

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2019**
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE TRANSITION PERIOD FROM TO
COMMISSION FILE NUMBER 001-03551**

EQT CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Pennsylvania

(State or other jurisdiction of incorporation or organization)

25-0464690

(IRS Employer Identification No.)

**625 Liberty Avenue, Suite 1700
Pittsburgh, Pennsylvania 15222**
(Address of principal executive offices and zip code)
(412) 553-5700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	EQT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 29, 2019, 255,643,475 shares of common stock, no par value, of the registrant were outstanding.

EQT CORPORATION AND SUBSIDIARIES
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

EQT CORPORATION AND SUBSIDIARIES
Statements of Condensed Consolidated Operations (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(Thousands, except per share amounts)				
Operating revenues:				
Sales of natural gas, oil and natural gas liquids	\$ 769,627	\$ 1,046,989	\$ 2,941,767	\$ 3,264,728
Gain (loss) on derivatives not designated as hedges	180,313	(3,075)	455,952	5,620
Net marketing services and other	1,636	6,132	7,282	42,382
Total operating revenues	951,576	1,050,046	3,405,001	3,312,730
Operating expenses:				
Transportation and processing	437,942	420,747	1,314,172	1,265,473
Production	37,821	42,734	117,545	149,231
Exploration	3,492	3,596	6,356	6,474
Selling, general and administrative	79,376	51,816	214,562	154,590
Depreciation and depletion	390,993	388,016	1,154,519	1,152,418
Impairment/loss on sale/exchange of long-lived assets	13,935	259,279	13,935	2,706,438
Impairment of intangible assets	15,411	—	15,411	—
Lease impairments and expirations	49,601	12,176	127,719	35,584
Amortization of intangible assets	7,755	10,341	28,439	31,025
Proxy, transaction and reorganization	76,779	8,792	102,386	23,930
Total operating expenses	1,113,105	1,197,497	3,095,044	5,525,163
Operating (loss) income	(161,529)	(147,451)	309,957	(2,212,433)
Unrealized loss on investment in Equitrans Midstream Corporation	(261,093)	—	(276,779)	—
Dividend and other income	22,960	4,323	67,592	4,063
Interest expense	47,709	56,180	154,785	171,211
Loss from continuing operations before income taxes	(447,371)	(199,308)	(54,015)	(2,379,581)
Income tax benefit	(86,343)	(71,961)	(9,244)	(596,723)
Loss from continuing operations	(361,028)	(127,347)	(44,771)	(1,782,858)
Income from discontinued operations, net of tax	—	190,795	—	537,673
Net (loss) income	(361,028)	63,448	(44,771)	(1,245,185)
Less: Net income from discontinued operations attributable to noncontrolling interests	—	103,141	—	362,696
Net loss attributable to EQT Corporation	\$ (361,028)	\$ (39,693)	\$ (44,771)	\$ (1,607,881)
Amounts attributable to EQT Corporation:				
Loss from continuing operations	\$ (361,028)	\$ (127,347)	\$ (44,771)	\$ (1,782,858)
Income from discontinued operations, net of tax	—	87,654	—	174,977
Net loss attributable to EQT Corporation	\$ (361,028)	\$ (39,693)	\$ (44,771)	\$ (1,607,881)
Earnings per share of common stock attributable to EQT Corporation:				
Basic:				
Weighted average common stock outstanding	255,235	259,560	255,069	262,816
Loss from continuing operations	\$ (1.41)	\$ (0.49)	\$ (0.18)	\$ (6.79)
Income from discontinued operations	—	0.34	—	0.67
Net loss	\$ (1.41)	\$ (0.15)	\$ (0.18)	\$ (6.12)
Diluted:				
Weighted average common stock outstanding	255,235	259,560	255,069	262,816
Loss from continuing operations	\$ (1.41)	\$ (0.49)	\$ (0.18)	\$ (6.79)
Income from discontinued operations	—	0.34	—	0.67
Net loss	\$ (1.41)	\$ (0.15)	\$ (0.18)	\$ (6.12)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
Statements of Condensed Consolidated Comprehensive (Loss) Income (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(Thousands)				
Net (loss) income	\$ (361,028)	\$ 63,448	\$ (44,771)	\$ (1,245,185)
Other comprehensive (loss) income, net of tax:				
Net change in cash flow hedges:				
Natural gas (a)	—	(430)	—	(1,183)
Interest rate (b)	43	52	127	132
Other post-retirement benefits liability adjustment (c)	77	86	229	258
Change in accounting principle (d)	—	—	(496)	—
Other comprehensive income (loss)	120	(292)	(140)	(793)
Comprehensive (loss) income	(360,908)	63,156	(44,911)	(1,245,978)
Less: Comprehensive income from discontinued operations attributable to noncontrolling interests	—	103,141	—	362,696
Comprehensive loss attributable to EQT Corporation	\$ (360,908)	\$ (39,985)	\$ (44,911)	\$ (1,608,674)

(a) Net of tax benefit of \$150 and \$413 for the three and nine months ended September 30, 2018, respectively.

(b) Net of tax expense of \$10 for both the three months ended September 30, 2019 and 2018 and \$30 and \$54 for the nine months ended September 30, 2019 and 2018, respectively.

(c) Net of tax expense of \$26 and \$29 for the three months ended September 30, 2019 and 2018, respectively, and \$78 and \$89 for the nine months ended September 30, 2019 and 2018, respectively.

