

## LEAP Master Agreement for Purchasing and Selling Refined Petroleum Products and Crude Oil (the “LEAP”) A QUICK REFERENCE GUIDE Version 2.1 vs. Version 3.0

**Key**  
**Red:** significant changes  
**Orange:** moderately significant changes  
**Green:** less significant changes

	Term	LEAP Version 2.1	LEAP Version 3.0
1.	<b>Overall Structure</b>	Body of the master agreement covers all product groups and pipeline and tank transfers, with annexes for other delivery modes and for Canadian transactions.	Body of the master agreement contains terms applicable to all transactions, and separate annexes contain terms specific to product groups (crude, refined products, and NGLs/LPGs) and specific to delivery mode (each, an “ <b>Annex</b> ”). Parties need only negotiate and execute the specific Annexes that will be relevant.
2.	<b>Elections and Other Modifications</b>	<ul style="list-style-type: none"> <li>Cover Sheet included on the front of the master agreement for elections and other modifications and for notice information.</li> <li>The Term “Cover Sheet” will be used going forward in the “LEAP Version 2.1” column and the term “Schedule” will be used in the column for “Key Changes in LEAP Version 3.0” reflecting the different terminology used in the two editions of the agreement. In each case they refer to the section of the</li> </ul>	<ul style="list-style-type: none"> <li>Schedule included on the back of the master agreement for elections and modifications applicable to all transactions. Product or mode specific elections and modifications are made at the end of each Annex.</li> <li>Other than general notice information, all notice information is included in the Annexes for purposes of specifying different contacts for different product groups.</li> <li>Length of Schedule reduced significantly. Note the following</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
		document where elections and modifications are made.	<p>changes to the Schedule:</p> <ul style="list-style-type: none"> <li>○ A place to specify the Credit Support Provider, if applicable, has been added.</li> <li>○ Elections for Section 5 (Credit), Section 6 (Payment Netting and Bookouts), Section 7.2 (Failure to Deliver or Take Delivery), and Section 19 (Assignment) have been removed and a market approach for each is hardwired into the body of the master agreement.</li> <li>○ Section 7.1 (Events of Default) elections to apply each specific Event of Default were removed and the defaults are hardwired in the body of the master agreement, with the exception of elections for Default under Other Trading Agreements (Section 7.1(d)) and Cross Default (Section 7.1(e)), which remain. [See also row 16]</li> <li>○ The “export of default” election for Section 8 (Termination and Liquidation) was removed and no export of default provision is included in the LEAP 3.0 Agreement. [See also row 17]</li> <li>○ The “Closeout Setoff” provision of Section 8.3 is expanded to include an election for “rectangular” setoff (setoff of amounts owed between either party and either party’s affiliates). [See also row 17]</li> <li>○ The Section 10.5 Force Majeure Termination Payment election was removed. No termination payment is payable in connection with the termination of a term transaction for an extended force majeure. Upon termination, neither party has any further liability with respect to the terminated transaction. [See also row 18]</li> <li>○ A new election is included to specify the minimum</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
			<p>duration for a force majeure event giving rise to a right to terminate a term transaction (options are 30, 120 or 180 days). Only the party that is not declaring the force majeure has the right to terminate. [See also row 18]</p> <ul style="list-style-type: none"> <li>○ An election was added to make the Disrupted Transactions provision M Section 16.2 applicable. [See also row 21]</li> <li>○ The specification of the confirmation party pursuant to the Section 23 election was simplified to an election of either Party A or Party B. There is no option to elect “Seller” or “Buyer” and no separate election for buy/sell transactions.</li> </ul>
3.	<b>Product</b>	Product is defined as the grades of refined petroleum products, crude oil, liquefied petroleum gas or natural gas liquids that are the subject matter of a transaction, as specified in a confirmation.	<ul style="list-style-type: none"> <li>• The definition of Product uses defined terms for “Refined Product”, “Crude Oil”, “Liquefied Petroleum Gas” and “Natural Gas Liquid”. Each term is defined in the applicable Annex. Refined Product is defined as product, including but not limited to one of the grades of refined petroleum products (including unfinished products), diesel fuel, refinery feedstocks, renewable fuels, or mixtures thereof, that are the subject matter of a transaction. The other defined terms used in the definition are defined with lower case references to crude oil, liquefied petroleum gas and natural gas liquid, respectively.</li> </ul>
4.	<b>Intent to Physically Deliver</b>	Not included	New statement included that the parties enter into each transaction with the intent to physically deliver the product. (Section 1.4)
