

Advisory 10

Invoicing and Payment Terms for API Invoices

This Advisory notifies all licensees, registrants and applicants of changes to API's payment terms for annual fees and audit invoices.

API is committed to providing value to the oil and gas industry through our portfolio of licensing and certification programs. On time payments ensure that API is able to successfully maintain programs and strengthen the quality of service. To achieve these goals, it is necessary that organizations pay invoices in a timely manner, by the due date shown on the invoice and include the Invoice Numbers and/or Facility IDs on whatever payment type made (check, ACH or WIRE). **Please note that payment is not recognized until it clears our bank AND is posted in our accounts receivable system against the invoice that was issued.**

Effective immediately, API will issue invoices according to the following *Schedule of Invoicing and Payment Periods* table (Schedule). All payments are due by the date identified in the Schedule. Reminder notices are based on the Invoice Payment Due Date and will be sent according to the Schedule if necessary. If payment is not received (posted in bank AND posted against invoice in API's accounts receivable system) by the Payment Due Date, the process for cancellation of license(s)/certificate(s)/registered perforator design(s) will be initiated.

TABLE—SCHEDULE OF INVOICING AND PAYMENT PERIODS

Program Invoiced	Date Invoices Issued	Invoice Payment Due Date	Reminder Notification Issue Date (if applicable)	Cancellation Date
Monogram Annual Fees	January 6	February 20	February 6	March 7
APIQR Annual Fees	March 2	April 16	April 2	May 2
Audit & Perforator Witness Invoices	Within 60 days after Close of Audit	Within 45 days of Date Invoice Issued	NA	60 days after Initial Invoice Date
Perforator Annual Invoices	February 3	March 19	March 3	April 4

Facilities subject to U.S. Russia Sanctions

Program Invoiced	Date Invoices Issued	Invoice Payment Due Date	Reminder Notification Issue Date (if applicable)	Cancellation Date
Monogram Annual Fees	January 6	February 20	February 6	February 21
APIQR Annual Fees	March 2	April 16	April 2	April 17
Audit & Perforator Witness Invoices	Within 60 days after Close of Audit	Within 45 days of Date Invoice Issued	NA	60 days after Initial Invoice Date
Perforator Annual Invoices	February 3	March 19	March 3	March 20

Formal notification of the cancellation will be sent to all affected licensees/registrants/applicants according to the Schedule and will result in the immediate change to the license(s)/certification(s)/perforator design(s).

Except for those facilities subject to U.S. Russia Sanctions, if payment is not received (posted in bank and posted against invoice in API's accounts receivable system) within 60 days of the initial invoice date, the license(s)/certificate(s)/perforator design(s) will be cancelled.

Those facilities subject to the U.S. Russia Sanctions will be cancelled immediately if payment is not received within 45 days. Once cancelled, in order to obtain license(s)/certificate(s)/perforator design(s), the organization must reapply and pay all outstanding audit invoices. Furthermore, submission of a new application and fees is required.

Organizations are reminded that to ensure timely receipt of invoices, accurate contact/billing information must be maintained by the organization in myCerts. Inaccurate or out-of-date contact/billing information will not be accepted as reason for nonpayment of the stated due dates.

We value you as a client and appreciate your effort each day to maintain the highest possible standards of safety and production in the oil and natural gas industry.

This Advisory supersedes any previous guidance. It is considered part of API's Program Requirements and compliance is required for certification.