(d) Related to adoption of Accounting Standards Update (ASU) 2018-02. See Note 1 for additional information.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
Statements of Condensed Consolidated Cash Flows (Unaudited)

	Nine Months Ended September 30,	
	2019	2018
	(Thousands)	
Cash flows from operating activities:		
Net loss	\$ (44,771)	\$ (1,245,185)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Deferred income tax benefit	(10,407)	(502,853)
Depreciation and depletion	1,154,519	1,290,876
Amortization of intangible assets	28,439	62,185
Asset and lease impairments	157,065	2,742,022
Unrealized loss on investment in Equitrans Midstream Corporation	276,779	—
Share-based compensation expense	29,453	23,137
Amortization, accretion and other	19,385	(33,492)
Gain on derivatives not designated as hedges	(455,952)	(5,620)
Net cash settlements received (paid) on derivatives not designated as hedges	152,149	(27,401)
Net premiums received on derivative instruments	22,512	—
Changes in other assets and liabilities:		
Accounts receivable	508,306	(7,713)
Accounts payable	(286,453)	205,360
Other items, net	82,830	(55,926)
Net cash provided by operating activities	1,633,854	2,445,390
Cash flows from investing activities:		
Capital expenditures	(1,257,333)	(2,225,671)
Capital expenditures for discontinued operations (a)	—	(624,359)
Proceeds from sale of assets	—	583,895
Capital contributions to Mountain Valley Pipeline, LLC (a)	—	(446,049)
Other investing activities	1,123	(7,276)
Net cash used in investing activities	(1,256,210)	(2,719,460)
Cash flows from financing activities:		
Proceeds from borrowings on credit facility	2,261,250	3,695,500
Repayment of borrowings on credit facility	(2,900,250)	(4,540,500)
Proceeds from borrowings on term loan facility	1,000,000	—
Debt issuance costs for term loan facility	(913)	—
Repayments and retirements of debt	(703,471)	(7,999)
Dividends paid	(22,985)	(23,736)
Proceeds from awards under employee compensation plans	—	1,946
Cash paid for taxes related to net settlement of share-based incentive awards	(7,220)	(21,910)
Repurchase and retirement of common stock	—	(538,876)
Repurchase of common stock	—	(27)
Distributions to noncontrolling interests (a)	—	(279,539)
Increase in borrowings on credit facilities of discontinued operations (a)	—	2,524,000
Repayment of borrowings on credit facilities of discontinued operations (a)	—	(2,968,000)
Proceeds from issuance of EQM Midstream Partners, LP debt (a)	—	2,500,000
Debt discount and issuance costs for EQM Midstream Partners, LP debt (a)	—	(34,249)
Acquisition of 25% ownership interest in Strike Force Midstream LLC (a)	—	(175,000)
Net cash (used in) provided by financing activities	(373,589)	131,610
Net change in cash, cash equivalents and restricted cash	4,055	(142,460)
Cash, cash equivalents and restricted cash at beginning of period	3,487	147,315
Cash and cash equivalents at end of period	\$ 7,542	\$ 4,855
Cash paid (received) during the period for:		

Interest, net of amount capitalized	\$	125,817	\$	163,688
Income taxes, net	\$	(1,480)	\$	193
Non-cash activity during the period for:				
Increase in right-of-use lease assets and lease liabilities	\$	112,141	\$	—
Increase in asset retirement costs and obligations	\$	3,610	\$	6,109

(a) Related to discontinued operations. See Note 2.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)

	September 30, 2019	December 31, 2018
	(Thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,542	\$ 3,487
Accounts receivable (less provision for doubtful accounts of \$6,179 and \$8,648 at September 30, 2019 and December 31, 2018, respectively)	552,260	1,241,843
Derivative instruments, at fair value	771,634	481,654
Tax receivable	127,789	131,573
Prepaid expenses and other	35,995	111,107
Total current assets	1,495,220	1,969,664
Property, plant and equipment	23,460,786	22,148,012
Less: accumulated depreciation and depletion	5,890,792	4,755,505
Net property, plant and equipment	17,569,994	17,392,507
Intangible assets, net	33,483	77,333
Investment in Equitrans Midstream Corporation	736,223	1,013,002
Other assets	325,529	268,838
Total assets	\$ 20,160,449	\$ 20,721,344
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt	\$ 4,916	\$ 704,390
Accounts payable	755,102	1,059,873
Derivative instruments, at fair value	339,995	336,051
Other current liabilities	349,697	254,687
Total current liabilities	1,449,710	2,355,001
Credit facility borrowings	161,000	800,000
Term loan borrowings	999,239	—
Senior Notes	3,887,907	3,882,932
Note payable to EQM Midstream Partners, LP	106,333	110,059
Deferred income taxes	1,809,650	1,823,381
Other liabilities	848,985	791,742
Total liabilities	9,262,824	9,763,115
Shareholders' equity:		
Common stock, no par value, authorized 320,000 shares, issued 257,003 and 257,225 shares at September 30, 2019 and December 31, 2018, respectively	7,818,683	7,828,554
Treasury stock, shares at cost of 1,833 and 2,753 at September 30, 2019 and December 31, 2018, respectively	(32,527)	(49,194)
Retained earnings	3,117,015	3,184,275
Accumulated other comprehensive loss	(5,546)	(5,406)
Total equity	10,897,625	10,958,229
Total liabilities and equity	\$ 20,160,449	\$ 20,721,344

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
Statements of Condensed Consolidated Equity (Unaudited)

	Common Stock							
	Shares	No Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests in Consolidated Subsidiaries	Total Equity	
	(Thousands, except per share or unit amounts)							
Balance at July 1, 2018	264,331	\$ 9,316,209	\$ (50,769)	\$ 2,416,802	\$ (2,959)	\$ 5,023,336	\$ 16,702,619	
Comprehensive income (net of tax):								
Net (loss) income				(39,693)		103,141	63,448	
Net change in cash flow hedges:								
Natural gas (a)					(430)		(430)	
Interest rate (b)					52		52	
Other post-retirement benefits liability adjustment (c)					86		86	
Dividends (d)				(7,838)			(7,838)	
Share-based compensation plans	41	6,996	755			462	8,213	
Distributions to noncontrolling interests (e)						(98,794)	(98,794)	
Repurchase and retirement of common stock	(9,946)	(500,199)					(500,199)	
Changes in ownership of consolidated subsidiaries		(138,837)				189,072	50,235	
Balance at September 30, 2018	<u>254,426</u>	<u>\$ 8,684,169</u>	<u>\$ (50,014)</u>	<u>\$ 2,369,271</u>	<u>\$ (3,251)</u>	<u>\$ 5,217,217</u>	<u>\$ 16,217,392</u>	
Balance at July 1, 2019	254,796	\$ 7,807,740	\$ (39,310)	\$ 3,485,711	\$ (5,666)	\$ —	\$ 11,248,475	
Comprehensive income (net of tax):								
Net loss				(361,028)			(361,028)	
Net change in interest rate cash flow hedges (b)					43		43	
Other post-retirement benefit liability adjustment (c)					77		77	
Dividends (d)				(7,668)			(7,668)	
Share-based compensation plans	374	10,943	6,783				17,726	
Balance at September 30, 2019	<u>255,170</u>	<u>\$ 7,818,683</u>	<u>\$ (32,527)</u>	<u>\$ 3,117,015</u>	<u>\$ (5,546)</u>	<u>\$ —</u>	<u>\$ 10,897,625</u>	

Common shares authorized: 320,000 shares. Preferred shares authorized: 3,000 shares. There are no preferred shares issued or outstanding.

