



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 suspension of licenses/certificates/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) | Suspension for Nonpayment Notification Date | Cancellation Date |
|-------------------------------------|-------------------------------------|---------------------------------------|--|--|--|
| Monogram Annual Fees | January 7 | February 21 | February 6 | March 24 | April 23 |
| APIQR Annual Fees | March 4 | April 18 | April 3 | May 20 | June 19 |
| Audit & Perforator Witness Invoices | Within 60 days after Close of Audit | Within 45 days of Date Invoice Issued | N/A | 76 th day after Date Invoice Issued | 30 days after Suspension Notification Date |
| Perforator Annual Invoices | February 4 | March 21 | March 6 | April 22 | May 22 |



| Facilities Subject to U.S. Russia Sanctions | Date Invoices Issued | Invoice Payment Due Date | Reminder Notification Issue Date (if applicable) | Suspension for Nonpayment Notification Date | Cancellation Date |
|--|-------------------------------------|---------------------------------------|---|--|--|
| Audit & Perforator Witness Invoices | Within 60 days after Close of Audit | Within 45 days of Date Invoice Issued | N/A | N/A | 46 th day after Date Invoice Issued |
| Monogram Annual Fees | January 7 | February 21 | February 6 | N/A | February 22 |
| APIQR Annual Fees | March 4 | April 18 | April 3 | N/A | April 19 |
| Perforator Annual Invoices | February 4 | March 21 | March 6 | N/A | March 22 |

Formal notification of the suspension will be sent to all affected licensees/registrants/applicants according to the Schedule and will result in the immediate status change to the license(s)/certification(s)/registered 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 30 days of the suspension, the license(s)/certificate(s)/registered perforator design(s) of registration 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 a license(s)/certificate(s)/registered perforator design(s) of registration, 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 by 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.