5.	<b>Inconsistency</b>	The confirmation prevails if there is an inconsistency between the provisions of a confirmation and the master agreement. (Section 1.4)	The confirmation prevails if there is an inconsistency between the provisions of a confirmation and the master agreement, provided that if the term is inconsistent with Section 5 (Credit), Section 7 (Events of Default) or Section 8 (Termination and Liquidation) of the master agreement, the confirmation must be in writing and signed by both parties. (Section 1.6)

	Term	LEAP Version 2.1	LEAP Version 3.0
6.	<b>Title Transfer</b>	<ul style="list-style-type: none"> <li>• <u>Pipeline</u>: as the products pass the “Delivery Location” along the pipeline. (Section 2.2)</li> <li>• <u>In-Tank Transfer</u>: at the time of transfer, as specified in the PTO or on the books and records of the terminal operator. (Section 2.2)</li> <li>• <u>Tank-to-Tank Transfer</u>: as the products pass the inlet flange of the tank out of which delivery occurs, or as the products pass the inlet flange of the tank into which delivery occurs, in each case as evidenced by the PTO, or on the books and records of the terminal operator. (Section 2.2)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Pipeline</u>: (i) Free into pipe - as the product passes the inlet flange of buyer’s receiving pipeline system. (ii) Ex-pipe – as the product passes the outlet flange of seller’s delivering pipeline system. (Sections 2.2 of Crude Oil Annex, Refined Products Annex and NGL/LPG Annex)</li> <li>• <u>In-Tank Transfer</u>: at the time and on the day in such tanks as shall be specified in a confirmation or as agreed between the parties prior to transfer, provided that title shall not transfer prior to confirmation of the transfer by the owner/operator of the tanks. (Sections 2.2 of Crude Oil Annex, Refined Products Annex and NGL/LPG Annex)</li> <li>• <u>Tank-to-Tank Transfer</u>: as the products pass the inlet flange of the tank out of which delivery occurs, or as the products pass the inlet flange of the tank into which delivery occurs. (Sections 2.2 of Crude Oil Annex, Refined Products Annex and NGL/LPG Annex)</li> </ul>
7.	<b>Measurement</b>	<ul style="list-style-type: none"> <li>• <u>Pipeline</u>: The pipeline’s meter readings. (Section 3.3)</li> <li>• <u>Tank-to-Tank</u>: Meter readings.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Pipeline</u>: The pipeline’s proven and certified meter readings. (Sections 3.3 of Crude Oil Annex, Refined Products Annex and NGL/LPG Annex)</li> <li>• <u>Tank-to-Tank</u>: Proven and certified meter readings. (Sections 3.3 of Crude Oil Annex, Refined Products Annex and NGL/LPG Annex)</li> </ul>
8.	<b>Notice of Claim</b>	<ul style="list-style-type: none"> <li>• If notice of claim as to defect in quality or quantity is not delivered within 60 days of delivery of the product the claim will be deemed to have been waived. (Section 3.4)</li> </ul>	<ul style="list-style-type: none"> <li>• If notice of claim as to defect in quality or quantity is not delivered within 90 days of delivery of the Product, the claim will be deemed to have been waived. (Section 3.4)</li> <li>• If notice of claim as to defect in quality or quantity for NGLs/LPGs is not delivered within 7 business days after discovery, the claim will be deemed to have been waived. (Section 3.4 of NGL/LPG Annex)</li> </ul>
9.	<b>Balancing and Failure to Deliver or Take Delivery</b>	<ul style="list-style-type: none"> <li>• <u>Balancing</u>: Balancing provision specifies settlement mechanism for deliveries of less than or more than the contracted quantity. The provision applies to all transactions except where the entire contracted quantity is not delivered. (Section 3.5)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Balancing</u>: The balancing provision was removed. However, a balancing provision that applies only to crude oil trades that are buy/sell or exchange transactions is included. The new provision tracks one standard amendment to Conoco’s 1993 crude oil GTCs and, in general terms, requires the shortfall to be delivered</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
		<ul style="list-style-type: none"> <li>• <u>Failure to Deliver or Take Delivery</u>: Upon a failure to deliver or take delivery, the parties must attempt to negotiate a resolution within the number of days specified on the Cover Sheet. If the parties fail to agree upon a resolution, then the remedy elected in the Cover Sheet will apply. If a party elects the “Cover Damages” remedy on the Cover Sheet, then the provision specifies a financial settlement mechanism for a failure to deliver or take delivery of the entire contracted quantity. Alternatively, a party can specify on the Cover Sheet that damages under applicable law will apply or some other remedy as agreed between the parties. (Section 7.2)</li> </ul>	<p>as soon as possible after the deficient delivery/receipt, but if the imbalance is not remedied by the third month after the failed delivery/receipt, the party whose delivery was short must deliver Product back to the other party at the delivery location where it received product from the other party during the imbalance month. (Crude Oil Annex Part I, Section 3.5)</p> <ul style="list-style-type: none"> <li>• <u>Failure to Deliver or Take Delivery</u>: Failure to Deliver or Take Delivery was revised to apply to both partial and complete delivery failures. The requirement to negotiate for the number of days specified in the Schedule was replaced with a requirement to negotiate for a commercially reasonable period of time. If the parties fail to negotiate a resolution, then a cover damages remedy substantially similar to the cover damages remedy in the LEAP version 2.1 agreement would apply (Section 7.2)</li> </ul>