- (a) Net of tax benefit of \$150.
- (b) Net of tax expense of \$10 for both the three months ended September 30, 2018 and 2019.
- (c) Net of tax expense of \$29 and \$26 for the three months ended September 30, 2018 and 2019, respectively.
- (d) Dividends were \$0.03 per share for both the three months ended September 30, 2018 and 2019.
- (e) Distributions to noncontrolling interests from EQM Midstream Partners, LP (EQM) and EQGP Holdings, LP (EQGP) were \$1.09 and \$0.306 per common unit, respectively.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
Statements of Condensed Consolidated Equity (Unaudited)

	Common Stock							
	Shares	No Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests in Consolidated Subsidiaries	Total Equity	
	(Thousands, except per share or unit amounts)							
Balance at January 1, 2018	264,320	\$ 9,388,903	\$ (63,602)	\$ 3,996,775	\$ (2,458)	\$ 5,094,995	\$ 18,414,613	
Comprehensive income (net of tax):								
Net (loss) income				(1,607,881)		362,696	(1,245,185)	
Net change in cash flow hedges:								
Natural gas (a)					(1,183)		(1,183)	
Interest rate (b)					132		132	
Other post-retirement benefits liability adjustment (c)					258		258	
Dividends (d)				(23,736)			(23,736)	
Share-based compensation plans	752	(9,116)	13,588			953	5,425	
Distributions to noncontrolling interests (e)						(279,539)	(279,539)	
Change in accounting principle				4,113			4,113	
Repurchase and retirement of common stock	(10,646)	(538,876)					(538,876)	
Acquisition of 25% ownership interest in Strike Force Midstream LLC		1,818				(176,818)	(175,000)	
Changes in ownership of consolidated subsidiaries		(158,560)				214,930	56,370	
Balance at September 30, 2018	<u>254,426</u>	<u>\$ 8,684,169</u>	<u>\$ (50,014)</u>	<u>\$ 2,369,271</u>	<u>\$ (3,251)</u>	<u>\$ 5,217,217</u>	<u>\$ 16,217,392</u>	
Balance at January 1, 2019	254,472	\$ 7,828,554	\$ (49,194)	\$ 3,184,275	\$ (5,406)	\$ —	\$ 10,958,229	
Comprehensive income (net of tax):								
Net loss				(44,771)			(44,771)	
Net change in interest rate cash flow hedges (b)					127		127	
Other post-retirement benefit liability adjustment (c)					229		229	
Dividends (d)				(22,985)			(22,985)	
Share-based compensation plans	920	4,599	16,667				21,266	
Change in accounting principle (f)				496	(496)		—	
Other	(222)	(14,470)					(14,470)	
Balance at September 30, 2019	<u>255,170</u>	<u>\$ 7,818,683</u>	<u>\$ (32,527)</u>	<u>\$ 3,117,015</u>	<u>\$ (5,546)</u>	<u>\$ —</u>	<u>\$ 10,897,625</u>	

Common shares authorized: 320,000 shares. Preferred shares authorized: 3,000 shares. There are no preferred shares issued or outstanding.

- (a) Net of tax benefit of \$413.
- (b) Net of tax expense of \$54 and \$30 for the nine months ended September 30, 2018 and 2019, respectively.
- (c) Net of tax expense of \$89 and \$78 for the nine months ended September 30, 2018 and 2019, respectively.
- (d) Dividends were \$0.09 per share for both the nine months ended September 30, 2018 and 2019.
- (e) Distributions to noncontrolling interests were \$3.18, \$0.808 and \$0.5966 per common unit from EQM, EQGP and Rice Midstream Partners LP (RMP), respectively.
- (f) Related to adoption of ASU 2018-02. See Note 1 for additional information.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT Corporation and Subsidiaries
Notes to the Condensed Consolidated Financial Statements (Unaudited)

1. Financial Statements

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with United States generally accepted accounting principles (GAAP) for interim financial information and with the requirements of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by GAAP for complete financial statements. In the opinion of management, these statements include all adjustments (consisting of only normal recurring accruals, unless otherwise disclosed in this Quarterly Report on Form 10-Q) necessary for a fair presentation of the financial position of EQT Corporation and subsidiaries as of September 30, 2019 and December 31, 2018, the results of its operations and equity for the three and nine month periods ended September 30, 2019 and 2018 and its cash flows for the nine month periods ended September 30, 2019 and 2018. Certain previously reported amounts have been reclassified to conform to the current year presentation. In this Quarterly Report on Form 10-Q, references to "we," "us," "our," "EQT," "EQT Corporation" and the "Company" refer collectively to EQT Corporation and its consolidated subsidiaries.

The balance sheet at December 31, 2018 has been derived from the audited financial statements at that date but does not include all information and footnotes required by GAAP for complete financial statements. Additionally, the Condensed Consolidated Financial Statements have been recast to reflect the presentation of discontinued operations as a result of the Separation and Distribution defined and described in Note 2.

For further information, refer to the consolidated financial statements and related footnotes as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*. The standard requires entities to record assets and liabilities that arise from operating leases. In July 2018, the FASB issued ASU 2018-11, *Leases: Targeted Improvements*, which provided an optional transition method of adoption that permitted entities to recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Under the optional transition method, comparative financial information and disclosures are not required. The update also provided transition practical expedients. The standard requires disclosure of the nature, maturity and value of an entity's lease liabilities and elections made by the entity. In March 2019, the FASB issued ASU 2019-01, *Leases: Codification Improvements*, which, among other things, clarified interim disclosure requirements in the year of ASU 2016-02 adoption.

