussed at the Strategy Session; please note that many of these items will be developed simultaneously rather than sequentially.

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A. ***Develop Priority Messages*** — utilizing the existing fact sheets and input we have already received, APCO will review and recommend priority messages to effectively inform and prepare the targeted audiences for the study upon completion.

B. ***Develop Effective Materials*** — written materials created for internal and external consumption will vary in purpose and substance.

1. *Internal*:

- Regular updates to BHRC members and identified affiliates as appropriate;

- Briefing books for spokespeople; and

2. *External*: existing documents will be reviewed to incorporate the agreed upon priority messages as well as any necessary updates; the finally approved materials will be consistent but also designed to apply to the diverse key audiences as appropriate.

- Q & A;

- Study one-pager;

- Fact sheets: study aims and objectives; unique study features; previous study conclusions; how different from previous studies; PI backgrounds;

- On location in China: laboratory pictures, official endorsement statements;

- A complete packet of each of these materials would comprise a "leave-behind" at the conclusion of each audience outreach contact.

C. ***Use of Inter/Intranet***

- A web-site offering study information and materials for the broadest possible audience provides further transparency and precludes charges of secrecy by making the information accessible. As discussed, to attain utmost credibility, the most appropriate venue to host the site would be a university.

- Using an Intranet site facilitates exchanging information on in one central location on intelligence

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gained, audience outreach summaries, contact clearinghouse and calendar updates.

D. ***Design a Brand*** — to ensure 'credit' and minimize confusion for distributed study information, APCO recommends branding study-related materials. Instituting and maintaining a brand conveys professionalism and contributes additional credibility to the initiative by utilizing coordinated and consistent:

- collateral materials;
- logos;
- color schemes;
- contacts;
- letterhead;
- an e-mail account; and
- and a toll-free telephone number.

Naming the study is a fundamental part of creating and implementing a brand. The "Shanghai Health Study" was discussed at the Strategy Session as a potential brand.

Once a brand has been selected, it would apply to everything as outlined above. Ideally, the brand should reinforce the concept of the study as an independent entity. For clarification, a brand such as the "Shanghai Health Study" refers to the study itself while the BHRC and other involved individuals or organizations would retain and operate under their names rather than adopt the brand or something supplementary.

E. ***Audit Targeted Audiences*** — conducting soft soundings among the key audiences to identify what may or may not already be known about the study will assist message and materials development and provide priorities other than those already determined.

F. ***Construct Outreach Matrix*** — as agreed upon at the Strategy Session, compiling a matrix of all contacts and outreach on the study will be useful in defining the appropriate audience categories and lead to a better assessment of study issues.

G. ***Engage Spokespeople*** — engaging the correct spokespeople is perhaps the most critical element to successful study acceptance. Since this project is dependent on soft soundings, one-on-one meetings and timely

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communications, the spokespeople will be key. To establish credibility, ideally they will have backgrounds similar to their targeted audience and be persuasive study advocates.

2. *Internal:*

- BHRC members;
- Company colleagues recommended by BHRC members;
- Principal investigators or other involved researchers if available and willing to participate.

2. *External:*

- Advisory Council members or "Endorsers".

H. ***Train Spokespeople*** — message training is highly recommended for all spokespeople since it can be different from skills each person regularly employs in their professional lives. APCO could provide training sessions on:

- what to expect;
- effectively delivering main messages;
- matching message with targeted audience;
- how to handle hostile meetings; and
- medium techniques as appropriate.

I. ***Enlist Endorsers*** — as possible, enlisting noted experts in the field of benzene research or related fields for whom the research will be a major contribution, such as the Leukemia Society of America, bring additional credibility to the project. It should be expected that their main project messages will be narrowly focused on the benefit to be derived from their perspective. Although confirming involvement of ideal Advisory Council caliber might prove challenging, their participation would valuable to enlist. Potential Advisory Council members can be identified through:

- the soft soundings outreach;
- benzene thought leaders' contributions; and
- primary investigators' assessments.

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J. ***Create a Calendar of Year One Events*** — a carefully assembled calendar of events, containing both study specific and external activities that may create interest in benzene issues, is a useful tool for "outreach" pegs. Such events can provide reasons to contact the appropriate audiences to inform or alert them of the event to reinforce transparency, credibility and communication channels. Event calendars are works in progress that will be updated as information is received.

1. *Study-specific:*

   - Internal Review Board approval;
   - Funding complete;
   - Laboratory complete;
   - China Strategy Session;
   - Patient recruitment begins; and
   - Research commences.

2. *External:*

   - *HealthWatch* release;
   - *Lancet* article;
   - German Risk Assessment Report;
   - Official "launch" in China; and
   - Benzene Symposium (2003).