10.	<b>Binding Nature of Measurements</b>	<ul style="list-style-type: none"> <li>• <u>Pipeline/Tank</u>: Pipeline and tank delivery measurements are final and binding absent fraud or manifest error (Section 3.3)</li> <li>• <u>Truck/Rail</u>: Rail and truck delivery measurements are final and binding absent fraud or manifest error (Tank Truck and Tank Railcar Annex amendments to Section 3.3 of Master Agreement)</li> <li>• <u>Independent Inspectors</u>: Independent inspector determinations are conclusive and binding absent fraud or manifest error (Section 3.7)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Pipeline/Tank</u>: Measurements for tank and pipeline deliveries are final and binding for invoicing purposes, but without prejudice to the right of either party to file a claim for a defect in quantity or quality (Crude Oil Annex Part I and Refined Products Annex Part I, Section 3.3) The clarification that the measurements are subject to a party’s right to file a claim for a defect in quality or quantity is new.</li> <li>• <u>Truck/Rail</u>: Part I of the crude and the refined products annexes applies to truck and rail deliveries also, therefore measurements for truck and rail deliveries determined in accordance with Part II of the applicable annex are also final and binding for invoicing purposes, but without prejudice to the right of either party to file a claim for a defect in quantity or quality (Crude Oil Annex Part I and Refined Products Annex Part I, Section 3.3). The clarification that the measurements are subject to a party’s right to file a claim for a defect in quality or quantity is new.</li> <li>• <u>Independent Inspectors</u>: No provision specifically addresses the binding nature of independent inspector measurements.</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
11.	Payment	<ul style="list-style-type: none"> <li>• <u>Fallback Due Date</u>: No fallback due date included.</li> <li>• <u>Specified Due Dates</u>: (i) Amounts due in respect of crude oil are due by the 20<sup>th</sup> of the month following delivery, (ii) amounts due in respect of refined product are due within 2 business days after buyer receives notice of the amount due and, (ii) amounts due in respect of NGLs or LPGs are due within 5 business days after Buyer receives notice of the amount due. (Sections 4.1(a), (b) and (c)). Payments in respect of a refined products tank transfer are due on the effective date of the transfer (Section 4.1(a))</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Fallback Due Date</u>: A new fallback requiring payment within 5 business days of invoicing is included to capture any payment required under the agreement for which no due date is specified. (Section 4.1)</li> <li>• <u>Specified Due Dates</u>: The due dates for crude, refined product and NGLs/LPGs remain unchanged except that the requirement that payments in respect of a refined products tank transfer be made on the effective date of the transfer has been removed, and in the absence of a specification of the payment due date in the confirmation, the 2 business day deadline applying to all refined products transactions would apply. (Section 4.1 of Refined Products Annex and of Crude Oil and NGL/LPG Annexes)</li> </ul>
12.	Remedies At Law and UCC Remedies	<ul style="list-style-type: none"> <li>• <u>Payment Disputes and Default Remedies</u>: Express right to pursue remedies at law or in equity pursuant to Section 4.5 (Payment Disputes) and in Section 8.7 (Suspension of Performance).</li> <li>• <u>Adequate Assurances</u>: The Cover Sheet includes an election to waive rights under law with respect to adequate assurances, including under the UCC, to request adequate assurance of performance.</li> <li>• <u>Setoff etc.</u>: Express right to any other rights of setoff, recoupment, combination of accounts, lien or other right which it may have pursuant to Section 8.5.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Payment Disputes and Default Remedies</u>: Express right to pursue remedies at law or in equity has been removed from Section 4.5 (Payment Disputes) and Section 8.7 (Suspension of Performance).</li> <li>• <u>Adequate Assurances</u>: Express exclusion of rights at law or under the UCC to request performance assurance pursuant to Section 5.2 (Credit). The rights in the agreement are intended to be the exclusive rights. “UCC Waiver” election in the Schedule has been removed.</li> <li>• <u>Setoff etc.</u>: Express right to any other rights of setoff, recoupment etc. has been removed.</li> <li>• <u>Remedies not Exclusive</u>: Remedies in the agreement are in addition to, and not in limitation or exclusion of, any other rights which a person may have at law or otherwise unless expressly stated otherwise.. (Section 25.7)</li> </ul>