The Company adopted ASU 2016-02, ASU 2018-11 and ASU 2019-01 on January 1, 2019 using the optional transition method of adoption. The Company implemented a new lease accounting system to monitor its population of lease contracts. The Company also implemented processes and controls to review both new contracts and modifications to existing contracts that contain lease components for appropriate accounting treatment and to generate disclosures required under the standards. For the disclosures required by the standards, see Note 10.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*. This ASU amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, this ASU eliminates the probable initial recognition threshold and requires entities to reflect their current estimate of all expected credit losses. The amendment affects loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables and any other financial assets not excluded from its scope that have a contractual right to receive cash. This ASU will be effective for annual reporting periods beginning after December 15, 2019, including interim periods within that reporting period. The Company does not expect that the adoption of this standard will have a material impact on its financial statements and related disclosures and plans to adopt this ASU in the first quarter of 2020.

In February 2018, the FASB issued ASU 2018-02, *Income Statement—Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This ASU allows entities to reclassify stranded tax effects resulting from the Tax Cuts and Jobs Act of 2017 (the Tax Cuts and Jobs Act) from accumulated other comprehensive income to retained earnings. This ASU is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. The reclassification permitted under this ASU should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized.

EQT Corporation and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)

The Company adopted this ASU on January 1, 2019, resulting in a \$0.5 million decrease to other comprehensive income and increase to retained earnings.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement, Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU modifies the hierarchy associated with Level 1, 2 and 3 fair value measurements and the related disclosure requirements. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, and early adoption is permitted. The Company does not expect that the adoption of this standard will have a material impact on its financial statements and related disclosures and plans to adopt this ASU in the first quarter of 2020.

2. Discontinued Operations

On November 12, 2018, the Company completed the separation of its midstream business, which was composed of the separately operated natural gas gathering, transmission and storage and water services businesses of the Company, from its upstream business, which is composed of the natural gas, oil and natural gas liquids (NGLs) development, production and sales and commercial operations of the Company (the Separation). The Separation was effected by the transfer of the midstream business from the Company to Equitrans Midstream Corporation (Equitrans Midstream) and the distribution of 80.1% of the outstanding shares of Equitrans Midstream's common stock to the Company's shareholders (the Distribution).

The Company retained 19.9% of the outstanding shares of Equitrans Midstream's common stock. The Company does not have the ability to exercise significant influence and does not have a controlling financial interest in Equitrans Midstream or any of its subsidiaries; therefore, this investment is accounted for as an investment in equity securities. As of September 30, 2019 and December 31, 2018, the fair value was based on the closing stock price of Equitrans Midstream's common stock multiplied by the number of shares of Equitrans Midstream's common stock owned by the Company. The changes in fair value were recorded in the Statements of Condensed Consolidated Operations.

Equitrans Midstream included the Company's former EQM Gathering, EQM Transmission and EQM Water segments. For all periods prior to the Separation and Distribution, the results of operations of Equitrans Midstream are reflected as discontinued operations. The Statements of Condensed Consolidated Operations have been recast to reflect this presentation and present certain transportation and processing expenses in continuing operations that were previously eliminated in consolidation. The cash flows related to Equitrans Midstream have not been segregated and are included within the Statements of Condensed Consolidated Cash Flows for all periods prior to the Separation and Distribution.

The results of operations of Equitrans Midstream, as presented as discontinued operations in the Statements of Condensed Consolidated Operations, are summarized below. The Company allocated the transaction costs associated with the Separation and Distribution and a portion of the costs associated with the acquisition of Rice Energy Inc. to discontinued operations.

	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2018
	(Thousands)	
Operating revenues	\$ 108,824	\$ 334,394
Transportation and processing	(234,340)	(688,876)
Operation and maintenance	29,909	82,458
Selling, general and administrative	13,584	41,238
Depreciation	47,295	138,458
Transaction costs	22,714	69,246
Amortization of intangible assets	10,387	31,160
Other income	17,432	39,029
Interest expense	36,862	68,848
Income from discontinued operations before income taxes	199,845	630,891
Income tax expense	9,050	93,218
Income from discontinued operations after income taxes	190,795	537,673
Less: Net income from discontinued operations attributable to noncontrolling interests	103,141	362,696
Net income from discontinued operations	\$ 87,654	\$ 174,977

EQT Corporation and Subsidiaries
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The following table presents cash flows from discontinued operating activities related to Equitrans Midstream that are included and not separately stated in the Statements of Condensed Consolidated Cash Flows. Cash flows from investing and financing activities are separately stated in the Statements of Condensed Consolidated Cash Flows.

	Nine Months Ended September 30, 2018
	(Thousands)
Operating activities:	
Deferred income tax benefit	\$ (124,331)
Depreciation	138,458
Amortization of intangibles	31,160
Other income	(39,029)
Share-based compensation expense	1,293

3. Revenue from Contracts with Customers

Under the Company's natural gas, oil and NGLs sales contracts, the Company generally considers the delivery of each unit (MMBtu or Bbl) to be a separate performance obligation that is satisfied upon delivery. These contracts typically require payment within 25 days of the end of the calendar month in which the commodity is delivered. A significant number of these contracts contain variable consideration because the payment terms refer to market prices at future delivery dates. In these situations, the Company has not identified a standalone selling price because the terms of the variable payments relate specifically to the Company's efforts to satisfy the performance obligations. Other contracts contain fixed consideration (i.e. fixed price contracts or contracts with a fixed differential to New York Mercantile Exchange (NYMEX) or index prices). The fixed consideration is allocated to each performance obligation on a relative standalone selling price basis, which requires judgment from management. For these contracts, the Company generally concludes that the fixed price or fixed differentials in the contracts are representative of the standalone selling price.

Based on management's judgment, the performance obligations for the sale of natural gas, oil and NGLs are satisfied at a point in time because the customer obtains control and legal title of the asset when the natural gas, oil or NGLs are delivered to the designated sales point.