K. ***Convene Special Events*** — some of the events, such as the China Strategy Session, the official "launch" in China and the Benzene Symposium will require additional planning, strategies and materials once confirmed.

1. *China Strategy Session*: to determine the protocol to follow in China with officials, trade publications, investigators, member and non-member industry representatives in country and others, a Strategy Session focused solely on China will be held.

2. *Official Launch in China:* study principals and APCO China report that hosting an official launch ceremony is customary and

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expected by Chinese officials to celebrate, commemorate and commence the study. Exact timing and launch details will be decided at the China Strategy Session but the initial recommendations have stated that a banquet for the appropriate audiences would constitute an official launch. Therefore, the concept is more an internal debut among those already involved or aware of the study rather than a broad public announcement and media event.

3. *Potential Benzene Symposium:* As discussed, the Benzene Symposium as envisioned would not be a BHRC initiative but rather a study presentation if such a symposium is convened. Any role to be played by associates of the Shanghai Health Study would be relegated to contacting previous planners to gauge their interest in holding another Benzene Symposium, perhaps in 2003.

L. ***Utilize Monitoring*** — intelligence gathering will rely heavily on conversations and information learned at conferences and through talking to colleagues.

1. *Technology:*

   - Internet – both general and specific sites;
   - Nexis/Lexis article searches generally; and
   - Relevant list-servs.

2. *Human Intelligence Gathering:* most of this information will be gleaned through conversations and conferences on other relevant subjects. For the information to have the most impact, it will need to be supplied to a central clearinghouse for other BHRC members to access as appropriate.

   Since networking will play such a major role in monitoring these issues – for both electronic news items a friend sends or colleague tips mentioned casually -- devising an effective way to communicate and maintain this information in a central location for all to access will be important. If agreed upon, an Intranet or closed list-serv could serve this function.

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M. ***Anticipate Challenges*** — as discussed in the Strategy Session, numerous situations could provoke a crisis necessitating additional and immediate communications. Although many scenarios can be envisioned, the essential element to implement at the outset is the process to activate in the case of *any* emergency or potential emergency erupting.

That is, although each situation is different, it is necessary to identify core response team components now and think through exactly how to provide authority to act, especially within the BHRC committee structures. APCO has extensive crisis communications experience and can provide a response tool-kit: categories of people to involve, main messages, methods to get in front of a story and ways to contain or neutralize stories, if possible. All activities will naturally depend on the crisis dimensions and location where it occurs – US, EU or China.

APCO also recommends familiarizing the chosen core response team with their exact responsibilities by running a role-playing exercise to allow "real-time" participation and thereby identify strengths and weaknesses of the response.

III. Process

Anticipating and clearly defining internal channels assists effective external communications delivery. Therefore, the three primary strategic communication principles – transparency, engaged stakeholders and open communications – are also applicable to internal exchanges. To ensure consistent information updates, APCO recommends instituting regularly scheduled information updates. Please note, specific updates or reports can be revised to reflect emerging events as well as to better meet committee members' needs to supply updates to their individual companies.

A. ***Quarterly Conference Calls*** — established and regular team conference calls to provide information exchanges and opportunities to gauge study progress as a group. As discussed at the Strategy Session, these calls are likely to increase during periods of intense activities; such increases will supplement rather than supplant the quarterly calls.

B. ***Activity Reports*** — APCO will provide monthly activity reports to ensure BHRC members are able to regularly update member companies. As requested, these reports can be expanded for clarification.

C. ***Intranet*** — given the different time zones involved in this project, an Intranet system would allow communications and information exchanges accessible to the whole team.

D. ***Quality Control*** — to ensure all documents are ready for targeted audience consumption, an approved quality control system must be devised and implemented at the beginning. In addition to providing quality information, it will also allow participating members to build in the time necessary to meet project deadlines.

Conclusion

APCO is enthusiastic about assisting the BHRC members craft and implement an effective communications component to the Shanghai Health Study. We believe the strategies and tactics outlined above are important tools to ensuring ultimate study acceptance by the targeted audiences.

Clearly, the study and its results constitute the project's substance. Communicating the study's goals and identifying the context that stimulated the investigators to seek answers to the questions they posited, while secondary in terms of significance, can be considered primary in terms of the role it can play in determining ultimate study success.