13.	Credit	<ul style="list-style-type: none"> <li>• <u>Obligation</u>: The general obligation is that, if a party has a commercially reasonable grounds for insecurity, it can request performance assurance in the form of cash, a standby letter of credit or other mutually acceptable performance assurance. (Section 5.2)</li> <li>• <u>Qualified Institution</u>: While letter of credit must be “in a form</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Right to Adequate Assurance</u>. Generally, the right remains unchanged except that the option to provide credit support in a form other than cash (referred to as “prepayment” now) or a letter of credit is at the secured party’s sole discretion, rather than upon the mutual agreement of the parties. (Section 5.1)</li> <li>• <u>Qualified Institution</u>. Letters of credit must be issued by a</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
		<p>and for a term acceptable to the Secured Party”, there is no requirement that it be issued by a “Qualified Institution”. (Section 5.2)</p> <ul style="list-style-type: none"> <li>• <u>Costs</u>: Responsibility for costs of a letter of credit is not explicitly addressed.</li> <li>• <u>Contracts Requiring Prepayment</u>: If a party is obligated to prepay, then the other party is deemed not to have reasonable grounds for insecurity. (Section 5.3)</li> <li>• <u>Cover Sheet Elections</u>: If elected in the Cover Sheet, the parties may put in place other credit and collateral arrangements as per Section 5.1.</li> <li>• <u>Exclusive Right to Request Adequate Assurances</u>: Right to request adequate assurances of performance under the agreement are exclusive, and the parties agree that the right to request under the UCC is not available. (See next row up)</li> </ul>	<p>Qualified Institution, as well as being “in a form and for a term acceptable to the Secured Party”. The criteria for Qualified Institution includes a minimum long term credit rating, a total equity requirement, and a requirement that it not exceed the secured party’s internal credit limits. (Section 5.1)</p> <ul style="list-style-type: none"> <li>• <u>Costs</u>: Costs for a letter of credit are expressly for the posting party’s account. (Section 5.1)</li> <li>• <u>Contracts Requiring Prepayment</u>: The provision, making the performance assurance remedy unavailable to a seller if the buyer is required to prepay a transaction, has been removed.</li> <li>• <u>Schedule Elections</u>: The election in the Schedule for other credit and collateral requirements and the related provision in Section 5 of the agreement were removed.</li> <li>• <u>Exclusive Right to Request Adequate Assurances</u>: Right to request adequate assurances of performance under the agreement are exclusive, and the parties agree that the right to request under the UCC is not available. (See next row up)</li> </ul>
14.	<b>Netting</b>	<p>If the parties elect netting on the Cover Sheet, the parties agree to net amounts due on the same payment date. (Section 6.1)</p>	<ul style="list-style-type: none"> <li>• The election on the Schedule has been removed.</li> <li>• The parties agree to net amounts due on the same payment date only where the applicable transactions are entered into under the same annex (e.g. crude oil transactions are netted with each other, and refined products transactions are netted separately) (Section 6.1)</li> </ul>
15.	<b>Bookouts</b>	<p>If the parties agree to bookout arrangements, the delivery obligations are extinguished or modified, and the payment will be due as specified. Either party can elect, at its option, to break the bookout and restore original contract terms.</p>	<p>The language of the bookout provision was revised to reflect issues related to Dodd-Frank.</p>
16.	<b>Events of Default</b>	<p>Each Event of Default is applicable only if elected in the Cover Sheet. (Section 7.1)</p>	<ul style="list-style-type: none"> <li>• All elections in Schedule have been removed except for the elections for Default under Other Trading Agreements (Section 7.1(d)) and Cross Default (Section 7.1(e))</li> <li>• A new Event of Default for merger without assumption has been added. (Section 7.1(i))</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
17.	Termination and Liquidation	<ul style="list-style-type: none"> <li>• <u>Export of Default</u>: Export of Default provision, if elected on the Cover Sheet, specifies that a default under this agreement constitutes a default under all “Other Trading Agreements” (all commodity and derivative agreements between the parties). (Section 8.3)</li> <li>• <u>Closeout Setoff</u>: Three different closeout setoff provisions are available to choose from via an election in the Cover Sheet – bilateral, triangular and no setoff. (Section 8.4)</li> <li>• <u>Grant of Security Interest/Remedies</u>: Posting party grants secured party a security interest in all performance assurance or other collateral or security transferred pursuant to the agreement and all proceeds thereof. Both parties will take any action the other party reasonably requires to perfect the first-priority security interest. The agreement further sets forth all the rights of the performing party in respect of performance assurance or collateral. After application of the proceeds, the secured party must return the excess proceeds or collateral. The defaulting party is required to return performance assurance/collateral to the performing party and the agreement sets out all the rights of the performing party in the event it is not returned. (Section 8.6)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Export of Default</u>: The Export of Default provision has been deleted.