The sales of natural gas, oil and NGLs presented on the Statements of Condensed Consolidated Operations represent the Company's share of revenues net of royalties and excluding revenue interests owned by others. When selling natural gas, oil and NGLs on behalf of royalty owners or working interest owners, the Company is acting as an agent and, thus, reports the revenue on a net basis.

Because the Company's performance obligations have been satisfied and an unconditional right to consideration exists as of the balance sheet date, the Company recognized amounts due from contracts with customers of \$301.5 million and \$783.0 million as accounts receivable within the Condensed Consolidated Balance Sheets as of September 30, 2019 and December 31, 2018, respectively. Accounts receivable also includes amounts due from joint interest partners as well as amounts due for settled derivative instruments.

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The table below provides disaggregated information regarding the Company's revenues. Certain contracts that provide for the release of capacity that is not used to transport the Company's produced volumes are outside the scope of ASU 2014-09, *Revenue from Contracts with Customers*. The cost of, and recoveries on, that capacity are reported within net marketing services and other. Derivative contracts are also outside the scope of *Revenue from Contracts with Customers*.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(Thousands)				
Revenues from contracts with customers:				
Natural gas sales	\$ 726,076	\$ 931,976	\$ 2,763,792	\$ 2,877,660
NGLs sales	34,880	106,621	151,004	357,746
Oil sales	8,671	8,392	26,971	29,322
Net marketing services and other	—	2,605	—	14,273
Total revenues from contracts with customers	769,627	1,049,594	2,941,767	3,279,001
Other sources of revenue:				
Net marketing services and other	1,636	3,527	7,282	28,109
Gain (loss) on derivatives not designated as hedges	180,313	(3,075)	455,952	5,620
Total operating revenues	\$ 951,576	\$ 1,050,046	\$ 3,405,001	\$ 3,312,730

The following table includes the transaction price allocated to the Company's remaining performance obligations on all contracts with fixed consideration as of September 30, 2019. The table excludes all contracts that qualified for the exception to the relative standalone selling price method.

	2019 (a)	2020	2021	Total
(Thousands)				
Natural gas sales	\$ 22,001	\$ 56,269	\$ 14,731	\$ 93,001

(a) October 1 through December 31.

4. Derivative Instruments

The Company's primary market risk exposure is the volatility of future prices for natural gas and NGLs, which can affect the operating results of the Company. The Company uses derivative commodity instruments to hedge its cash flows from sales of the Company's produced natural gas and NGLs. The Company's overall objective in its hedging program is to protect cash flows from undue exposure to the risk of changing commodity prices.

The derivative commodity instruments currently used by the Company are primarily swap agreements, collar agreements and option agreements that may require payments to or receipt of payments from counterparties based on the differential between two prices for the commodity. The Company uses these agreements to hedge its NYMEX and basis exposure. The Company may also use other contractual agreements in implementing its commodity hedging strategy. The Company's over the counter (OTC) derivative commodity instruments are typically entered into with financial institutions and the creditworthiness of all counterparties is regularly monitored.

The Company does not designate any of its derivative instruments as cash flow hedges; therefore, all changes in fair value of the Company's derivative instruments are recognized within operating revenues in the Statements of Condensed Consolidated Operations. The Company recognizes all derivative instruments as either assets or liabilities at fair value on a gross basis. These derivative instruments are reported as either current assets or current liabilities due to their highly liquid nature. The Company can net settle its derivative instruments at any time.

Contracts that result in physical delivery of a commodity expected to be sold by the Company in the normal course of business are generally designated as normal sales and are exempt from derivative accounting. If contracts that result in the physical receipt or delivery of a commodity are not designated or do not meet all the criteria to qualify for the normal purchase and normal sale scope exception, the contracts are subject to derivative accounting.

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The Company's OTC derivative instruments generally require settlement in cash. The Company also enters into exchange traded derivative commodity instruments that are generally settled with offsetting positions. Settlements of derivative commodity instruments are reported as a component of cash flows from operations in the accompanying Statements of Condensed Consolidated Cash Flows.

With respect to the derivative commodity instruments held by the Company, the Company hedged portions of expected sales of production and portions of its basis exposure covering approximately 1,922 Bcf of natural gas and 276 Mbbls of NGLs as of September 30, 2019, and 3,128 Bcf of natural gas and 1,505 Mbbls of NGLs as of December 31, 2018. The open positions at both September 30, 2019 and December 31, 2018 had maturities extending through December 2024.

When the net fair value of any of the Company's swap agreements represents a liability to the Company that is in excess of the agreed-upon threshold between the Company and the counterparty, the counterparty requires the Company to remit funds as a margin deposit in an amount equal to the portion of the derivative liability that is in excess of the threshold amount. The Company records these deposits as a current asset. When the net fair value of any of the Company's swap agreements represents an asset to the Company that is in excess of the agreed-upon threshold between the Company and the counterparty, the Company requires the counterparty to remit funds as a margin deposit in an amount equal to the portion of the derivative asset that is in excess of the threshold amount. The Company records a current liability for such amounts received. The Company had no such deposits in its Condensed Consolidated Balance Sheets as of September 30, 2019 and December 31, 2018.

When the Company enters into exchange-traded natural gas contracts, exchanges may require the Company to remit funds to the corresponding broker as good-faith deposits to guard against the risks associated with changing market conditions. The Company must make such deposits based on an established initial margin requirement as well as the net liability position, if any, of the fair value of the associated contracts. The Company records these deposits as a current asset in the Condensed Consolidated Balance Sheets. When the fair value of such contracts is in a net asset position, the broker may remit funds to the Company. The Company records a current liability for any such amounts received. The initial margin requirements are established by the exchanges based on the price, volatility and the time to expiration of the related contract. The margin requirements are subject to change at the exchanges' discretion. The Company recorded current assets of \$23.4 million and \$40.3 million as of September 30, 2019 and December 31, 2018, respectively, for such deposits in its Condensed Consolidated Balance Sheets.

The Company has netting agreements with financial institutions and its brokers that permit net settlement of gross commodity derivative assets against gross commodity derivative liabilities. The table below reflects the impact of netting agreements and margin deposits on gross derivative assets and liabilities.

