

DODD-FRANK GENERAL TERMS AND CONDITIONS

(Version 1.0, April 2013)

Hess Energy Trading Company, LLC or an affiliate thereof (each a “Hess Party”) that is the counterparty in the agreement incorporating these Terms (“**Party A**”) **and** The other party that is not a Hess Party to the agreement incorporating these Terms (“**Party B**”)

Party A and Party B hereby agree as follows:

1. **Use and Scope of these Terms.** This Dodd-Frank General Terms and Conditions (“**Terms**”) will apply to the relationship between the parties in respect of the transaction or transactions evidenced by the transaction confirmation or other agreement incorporating these Terms that are (i) “swaps” as defined under the Commodity Exchange Act, as amended (the “**CEA**”) and the rules of the Commodity Futures Trading Commission (the “**CFTC**”) (all such transactions are referred to hereunder as “**Covered Transactions**”) and (ii) Other Transactions as defined in Section 2(d) below. Any agreement with respect to Covered Transactions or Other Transactions, whether a master agreement, confirmation agreement, or other underlying or governing document or agreement, is referred to herein as a “**Covered Agreement**”. No inference should be drawn that a transaction is a Covered Transaction simply because it is subject to one of the Covered Agreements. **In the event the parties have, or subsequently do, enter into a separate written agreement or protocol the subject matter of which is similar to these Terms, then, except for Section 2(d) of these Terms (relating to physical transactions), if applicable, and Section 7 of these Terms, the terms of such separate agreement or protocol shall control, and these Terms shall be of no further force and effect on and after the effective date of such separate agreement or protocol entered into by the parties.**
2. **Notifications, Representations & Agreements.**
 - (a) Clearing Exemption. With respect to each Covered Transaction that is otherwise required to be cleared pursuant to Section 2(h)(2) of the CEA, each party who is electing the clearing exemption represents to the other that, as of the trade date of such Covered Transaction (as specified in a confirmation between the parties, or if there is no confirmation, the date such transaction was entered into (the “**Trade Date**”)), it is:
 - (i) not a “financial entity” as defined in Section 2(h)(7)(C)(i) of the CEA, or it qualifies for the exemption from the definition of “financial entity” in CFTC Regulation 39.6(d), or it is electing the exception in accordance with Section (2)(h)(7)(C)(iii) or Section (2)(h)(7)(D) of the CEA;
 - (ii) using such Covered Transaction to hedge or mitigate commercial risk;
 - (iii) either (1) it has reported the information required to be submitted under CFTC Regulation 39.6(b)(1)(iii) in an annual filing made no more than 365 days prior to the Trade Date of such Covered Transaction, pursuant to CFTC Regulation 39.6(b)(2) and such information has been amended as necessary to reflect any material changes thereto, and such annual filing covers the particular Covered Transaction for which such exemption is being claimed, or (2) it (A) has notified the other party in writing that it has not reported the information listed in CFTC Regulation 39.6(b)(1)(iii) in an annual filing described above, (B) has reported the information listed in CFTC Regulation 39.6(b)(1)(iii) to the other party and (C) generally meets its financial obligations associated with entering into non-cleared swaps; and