</li> <li>• <u>Closeout Setoff</u>: Four different closeout setoff provisions are available to choose from via an election in the Schedule. The fourth option is a new “rectangular” setoff provision, which permits setoff against amounts payable to or from affiliates of the defaulting party. (Section 8.4)</li> <li>• <u>Grant of Security Interest/Remedies</u>: The grant of security interest and related remedies has been reduced to a simple grant of a security interest in performance assurance and other collateral (proceeds are not explicitly included), and a requirement to return Performance assurance and after the designation of an early termination date. (Section 8.5)</li> </ul>
18.	Force Majeure and Allocations	<ul style="list-style-type: none"> <li>• <u>Definition</u>: The definition of Force Majeure requires, among other things, that the event could not, by the exercise of <i>due diligence</i>, have been remedied, avoided or overcome. (Section 10.1)</li> <li>• <u>Third Party Failures</u>: If a party’s failure to perform is due to the failure of a third party to perform, and the third party’s inability to perform is due to an event that meets the definition of Force Majeure under the LEAP agreement, the party’s failure to perform under the LEAP agreement will be excused by Force Majeure. (Section 10.1)</li> <li>• <u>Initial Notice</u>: A party claiming force Majeure will use commercially reasonable efforts to give prompt <i>verbal</i> notice</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Definition</u>: The requirement of the exercise of due diligence was replaced by a requirement that the event could not, by the exercise of <i>commercially reasonable efforts</i>, have been remedied avoided or overcome. (Section 10.1)</li> <li>• <u>Third Party Failures</u>: No failure of a third party to perform can constitute an excuse to perform under the LEAP. (Section 10.1)</li> <li>• <u>Initial Notice</u>: A party claiming force Majeure will use commercially reasonable efforts to give prompt <i>oral or written</i> notice of the event to the other party, <i>provided that voicemail shall not be considered a valid form of oral notice</i>. “Verbal” notice has been changed to “oral or written” notice, and the exclusion of voicemail as oral notice is new. (Section 10.4)</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
		<p>of the event to the other party. (Section 10.4)</p> <ul style="list-style-type: none"> <li>• <u>Follow up Notice</u>: The initial verbal notice must be followed up with written notice within 2 business days following the occurrence of the event. (Section 10.4)</li> <li>• <u>Termination Right</u>: If a Force Majeure event effecting a term transaction continues for 30 days or more, there is a termination right. As elected on the Cover Sheet, either (a) either party can terminate, and the parties will calculate a termination payment pursuant to the calculation method under the Termination and Liquidation provision, or (b) only the non-affected party may terminate, and neither party will have further liability to the other party. (Section 10.5)</li> <li>• <u>Allocations</u>: No allocation provision included.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Follow up Notice</u>: The notice following up the initial notice is required within a commercially practicable time, and the 2 business day time requirement has been deleted. (Section 10.4)</li> <li>• <u>Termination Right</u>: The parties must now elect in the Schedule to have a termination right in the event an extended Force Majeure affecting a term transaction. In addition, the parties must elect the duration that would give rise to the termination right: 30 days, 120 days or 180 days. Only the non-affected party has the right to terminate and there is no requirement that a termination payment be determined. Neither party has any liability to the other party in connection with the termination. (Section 10.5)</li> <li>• <u>Allocations</u>: A new allocation provision is included that provides that if a Force Majeure reduces the volume of product available to seller for its own requirements and for delivery to buyer and all seller's other customers, seller has the right to allocate in a fair and reasonable manner among all its customers and its own requirements. Similarly, if a Force Majeure reduces the amount of product that buyer can receive from seller and other counterparties, buyer can allocate similarly in a fair and reasonable manner. (Section 10.6)</li> </ul>