	Gross derivative instruments, recorded in the Condensed Consolidated Balance Sheets	Derivative instruments subject to master netting agreements	Margin deposits remitted to counterparties	Derivative instruments, net
	(Thousands)			
As of September 30, 2019				
Asset derivative instruments, at fair value	\$ 771,634	\$ (288,898)	\$ —	\$ 482,736
Liability derivative instruments, at fair value	\$ 339,995	\$ (288,898)	\$ (23,372)	\$ 27,725
As of December 31, 2018				
Asset derivative instruments, at fair value	\$ 481,654	\$ (256,087)	\$ —	\$ 225,567
Liability derivative instruments, at fair value	\$ 336,051	\$ (256,087)	\$ (40,283)	\$ 39,681

Certain of the Company's OTC derivative instrument contracts provide that, if the Company's credit ratings by S&P Global Ratings (S&P) or Moody's Investors Service, Inc. (Moody's) are lowered below investment grade, additional collateral must be deposited with the counterparty if the derivative liability on those contracts exceeds certain thresholds. The additional collateral can be up to 100% of the derivative liability. As of September 30, 2019, the aggregate fair value of all OTC derivative instruments with credit risk-related contingent features that were in a net liability position was \$76.7 million, for which the Company had no collateral posted on September 30, 2019. If the Company's credit rating by S&P or Moody's had been downgraded to a rating immediately below investment grade on September 30, 2019, the Company would not have been required to post any additional collateral under its OTC derivative instrument contracts with the respective counterparties. The required margin on the Company's derivative instruments is subject to significant change as a result of factors other than credit rating, such as gas prices and credit thresholds set forth in agreements between the hedging counterparties and the Company. Investment grade refers to the quality of the Company's

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credit as assessed by one or more credit rating agencies. The Company's senior unsecured debt was rated BBB- by S&P and Baa3 by Moody's at September 30, 2019. In order to be considered investment grade, the Company must be rated BBB- or higher by S&P and Baa3 or higher by Moody's. Anything below these ratings is considered non-investment grade. See also "Security Ratings and Financing Triggers" under Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Company may engage in interest rate swaps to hedge exposure to fluctuations in interest rates but has not executed any interest rate swaps since 2011. Amounts related to historical interest rate swaps are recorded in other comprehensive income (OCI). See Note 9.

5. Fair Value Measurements

The Company records its financial instruments, principally derivative instruments, at fair value in its Condensed Consolidated Balance Sheets. The Company estimates the fair value using quoted market prices, where available. If quoted market prices are not available, fair value is based on models that use market-based parameters as inputs, including forward curves, discount rates, volatilities and nonperformance risk. Nonperformance risk considers the effect of the Company's credit standing on the fair value of liabilities and the effect of the counterparty's credit standing on the fair value of assets. The Company estimates nonperformance risk by analyzing publicly available market information, including a comparison of the yield on debt instruments with credit ratings similar to the Company's or counterparty's credit rating and the yield of a risk-free instrument.

The Company has categorized its assets and liabilities recorded at fair value into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Assets and liabilities in Level 2 primarily include the Company's swap, collar and option agreements.

Exchange traded commodity swaps are included in Level 1. The fair value of the commodity swaps included in Level 2 is based on standard industry income approach models that use significant observable inputs, including but not limited to NYMEX natural gas forward curves, LIBOR-based discount rates, basis forward curves and natural gas liquids forward curves. The Company's collars and options are valued using standard industry income approach option models. The significant observable inputs used by the option pricing models include NYMEX forward curves, natural gas volatilities and LIBOR-based discount rates.

The table below reflects assets and liabilities measured at fair value on a recurring basis.

	Gross derivative instruments, recorded in the Condensed Consolidated Balance Sheets	Fair value measurements at reporting date using:			
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
(Thousands)					
As of September 30, 2019					
Asset derivative instruments, at fair value	\$ 771,634	\$ 140,855	\$ 630,779	\$ —	
Liability derivative instruments, at fair value	\$ 339,995	\$ 107,490	\$ 232,505	\$ —	
As of December 31, 2018					
Asset derivative instruments, at fair value	\$ 481,654	\$ 112,107	\$ 369,547	\$ —	
Liability derivative instruments, at fair value	\$ 336,051	\$ 126,582	\$ 209,469	\$ —	

The carrying values of cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying value of the Company's investment in Equitrans Midstream approximates fair value as it is a publicly traded company. The carrying value of borrowings under the Company's credit facility and term loan facility approximate fair value as the interest rates are based on prevailing market rates. The Company considered all of these fair values to be Level 1 fair value measurements.

The Company also has an immaterial investment in a fund that invests in companies developing technology and operating solutions for exploration and production companies for which the Company recognized a cumulative effect of accounting change in the first quarter 2018. The investment is valued using the net asset value as a practical expedient as provided in the financial statements received from fund managers.

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The Company estimates the fair value of its Senior Notes using its established fair value methodology. As the Company's Senior Notes are not all actively traded, the fair value is a Level 2 fair value measurement. As of September 30, 2019 and December 31, 2018, the estimated fair value of the Company's Senior Notes was approximately \$3.8 billion and \$4.4 billion, respectively, and the carrying value of the Company's Senior Notes was approximately \$3.9 billion and \$4.6 billion, respectively, inclusive of the current portion of debt on the Condensed Consolidated Balance Sheets. The fair value of the Company's note payable to EQM is a Level 3 fair value measurement, which is estimated using an income approach model with a market-based discount rate. As of September 30, 2019 and December 31, 2018, the estimated fair value of the Company's note payable to EQM was approximately \$131 million and \$122 million, respectively, and the carrying value of the Company's note payable to EQM was approximately \$111 million and \$115 million, respectively, inclusive of the current portion of debt on the Condensed Consolidated Balance Sheets.

The Company recognizes transfers between Levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the periods presented.

For information on the fair values of assets related to the impairments of proved and unproved oil and gas properties and of other long-lived assets, see Note 12 and Note 1 in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018.