- (iv) to the extent it is required to do so under Section 2(j) of the CEA and CFTC Regulation 39.6(b)(1)(iii)(D)(2), it has obtained all necessary approvals by the appropriate committee (or equivalent body) of its board of directors to rely on the exception to the clearing requirement under Section 2(h)(7)(A) of the CEA.
- (b) **Eligible Contract Participant.** Each party represents to the other that, as of the Trade Date of each Covered Transaction that is not a Commodity Trade Option, it is an “eligible contract participant,” as that term is defined in Section 1a(18) of the CEA and applicable regulations thereunder (an “ECP”).
- (c) **Commodity Trade Options.** With respect to each Covered Transaction that is a “Commodity Trade Option” (meaning a “commodity option” as defined in CFTC Regulation 1.3(hh) entered into pursuant to CFTC Regulation 32.3(a)), as of the Trade Date:
 - (i) the party that is the offeree represents that it is: (1) a producer, processor, commercial user of, or a merchant handling, the commodity that is the subject of the Commodity Trade Option, or the products or by-products thereof; and (2) entering into the Commodity Trade Option solely for purposes related to its business as such.
 - (ii) the party that is the offeror represents that it is either an ECP or is: (1) a producer, processor, commercial user of, or a merchant handling, the commodity that is the subject of the Commodity Trade Option, or the products or by-products thereof; and (2) entering into the Commodity Trade Option solely for purposes related to its business as such.
 - (iii) each party represents to the other that the Commodity Trade Option, if exercised, contains a binding obligation that results in the sale of an “exempt commodity” as defined in Section 1a(20) of the CEA or an “agricultural commodity” as defined in CFTC Regulation 1.3(zz) for immediate or deferred shipment or delivery.
- (d) **Physical Transactions.** Each Commodity transaction between the parties that is not a Covered Transaction is an “Other Transaction” hereunder. “Commodity” means any tangible or intangible commodity, good, or article of any type or description, and all services relating to, and right and interests in, such commodity, good or article, whether presently or in the future dealt in (including, without limitation, any electric power, electric power capacity, ancillary service product, natural gas, natural gas liquids, oil, heating oil, and other petroleum by-products or fuels). Consequently, the parties make the following representations to each other with respect to each Other Transaction, as of the Trade Date:
 - (i) it is a commercial user of, or a merchant handling, the Commodity that is the subject of the Other Transaction or the products or byproducts thereof; and is entering into such Other Transaction solely for purposes related to its business as such; and
 - (ii) it intends to make or take physical delivery of the Commodity; and any optionality under the Other Transaction is merely incidental to the predominant purpose of effecting delivery.

3. Consent to Disclosure

Notwithstanding anything to the contrary in any Covered Agreement or in any nondisclosure, confidentiality or similar agreement between the parties, each party hereby consents to the disclosure of information to the extent, in the reasonable determination of the other party, such disclosure is advisable or required by the CEA or any CFTC Regulation, some of which mandate reporting of transaction and similar information.¹ Each party acknowledges that disclosures made pursuant to these Terms, may include, without limitation, the disclosure of trade information including a party’s identity (by name, identifier or otherwise) and the election of the clearing exemption in Section 2, among other information, to a Swap

¹ CFTC Regulations 23.204, 23.205, 45.3 and 45.8.

Data Repository (“**SDR**”) and relevant regulators and that such disclosures could result in certain anonymous Covered Transaction and pricing data becoming available to the public.

4. Agreement of a Non-Reporting Party

- (a) Each party agrees that if it is the Non-Reporting Party (as defined below) with respect to a Covered Transaction under any Covered Agreement that is an “international swap” (as that term is defined in CFTC Regulation 45.1), it shall notify the Reporting Party (as defined below) to such international swap, as soon as practicable and in accordance with the procedure specified in any Covered Agreement regarding delivery of notices or information to a party and such other means as may be agreed in writing between the parties from time to time, of the (i) identity of each non-U.S. trade repository not registered with the CFTC to which the Non-Reporting Party or its agent has reported the Covered Transaction, and (ii) Covered Transaction identifier used by such non-U.S. trade repository to identify the Covered Transaction.²
- (b) Each party agrees that if it is the Non-Reporting Party with respect to a Covered Transaction, then upon the occurrence of any “life cycle event” (as that term is defined in CFTC Regulation 45.1)³ relating to a corporate event in respect of such Non-Reporting Party and such Covered Transaction, it will, as soon as practicable, but in no event later than 10:00 a.m. (Eastern standard time) on the second “business day” (as that term is defined in CFTC Regulation 45.1) following the day on which such life cycle event occurs, notify the Reporting Party to the Covered Transaction of the occurrence of such life cycle event, with sufficient detail regarding such life cycle event to allow such other party to comply with any reporting requirements imposed by the CFTC Regulations.⁴

As used herein, the following terms are defined as follows:

“**Non-Reporting Party**” means, in respect of any Covered Transaction subject to the CFTC Regulations, the party to such Covered Transaction that is not the Reporting Party.