19.	<b>Importer/Exporter of Record</b>	No importer/exporter of record provision	New importer/exporter of record provision requiring (i) the importer of record to determine any license requirements and to pay any customs duty, superfund levy, petroleum oil spill tax and any other taxes or costs that apply to the import of product, and (ii) the exporter of record to determine any export license requirements, inform the other party of all license conditions, and make any applicable Electronic Export Information filings under the Automated Export System. (Section 12.10)
20.	<b>Compliance with Law</b>	<ul style="list-style-type: none"> <li>• <u>Anti-Corruption</u>: No Anti-Corruption provision.</li> <li>• <u>RBOB</u>: RBOB compliance provision requiring buyer to agree to transfer title to RBOB only to an oxygenate blender who is registered with the EPA or to an intermediate owner with the restriction that it be transferred only to a registered oxygenate</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Anti-Corruption</u>: New Anti-Corruption provision has been added. Each party warrants and undertakes to comply with all laws of the US relating to anti-bribery and anti-money laundering. The provision includes representations/undertakings with respect to specific activities. Either party may terminate the agreement or</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
		<p>blender. Further it requires buyer to have a contract with such transferee that requires the transferee to agree to four specific terms. (Section 16.3)</p> <ul style="list-style-type: none"> <li>• <u>LCFS</u>: No LCFS provision included.</li> </ul>	<p>any transaction that is required by law to be terminated upon written notice to the other party, if the other party is in breach of any of the representations/undertakings in this provision. Each party agrees to notify the other party if at any time it would not be able to repeat the representations set out in the provision. (Section 15.3)</p> <ul style="list-style-type: none"> <li>• <u>RBOB</u>: The RBOB provision from the LEAP Version 2.1 is including together with a new paragraph that would apply in place of the prior language if the seller has elected to participate in the alternative Quality Assurance Program under 40 CFR §80.69(a)(11). (Sections 15.3 and 15.4 of the Refined Products Annex)</li> <li>• <u>LCFS</u>: A new LCFS provision specifying that seller will transfer to buyer the CARB LCFS compliance obligations as the regulated party pursuant to 17 CCR §95480 et. seq. except where the buyer is not a producer or importer for purposes of the certain sections of the regulations, in which case the buyer would only become the regulated party to the extent the requirements of the regulations are met. Seller will provide buyer with a product transfer document containing certain specified information. Certain renewable fuels transferred in California must have been produced at a facility with a completed producer registration form filed with CARB and a valid carbon intensity rating from CARB's lookup table. Etc. (Section 15.5 of Refined Products Annex)</li> </ul>
21.	<b>Change in Law and Price Source Disruption</b>	<ul style="list-style-type: none"> <li>• <u>Change in Law</u>: The applicability of the change of law provision must be elected on the Cover Sheet. If elected, upon an event that would have a material adverse effect upon the rights and obligations of a party under a transaction, the affected party may initiate negotiations with the other party in order to appropriately pass through or address the effects of the changed law. (Section 17.1)</li> <li>• <u>Disrupted Transactions</u>: If the industry reference index that the price is based on ceases to be published or is not</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Change in Law</u>: The applicability of the change of law provision must be elected in the Schedule. If elected, upon an event that would have a material adverse economic effect upon either party, the affected party may initiate negotiations with the other party, within a commercially reasonable period of time after the changed or new law is promulgated, in order to appropriately pass through or address the effects of the changed law. The requirement that the adverse effect be “economic” in nature, and the requirement that the affected party request renegotiation within a commercially</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
		<p>published the parties must select an alternative index or negotiate an interim reference price until the original index recommences publishing. (Section 17.2)</p> <ul style="list-style-type: none"> <li>• <u>Failed Negotiations (Both Change in Law and Disrupted Transactions)</u>: If negotiations fail under either the change in law provision or the price source disruption provision, either party has the right to terminate all affected transactions after 30 days. Each party calculates the termination payment that would be payable under the Termination and Liquidation section of the agreement, and the actual amount payable will be the sum of the lesser amount and ½ the difference between the amounts calculated by the parties. (Section 17.3)</li> </ul>	<p>reasonable period of time are both changes to the provision in the LEAP version 2.1 agreement. The determination of whether a change of law has a