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Tasks	Sub-Tasks	TIMELINE Current	TIMELINE Med.-Term	TIMELINE Long-Term	Lead Organization	Supporting Organization(s)	Cost Estimate	Comments
II. A. Develop Priority Messages		X			APCO		Retainer	
II. B. Develop Effective Materials	Internal	X			APCO	API, BHRC	$15,000	APCO internal report on their work activity
	External	X			APCO		$7,500	
II. C. Create Web Site	Intranet			X	API			
	Technical Web Site	X			API			
	Semi-Public Web Site for Endorsers		X		API			
II. D. Design A Brand			X		APCO/API			
II. E. Audit Targeted Audiences			X		BHRC	APCO	**	
II. F. Construct Outreach Matrix		X			APCO	API, BHRC	**$90,000	
II. G. Engage Spokespeople			X		API	BHRC		
II. H. Train Spokespeople			X		APCO	BHRC	up to $14,000	Fee based on numbers trained
II. I. Enlist "Endorsers"			X	X	BHRC	APCO	**	
II. J. Create A Calendar Of One Year Events	Study-Specific	X			API	BHRC		
	External	X			API	BHRC		

SHELL-MCCLURG-052738

		TIMELINE						
Tasks	**Sub-Tasks**	**Current**	**Med.-Term**	**Long-Term**	**Lead Organization**	**Supporting Organization(s)**	**Cost Estimate**	**Comments**
II. K. Convene Special Events	K.1. China Strategy Session	X			APCO	BHRC	$20,000	
	K.2 Official Launch in China		X		APCO	BHRC	$20,000	
	K.3 Benzene Symposium		X		API, BHRC			
II. L. Monitoring	L.1 Technology		X		API	BHRC		
	L.2 Human Intelligence Gathering		X		APCO	API, BHRC	**	APCO maintains inventory
M. Anticipate Challenges				X	APCO, API	BHRC	$14,000	Action plan to address critics, "bad news"
III. Process	Quarterly Conference Calls	X			API	APCO	Retainer	
	Activity Reports	X			API	APCO	Retainer	
	Intranet	X			API	APCO	Retainer	
	Quality Control	X			API	APCO	Retainer	

** Includes third party work: Audit of target audiences, managing outreach programs, assisting with enlisting endorsees, and human intelligence gathering.

SHELL-MCCLURG-052739

APCO 2002
FEE SCHEDULE

APCO CHINA 2002 TITLES AND PERSONNEL RATES

Title	2002 Rate
Managing Director	$400.00
Director	$300.00
Account Manager	$150.00
Consultant	$150.00

APCO EUROPE 2002 TITLES AND PERSONNEL RATES

Title	2002 Rate
Managing Director	$320.00
Associate Director	$240.00
Senior Associate	$200.00

APCO DC 2002 TITLES AND PERSONNEL RATES

Title	2002 Rate
Senior Vice President/Director	$315.00
Senior Vice President	$295.00
Vice President/Director	$260.00
Vice President/Director	$230.00
Senior Associate	$200.00
Manager	$170.00
Associate	$140.00
Junior Associate	$115.00
Project Assistant	$85.00
Administrative Assistant	$65.00
Intern	$60.00

American Petroleum Institute

1220 L Street, Northwest
Washington, DC 20005-4070
Tel 202-682-8340
Fax 202-682-8270
E-mail feldman@api.org

Howard Feldman
Director
Regulatory Analysis & Scientific Affairs

Mr. Robert Schooling
APCO Worldwide Inc.
1615 L Street, NW
Suite 900
Washington, DC 20036

Contract No. 2002-100098
Amendment No. 1

Dear Mr. Schooling:

The above agreement between the American Petroleum Institute (API) and APCO Worldwide Inc. (APCO), for the provision of public affairs, public relations and government relations support to the Benzene Health Research Consortium (BHRC), is amended as follows:

1. The references to "Retainer" in the agreement and Appendix A to the agreement are deleted. Appendix A is replaced with Appendix A (revised), which is attached and made a part hereof.

2. In the first paragraph of the agreement, delete the second sentence.

3. In paragraph no. 1, delete the second sentence and replace with:

   The termination date for the agreement is changed to February 28, 2004.

4. The following changes are made to paragraph no. 4:

   a. Delete paragraphs 4 a. and 4 b., and replace with a new 4a. as follows:

      4. a. Compensation not to exceed $420,500. APCO shall perform the tasks specified in its February 14, 2002 memorandum and Appendix A revised at the rates set forth in Appendix B.

   b. Paragraph 4 c. shall become paragraph 4 b.

In all other respects, the terms and conditions of the above agreement shall remain in full force and effect.

If the foregoing is acceptable, please sign below and return one copy of this letter to API.

An equal opportunity employer

APCO WORLDWIDE INC.

Date: 4/17/03

AMERICAN PETROLEUM INSTITUTE

Howard J. Feldman
Regulatory Analysis &
Scientific Affairs Director

Brenda S. Hargett
Chief Financial Officer

Date: 3/3/03