“**Reporting Party**” means, in respect of any Covered Transaction subject to the CFTC Regulations, the party to such Covered Transaction that is determined to be the “reporting counterparty” in accordance with CFTC Regulation 45.8; *provided that*, in the event that CFTC Regulation 45.8 requires the parties to agree which party shall be the reporting party, the Reporting Party in respect of a Covered Transaction shall be **Party A** unless otherwise agreed by the parties.

Each party further covenants and agrees that the Reporting Party is only responsible for the reporting obligations expressly placed on the “reporting counterparty” under the CFTC Regulations and is not responsible for such other reporting obligations that may be required of the other party directly under the CEA and the CFTC Regulations. For the avoidance of doubt, it shall not be a breach of these Terms, any Covered Agreement or any nondisclosure, confidentiality or similar agreement between the parties solely as a result of either party reporting trade and other information to the CFTC or other regulators and/or to a SDR than is required by applicable law.

² CFTC Regulation 45.3(h).

³ A “life cycle event” means any event that would result in either a change to a primary economic term of a Covered Transaction or to any data about that Covered Transaction previously reported to a SDR. Examples of such events include, without limitation, a change in the identity of a counterparty resulting from an assignment or novation; a partial or full termination of the Covered Transaction; a change to the end date for the Covered Transaction; a change in the cash flows or rates originally reported; availability of a LEI for a counterparty previously identified by name or by some other identifier; or a corporate action affecting a security or securities on which the Covered Transaction is based (e.g., a merger, dividend, stock split, or bankruptcy).

⁴ CFTC Regulation 45.4(c).

5. Agreement to Provide Additional Information

Each party agrees promptly to provide the other party, in accordance with the procedure specified in any Covered Agreement regarding the delivery of notices or information to a party and such other means as may be agreed in writing between the parties from time to time, any information reasonably requested by such other party to enable such other party to comply with Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act and CFTC Regulations in connection with any proposed or existing Covered Transaction or Other Transaction between the parties under the Covered Agreement.⁵

6. Interpretation

The parties agree that any reference to a previous version of the CEA or CFTC Regulations in any Covered Agreement will be deemed to be a reference to the current version of the CEA or CFTC Regulations as amended from time to time. Nothing herein is intended to be legal advice to the other party, and each party should consult with their own attorneys with questions regarding their status, eligibility or whether they meet or satisfy definitional, eligibility or other legal requirements.

7. Limitation to Covered Agreement Default

Each party agrees that an event of default, termination event, or other similar event shall not occur under any Covered Agreement solely on the basis of (i) a representation provided in these Terms being incorrect or misleading in any material respect, or (ii) a breach of any covenant or agreement set forth in these Terms; *provided, however*, that nothing in this Section 7 shall prejudice any right or remedy of a party at law or in equity for a misrepresentation hereunder or a breach of these Terms, and *provided, further*, that nothing herein shall prejudice any right or remedy of a party for a breach of any representation, warranty, covenant, or agreement in a Covered Agreement (but for the avoidance of doubt, for such purposes these Terms shall not be deemed to be part of the Covered Agreement).

8. Duty to Update

Each Party agrees to promptly notify the other Party in writing if it becomes aware of (i) any material change to information previously provided by such Party under Sections 4(b) or 5, or (ii) any representations made herein becoming incorrect or misleading in any material respect.

9. Miscellaneous

- (a) **Entire Agreement.** Except as set forth in Section 1 of these Terms, these Terms constitutes the entire agreement and understanding of the parties with respect to its subject matter.
- (b) **Amendments.** An amendment, modification or waiver in respect of these Terms with respect to a particular Covered Transaction will only be effective if in writing and agreed to by both parties.
- (c) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of these Terms will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (d) **Governing Law.** This Terms will be governed by and construed in accordance with the laws of the State of New York (without reference to any choice of law doctrine that would apply the law of another jurisdiction).

⁵ See, e.g., CFTC Regulations 20.5(a); 43.3-43.4; 45.2-45.4; 46.3.