materially adverse economic effect upon a party will be submitted to an expert, provided that the other party can agree that there has been an adverse economic effect and waive the right to expert determination. If the expert determines there has been a materially adverse economic effect, then the parties will renegotiate the price or other terms to address the economic effects (Section 16.1)</p> <ul style="list-style-type: none"> <li>• <u>Failed Negotiations (Change in Law)</u>: If the parties fail to agree upon revised terms to address the materially adverse economic effects of a change of law within 30 days of the affected party's initial notice, then the affected party may terminate the transaction. The settlement amount in connection with the termination will be based on the difference between the contract value and the market value of the affected transaction. Each party will make a determination of the termination settlement amount, and the actual amount payable will be the sum of the lesser amount and ½ the difference between the amounts calculated by the parties, provided that either party may dispute the result if they think it is commercially unreasonable. If a party disputes the result as commercially unreasonable, then each party will pick an independent dealer and the independent dealers will make a determination in the same manner.</li> <li>• <u>Disrupted Transaction</u>: Unchanged, but now it is only applicable if elected in the Schedule. (Section 16.2)</li> <li>• <u>Failed Negotiations (Disrupted Transactions)</u>: If the parties are unable to agree upon an alternative index or negotiate an interim reference price within 10 days after the original index ceases to be published, the issue will be submitted to an expert for resolution. Each party will submit its determination to the expert and the expert will pick the submission that best reflects the original index. (Section 16.2)</li> </ul>

	Term	LEAP Version 2.1	LEAP Version 3.0
22.	Assignment	No provision regarding the assignment of receivables.	New provision permitting the assignment of receivables without consent.
23.	Notice	No provision regarding change of account.	New provision permitting either party to change its account for receiving payment by giving notice at least 5 business days in advance of a payment due date, unless the other party gives timely notice of a commercially reasonable objection to such change.
24.	Confirmation Procedure	<ul style="list-style-type: none"> <li>• <u>Confirming Party's Confirmation</u>: Absent the availability of an electronic confirmation matching service, the party designated as the confirming party on the Cover Sheet will send a written confirmation to the other party within 3 business days after the transaction is entered into. The other party must notify the confirming party within 3 business days of any objection to the terms in such Confirmation or will be deemed to have accepted such terms. (Section 23.2)</li> <li>• <u>Failure of Confirming Party</u>: If the confirming party fails to send a written confirmation within 3 business days, the other party may send a written confirmation to the confirming party. The confirming party has 3 business days to object to any terms, failing which the confirming party will be deemed to have accepted the terms. (Section 23.2(a))</li> <li>• <u>Two Confirmations</u>: Provision included to settle which confirmation governs if both parties have sent a written confirmation to the other party. (Section 23.2(b))</li> <li>• <u>Non-economic Terms</u>: If non-economic terms are included in a confirmation, the terms will not be deemed accepted pursuant to Section 23, but must be agreed in writing. (Section 23.3)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Confirming Party's Confirmation</u>: Absent the availability of an electronic confirmation matching service, the party designated as the confirming party in the Schedule will send a written confirmation to the other party within 5 business days after the transaction is entered into. The other party must notify the confirming party within 10 calendar days of any objection to the terms in such confirmation or will be deemed to have accepted such terms. (Section 21.2)</li> <li>• <u>Failure of Confirming Party</u>: If the confirming party fails to send a written confirmation within 5 business days, the other party may send a written confirmation to the confirming party. The confirming party has 10 calendar days to object to any terms, failing which the confirming party will be deemed to have accepted the terms. (Section 21.2)</li> <li>• <u>Two Confirmations</u>: No provision is included addressing which confirmation governs if both parties send out confirmations. (Section 21.2)</li> <li>• <u>Non-economic Terms</u>: There is no provision requiring a written agreement to non-economic terms. However, see "Inconsistency" above, Section 1.6, which requires a signed agreement to changes to the Credit, Event of Default and Termination and Liquidation sections of the agreement.</li> </ul>
25.	Commodity Options	Not included.	New provision containing representations by each party that are required for purposes of Dodd-Frank for any transactions that are commodity options.

