



IADC ANTITRUST POLICY AND GUIDELINES

The International Association of Drilling Contractors (IADC) was established to undertake activities for the benefit of the oil and gas drilling industry, to promote safety, environmental preservation and advances in drilling technology. IADC is committed to compliance with US, EC, and EEA Antitrust and competition laws.

All IADC Committee, Chapter, Subcommittee and other activities will be conducted in compliance within the letter and spirit of antitrust laws to avoid even the appearance of impropriety. Each member company is responsible for its own compliance with such laws. Members are encouraged to consult with legal counsel regarding antitrust and competition matters when participating in IADC events and activities.

1. General Antitrust Guidelines for IADC Members

As an IADC member serving on an Association Committee, Chapter, Subcommittee, Task Force, etc., you should acquaint yourself with these guidelines. It is appropriate for IADC and its members to engage in a variety of beneficial activities, including development of proposed standards and collection of industry statistical data. It is prudent for members to exercise caution, however, and refrain from discussion of or joint action in connection with the following topics:

1. Current or future prices, price adjustments or discounts.
2. Profit levels sought or attained.
3. Dividing or allocating customers, markets, or territories.
4. Any refusal to deal with or boycott a customer, potential customer, supplier or potential supplier.
5. Activities that would lessen the ability of others to compete or potentially compete with IADC members.
6. Restrictions or limits on the availability of services.
7. Any limits on sales of services or use of equipment.

Any action recommended by IADC to its members is to be voluntary, not mandatory. Each Producer, Drilling Contractor or Associate Member must make its own individual marketplace decision whether to follow any IADC recommendation.

Potentially questionable recommendations should be approved by IADC's legal counsel before they are disseminated. Each IADC member may consult with his/her own counsel or IADC's counsel should they have questions concerning the permissibility of discussing any topic.

2. IADC Guidelines for Meetings

The following general guidelines for IADC meetings should help avoid potential antitrust problems:

1. The Chairperson of the meeting should control the meeting.
2. In advance of a meeting, a notice of the meeting should be sent to each invitee and a copy sent to other interested parties. The notice may contain an agenda or refer to a website location where the agenda can be found.
3. The meeting should be conducted in accordance with the agenda, though items may be

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discussed in a different order than listed. In general, subjects not included on the agenda should be raised under Other Business and considered for inclusion on the agenda for a future meeting.

4. If a member is uncertain about the legality of a particular topic, he or she should check with legal counsel, the Chairman of the meeting or IADC staff. If an attendee brings up for discussion at a meeting a subject of doubtful legality, he should immediately be informed that the subject is not a proper one for discussion. In the absence of counsel, the Chairperson, IADC staff or any member present who is aware of the legal implications of a discussion of the subject should halt the discussion. Should the discussion continue, despite protest, the Chairperson or IADC staff should declare the meeting closed and all the attendees should leave.
5. General minutes of meetings should be kept and maintained for future reference at the committee specific site on IADC's website for a period of 9-12 months. Upon removal from the web site, they should be archived in the meeting records for a minimum of three years. Matters subject to attorney-client privilege will not be posted on the website, but will be included in the meeting records.
6. Secret or "rump" meetings held at the time of the regular meeting should be strictly avoided. Such meetings seldom have a purpose except to discuss activities of doubtful legality, and can seriously jeopardize legitimate activities, and create a risk that those activities may be investigated.
7. During meetings there should be no recommendations with respect to "sensitive" antitrust subjects, as listed below. In the less sensitive areas, such as standardization activities, recommendations may be permissible.

3. Prohibited Discussion Topics

Specifically, the following topics are matters that should not be discussed at IADC meetings:

1. Current or future prices. (Discussion of past prices also warrants care if their disclosure may significantly influence future pricing decisions.)
2. Profit levels sought or attained.
3. Price adjustments.
4. Cash discounts.
5. Credit terms.
6. Dividing up or allocating customers, markets or territories, or discussing responses to proposals.
7. Any limits on sales of drilling services or use of equipment in specific geographic areas or against specific customers, potential customers, suppliers, or potential suppliers.
8. Any refusal to deal with or boycott a customer, potential customer, supplier, or potential supplier.
9. Activities that would lessen the ability of others to compete or potentially compete in the industry.