

AAPL Antitrust Compliance Policy

(APPROVED September 12, 2020)

AAPL's mission is to promote the highest standards of performance of all land professionals, to advance their status, and to encourage sound stewardship of energy and mineral resources. In connection therewith, it is AAPL's undeviating policy to comply strictly with the letter and spirit of all federal and state trade regulations and antitrust laws. Any activities of AAPL or AAPL-related actions or communications of its officers, directors, committee chairs, committee members, board of directors, employees, or affiliated associations (all of the foregoing, collectively, "AAPL Parties") that violate these regulations and laws are detrimental to the interests and mission of AAPL and are unequivocally contrary to AAPL policy.

Brief Overview of Antitrust Laws

The antitrust laws of the United States and the various states prohibit agreements, combinations, and conspiracies in restraint of trade. Because AAPL and other trade and professional associations are, by definition, combinations of competitors, it could be argued that one element of a possible antitrust violation is possibly present, and if so, only some action by the association that unreasonably restrains trade generally needs to occur for there to be an antitrust violation. Consequently, associations are common targets of antitrust plaintiffs and prosecutors.

The consequences for violating the antitrust laws can be severe. A conviction can carry stiff fines for the association and its offending leaders, jail sentences for individuals who participated in the violation, and a court order dissolving the association or seriously curtailing its activities. The antitrust laws can be enforced against associations, association members, and the association's employees by both government agencies and private parties (such as competitors and consumers) through treble (triple) damage actions. As the principal federal antitrust law is a criminal conspiracy statute, an executive who attends a meeting at which competitors engage in illegal discussions may be held criminally responsible, even if he or she says nothing at the meeting. The executive's attendance at the meeting may be sufficient to imply acquiescence in the discussion, making him or her liable to as great a penalty as those who actively participated in the illegal agreement.

The antitrust laws prohibit competitors from engaging in actions that could result in an unreasonable restraint of trade. Above all else, association members should be free to make business decisions based on the dictates of the market, and not the dictates of the association. Some activities by competitors are deemed so pernicious and harmful that they are considered *per se* violations. In these cases, it does not matter whether or not the activities actually have a harmful effect on competition; the effect is presumed. These generally include price fixing, allocation of customers, markets, or territories, bid-rigging, and some forms of boycotts.

Other actions, such as standards development and certification programs, generally are evaluated under a rule of reason. There is a balancing between the pro-competitive and anti-competitive aspects of the activities; the pro-competitive effects must outweigh the anti-competitive ones. These areas also should be approached with caution and legal guidance.

Compliance Policy

As stated above, AAPL has a policy of strict compliance with federal and state trade regulations and antitrust laws. In order to ensure such compliance, AAPL Parties should avoid discussing certain subjects when they are together, both at formal AAPL membership, Board of Directors, committee, and other meetings, and in informal contacts with other industry members, and should otherwise adhere strictly to the following guidelines:

- DO NOT discuss prices, fees, or rates, or features that can impact (raise, lower, or stabilize) prices such as discounts, costs, salaries, terms and conditions of sale, warranties, or profit margins. Note that a price-fixing violation may be inferred from price-related discussions followed by parallel decisions on pricing by association members, even in the absence of an oral or written agreement. General oil and gas market comparables may be discussed and reported in AAPL publications.
- DO NOT agree with competitors as to uniform terms of sale, warranties, or contract provisions.
- DO NOT exchange data concerning fees, prices, costs, salaries, customer credit, or other business practices unless the exchange is made pursuant to a well-considered plan that has been approved by AAPL's legal counsel as being in compliance with this policy; and to the extent data is collected by AAPL or affiliated associations to create reports to be sent to AAPL's or such affiliated associations' membership to advance the best practices of the members, DO ensure that such reports (i) are based on data that is relatively old rather than current or forward-looking, (ii) present aggregated data, rather than identifying the data of individual members, (iii) include data from a large enough group of responders to ensure that individual member data cannot be easily discovered, and (iv) are justifiable as a program that can help members better serve their clients. AAPL may compile voluntary member compensation survey data and report compensation data in AAPL publications.
- DO NOT agree with competitors to divide up clients, markets, or territories.
- DO NOT agree with competitors not to deal with certain suppliers or others.
- DO NOT try to prevent a supplier from selling to your competitor(s).
- DO NOT discuss your clients with your competitors.
- DO NOT agree to any association membership restrictions, standard-setting, certification, accreditation, or self-regulation programs without the restrictions or programs having been approved by AAPL's legal counsel as being in compliance with this policy.
- DO NOT otherwise foster unfair trade practices or in any way violate federal or state trade regulations and antitrust laws.
- DO insist that AAPL meetings have agendas that are circulated in advance, that the actions taken at a meeting follow its agenda, and that minutes of all meetings properly reflect the actions taken at the meeting. All AAPL meetings generally should have written agendas prepared and circulated in advance.
- DO leave any meeting (formal or informal) where improper subjects are being discussed, and tell everyone why you are leaving.
- DO ensure that only AAPL staff sends out all written and electronic correspondence on behalf of AAPL and that AAPL Parties do not hold themselves out as speaking or acting with the authority of AAPL when they do not, in fact, have such authority.

- DO ensure that (i) if questions arise about the legal aspects of AAPL's activities under the antitrust laws, you report those questions to AAPL, and (ii) if questions arise about your individual responsibilities under the antitrust laws, you seek advice and counsel from your own legal counsel.
- DO ensure that speakers at educational activities, committees, and other meetings be informed of AAPL's antitrust compliance policy prior to giving their presentations.
- In regards to affiliated associations, DO ensure that your association has a similar antitrust policy in place to ensure compliance with federal and state trade regulations and antitrust laws by association officers, directors, committee chairs, members, and staff.