

Hedging Agreement

Date: [Insert Date]

Parties:

[Your Company Name]

[Address]

[City, State, Zip Code]

and

[Counterparty Company Name]

[Address]

[City, State, Zip Code]

Subject: Hedging Agreement for Commodity Trading

Dear [Counterparty's Name],

This letter serves to confirm the hedging agreement between [Your Company Name] and [Counterparty Company Name] with respect to the trading of [Commodity Name]. This agreement is designed to mitigate the risks associated with price fluctuations in the market.

Terms and Conditions:

1. **Commodity:** [Specify the commodity]
2. **Hedging Strategy:** [Detail the hedging strategy]
3. **Contract Size:** [Specify the contract size]
4. **Hedging Period:** [Specify the duration]
5. **Settlement Date:** [Specify the settlement date]
6. **Pricing Mechanism:** [Detail the pricing mechanism]

Liabilities:

Each party agrees to assume its own liabilities resulting from the terms of this agreement. If either party incurs losses as a result of unforeseen market conditions, such losses shall not be compensated by the other party.

Please indicate your acceptance of this agreement by signing below.

Sincerely,

[Your Name]

[Your Position]

[Your Company Name]

[Your Contact Information]

Acceptance:

[Counterparty's Name]

[Counterparty's Position]

[Counterparty Company Name]

Date: _____