	Term	LEAP Version 2.1	LEAP Version 3.0
26.	<b>Limitation of Liability</b>	<ul style="list-style-type: none"> <li>• <u>Provisions to the Contrary</u>: The limitation of liability is “notwithstanding any other provision to the contrary in this agreement”. (Section 15)</li> <li>• <u>Exclusion of Payments Required Under Agreement</u>: The limitation of liability explicitly does not apply to payments required to be made pursuant to the agreement. (Section 15)</li> <li>• <u>Not a Penalty</u>: The Parties agree that any amounts payable under the agreement are intended to be a reasonable approximation of the amount of damages and are not a penalty. (Section 15)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Provisions to the Contrary</u>: No similar clause is included .</li> <li>• <u>Exclusion of Payments Required Under Agreement</u>: The limitation of liability explicitly does not apply to payments required to be made pursuant to the agreement, except that it explicitly does apply to payments required under the indemnification clause in Section 23. (Section 24)</li> <li>• <u>Not a Penalty</u>: No similar clause is included.</li> </ul>
27.	<b>Recording of Conversations</b>	Each party consents to recording telephone conversations and agrees to obtain any necessary consent of, and give any notice of, such recording to relevant personnel.	Each party consents to (i) the recording and retaining of electronic transmissions (including telephone conversations, e-mail and instant messaging) and (ii) the monitoring of electronic transmissions through internal and external networks for purposes of security and compliance with law and internal policies for other legitimate business purposes. Each party also agrees to notify relevant personnel of such recording and obtain their prior consent.
28.	<b>Right to Audit</b>	No provision included.	Each party has the right to examine, audit and obtain copies of the other party’s books, records and telephone records to verify the accuracy of any statement, charge, payment etc.
29.	<b>Ethics</b>	No provision included.	Each party warrants that is hasn’t made any inappropriate payments (e.g., commissions, rebates, payments, kickbacks, etc.) to any person at the other party.
30.	<b>Confidentiality</b>	No provision included.	Standard confidentiality clause included.
31.	<b>Prior Transactions</b>	No provision included.	Any transaction that falls within the scope of the LEAP agreement shall be a transaction under the LEAP agreement and subject to the terms of the LEAP agreement, unless the parties explicitly agree that such transaction shall not be subject to the LEAP agreement.

	Term	LEAP Version 2.1	LEAP Version 3.0
32.	<b>Termination</b>	If no transactions are outstanding, either party can terminate upon 30 days' notice.	Either party can terminate the agreement upon 30 days' prior notice, provided that the agreement will continue to govern transactions entered into prior to the effective date of such termination. The obligation of a party to make payment with respect to any transaction entered into prior to the effective date of the termination, including any adjustments, shall survive termination.
33.	<b>Incoterms</b>	The "latest edition" of the Incoterms are incorporated for truck and rail FCA and DAP transactions. (Section 2 of Truck and Rail Annex)	The 2010 edition of the Incoterms are incorporated for truck and rail, and the definitions for FCA and DAP transactions supplement the terms set forth in the LEAP agreement. (Sections 25.10 of Crude Oil Annex, Refined Products Annex and NGL/LPG Annex)
34.	<b>Detention Charges</b>	Detention charges apply under DAP rail transactions. (Section 4 of Truck and Rail Annex)	Detention charges can apply under both DAP and FCA rail transactions. (Sections 25.8 of Crude Oil Annex, Refined Products Annex and NGL/LPG Annex)
35.	<b>Truck and Rail Safety</b>	No provision.	New safety provision requiring safety procedures and an MSDS that properly classifies the Product. The party responsible for sampling and testing is the party required to undertake such activities under law. Railcars and trucks shall be in compliance with terminal operator's rules and regulations and applicable law. Either party has a right to refuse a truck or railcar if it is not fit for loading or discharge, acting in a commercially reasonable manner. Etc. (Sections 25.13 of Crude Oil Annex, Refined Products Annex and NGL/LPG Annex)
36.	<b>Marine Annex</b>		Unchanged

Reed Smith  
May 2015

Melissa McGoogan  
Counsel, Houston  
(713) 469-3681  
mmcgoogan@reedsmith.com

The information contained in this communication is general in nature and is not intended to be comprehensive, nor to provide legal advice. You should not rely on the information contained in this communication as if it were legal or other professional advice. © Reed Smith LLP 2015.