6. Income Taxes

Historically, the Company calculated the provision for income taxes for interim periods by applying an estimate of the annual effective tax rate for the full fiscal year to "ordinary" income or loss (pre-tax income or loss excluding unusual or infrequently occurring items) for the period. Because small fluctuations in estimated ordinary income could result in significant changes in the estimated annual effective tax rate, the Company determined that the historic method does not provide a reliable estimate for the nine months ended September 30, 2019. As a result, the Company instead used a discrete effective tax rate method to calculate taxes for the nine months ended September 30, 2019. There were no material changes to the Company's methodology for determining unrecognized tax benefits during the nine months ended September 30, 2019.

For the nine months ended September 30, 2018, the Company calculated the provision for income taxes by applying the annual effective tax rate for the full fiscal year to ordinary income or loss for the period.

The Company recorded income tax benefit at effective tax rates of 17.1% and 25.1% for the nine months ended September 30, 2019 and 2018, respectively. The Company's effective tax rate for the nine months ended September 30, 2019 was lower compared to the U.S. federal statutory rate of 21% due primarily to state valuation allowances that limit certain state tax benefits and executive compensation and transaction costs, which are not deductible for tax purposes, partly offset by state taxes recorded in 2019 and the release of the valuation allowance related to Alternative Minimum Tax (AMT) sequestration. The IRS announced in January 2019 that it was reversing its prior position that 6.2% of AMT refunds were subject to sequestration by the U.S. federal government. As a result, the Company reversed this related valuation allowance in the first quarter of 2019. The Company's effective tax rate for the nine months ended September 30, 2018 was higher than the U.S. federal statutory rate due primarily to higher state taxes recorded in 2018, partly offset by valuation allowances that limit state tax benefits.

7. Debt

The Company has a \$2.5 billion credit facility that expires in July 2022. The Company had no letters of credit outstanding under the credit facility as of September 30, 2019 and December 31, 2018. During the three months ended September 30, 2019 and 2018, the maximum amounts of outstanding borrowings at any time under the credit facility were \$0.3 billion and \$0.7 billion, respectively, the average daily balances were approximately \$0.1 billion and \$0.3 billion, respectively, and interest was incurred at a weighted average annual interest rate of 3.6% for both periods. During the nine months ended September 30, 2019 and 2018, the maximum amounts of outstanding borrowings at any time under the credit facility were \$1.1 billion and \$1.6 billion, respectively, the average daily balances were approximately \$0.3 billion and \$0.9 billion, respectively, and interest was incurred at weighted average annual interest rates of 4.0% and 3.3%, respectively.

On May 31, 2019, the Company entered into a Term Loan Agreement (Term Loan Agreement) providing for a \$1.0 billion unsecured term loan facility (Term Loan Facility) and borrowed \$1.0 billion under the Term Loan Facility. The Company used the net proceeds to (i) repay the \$700 million in aggregate principal amount of 8.125% Senior Notes, which matured on June 1, 2019, (ii) repay outstanding borrowings under the Company's \$2.5 billion credit facility and (iii) pay accrued interest and fees and expenses related to the foregoing and the Term Loan Agreement. Remaining proceeds from the borrowing were used by the Company for general corporate purposes. The Term Loan Facility matures on May 31, 2021.

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At the Company's election, the \$1.0 billion in borrowings under the Term Loan Facility bear interest at a eurodollar rate as defined in the Term Loan Agreement plus a margin determined on the basis of the Company's credit ratings, which is currently 1.00%. The Company may voluntarily prepay borrowings under the Term Loan Facility, in whole or in part, without premium or penalty, but subject to reimbursement of funding losses with respect to prepayment. Borrowings under the Term Loan Facility that are repaid may not be reborrowed. As of September 30, 2019, the Company had \$1.0 billion of outstanding borrowings under the Term Loan Facility and interest was incurred at a weighted average annual interest rate of 3.3%.

The Term Loan Agreement contains certain representations and warranties and various affirmative and negative covenants and events of default, including (i) a restriction on the ability of the Company or its subsidiaries to incur or permit liens on assets, subject to certain significant exceptions, (ii) the establishment of a maximum ratio of consolidated debt to total capital of the Company and its subsidiaries such that consolidated debt shall at no time exceed 65% of total capital, (iii) a limitation on certain changes to the Company's business and (iv) certain restrictions related to mergers or acquisitions.

8. Earnings Per Share

The Company reported a net loss for the three and nine months ended September 30, 2019 and 2018; therefore, all options and restricted stock were excluded from the calculation of diluted weighted average shares outstanding and diluted earnings per share because of their anti-dilutive effect on loss per share. Options to purchase common stock that were excluded from potentially dilutive securities because they were anti-dilutive were 2,554,729 for both the three and nine months ended September 30, 2019 and 1,201,900 and 1,257,991 for the three and nine months ended September 30, 2018, respectively.

9. Changes in Accumulated Other Comprehensive (Loss) Income by Component

The following table explains the changes in accumulated OCI (loss) income by component.

	Natural gas cash flow hedges, net of tax	Interest rate cash flow hedges, net of tax	Other post- retirement benefit liability adjustment, net of tax	Accumulated OCI (loss), net of tax
	(Thousands)			
As of July 1, 2019	\$ —	\$ (303)	\$ (5,363)	\$ (5,666)
Losses reclassified from accumulated OCI, net of tax	—	43 (a)	77 (b)	120
As of September 30, 2019	<u>\$ —</u>	<u>\$ (260)</u>	<u>\$ (5,286)</u>	<u>\$ (5,546)</u>
As of July 1, 2018	\$ 3,872	\$ (475)	\$ (6,356)	\$ (2,959)
(Gains) losses reclassified from accumulated OCI, net of tax	(430) (a)	52 (a)	86 (b)	(292)
As of September 30, 2018	<u>\$ 3,442</u>	<u>\$ (423)</u>	<u>\$ (6,270)</u>	<u>\$ (3,251)</u>
As of January 1, 2019	\$ —	\$ (387)	\$ (5,019)	\$ (5,406)
Losses reclassified from accumulated OCI, net of tax	—	127 (a)	229 (b)	356
Change in accounting principle	—	—	(496) (c)	(496)
As of September 30, 2019	<u>\$ —</u>	<u>\$ (260)</u>	<u>\$ (5,286)</u>	<u>\$ (5,546)</u>
As of January 1, 2018	\$ 4,625	\$ (555)	\$ (6,528)	\$ (2,458)
(Gains) losses reclassified from accumulated OCI, net of tax	(1,183) (a)	132 (a)	258 (b)	(793)
As of September 30, 2018	<u>\$ 3,442</u>	<u>\$ (423)</u>	<u>\$ (6,270)</u>	<u>\$ (3,251)</u>

(a) (Gains) losses reclassified from accumulated OCI, net of tax related to natural gas cash flow hedges were reclassified into operating revenues. Losses from accumulated OCI, net of tax related to interest rate cash flow hedges were reclassified into interest expense.

(b) Accumulated OCI reclassification is attributable to the net actuarial loss and net prior service cost related to the Company's defined benefit pension plans and other post-retirement benefit plans. See Note 1 to the Consolidated Financial Statements in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018 for additional information.

(c) Related to adoption of ASU 2018-02. See Note 1 for additional information.

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10. Leases

The Company leases certain drilling rigs, facilities and other equipment. As discussed in Note 1, the Company adopted ASU 2016-02, ASU 2018-11 and ASU 2019-01 on January 1, 2019 using the optional transition method of adoption. The Company elected a package of practical expedients that together allows an entity to not reassess (i) whether a contract is or contains a lease, (ii) lease classification and (iii) initial direct costs. In addition, the Company elected the following practical expedients: (i) to not reassess certain land easements, (ii) to not apply the recognition requirements under the standard to short-term leases and (iii) to combine and account for lease and nonlease contract components as a lease, which requires the capitalization of fixed nonlease payments on January 1, 2019 or lease effective date and the recognition of variable nonlease payments as variable lease expense.

On January 1, 2019, the Company recorded a total of \$89.0 million in right-of-use assets and corresponding lease liabilities on its Condensed Consolidated Balance Sheet, representing the present value of its future operating lease payments. Adoption of the standards did not require an adjustment to the opening balance of retained earnings. The discount rate used to determine present value was based on the rate of interest that the Company estimated it would have to pay to borrow (on a collateralized-basis over a similar term) an amount equal to the lease payments in a similar economic environment as of January 1, 2019. The Company is required to reassess the discount rate for new and modified lease contracts as of the lease effective date.

The right-of-use assets and lease liabilities recognized upon adoption of ASU 2016-02 were based on lease classifications, lease commitment amounts and terms recognized under the prior lease accounting guidance. Leases with an initial term of twelve months or less are considered short-term leases and are not recorded on the balance sheet. As of September 30, 2019, the Company had no finance leases and was not a lessor.

The following table summarizes operating lease costs for the three and nine months ended September 30, 2019.

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
	(Thousands)	
Operating lease costs	\$ 13,067	\$ 50,764
Variable lease costs (a)	4,182	14,451
Total lease costs (b)	<u>\$ 17,249</u>	<u>\$ 65,215</u>

(a) Includes short-term lease costs.

(b) Includes costs capitalized to property, plant and equipment on the Condensed Consolidated Balance Sheet of \$12.0 million and \$51.4 million for the three and nine months ended September 30, 2019, respectively, related primarily to drilling rig leases. Of the capitalized costs, \$10.9 million and \$43.6 million for the three and nine months ended September 30, 2019, respectively, are operating lease costs.

For the nine months ended September 30, 2019, cash paid for operating lease liabilities, and reported in cash flows provided by operating activities on the Company's Statement of Condensed Consolidated Cash Flows, was \$8.1 million. During the nine months ended September 30, 2019, the Company recorded \$23.1 million of right-of-use assets in exchange for new lease liabilities.

The operating lease right-of-use assets were reported in other assets and the current and noncurrent portions of the operating lease liabilities were reported in other current liabilities and other liabilities, respectively, on the Condensed Consolidated Balance Sheet. As of September 30, 2019, the operating right-of-use assets were \$59.1 million and operating lease liabilities were \$66.9 million, of which \$29.9 million was classified as current. As of September 30, 2019, the weighted average remaining lease term was 3.4 years and the weighted average discount rate was 3.3%.

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Schedule of Operating Lease Liability Maturities. The following table summarizes undiscounted cash flows owed by the Company to lessors pursuant to contractual agreements in effect as of September 30, 2019.

	As of September 30, 2019	
		(Thousands)
2019 (October – December)	\$	9,338
2020		29,598
2021		9,186
2022		8,499
2023		8,417
2024+		6,013
Total lease payments		71,051
Less: Interest		4,128
Present value of lease liabilities	\$	66,923

11. Asset Exchange Transaction

During the third quarter of 2019, the Company closed on an acreage trade agreement and purchase and sale agreement with a third party (Asset Exchange Transaction), pursuant to which the Company exchanged approximately 16,000 net revenue interest acres primarily in Tyler and Wetzel counties, West Virginia for approximately 16,000 net revenue interest acres primarily in Wetzel and Marion counties, West Virginia. Under the terms of the purchase and sale agreement, the Company assigned to the third party a gas gathering agreement covering a portion of Tyler county and providing a firm gathering commitment, and the Company was released from its remaining obligations under the gas gathering agreement. As consideration for the third party's assumption of the Tyler county gas gathering agreement, the Company agreed to reimburse the third party for certain firm gathering costs under the gas gathering agreement through December 2022 and assign the third party an additional approximately 3,000 net revenue interest acres in Tyler and Wetzel counties, West Virginia. As a result of the transaction, the Company recorded a net loss of \$13.9 million for the three months ended September 30, 2019, reflected in impairment/loss on sale/exchange of long-lived assets in the Statements of Condensed Consolidated Operations. As of September 30, 2019, the liability for the reimbursement of certain firm gathering costs was \$38.1 million and is reflected in other current and noncurrent liabilities in the Condensed Consolidated Balance Sheets.

The fair values of leases acquired and the liability for the reimbursement of certain firm gathering costs were based on significant inputs that were not observable in the market and, as such, are considered to be Level 3 fair value measurements. See Note 5 for a description of the fair value hierarchy included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018. Key assumptions included in the calculation of these fair values included market-based prices for comparable acreage and a calculation of net present value of the expected payments due for reimbursement.

12. Divestitures

In 2018, the Company sold its non-core production and related midstream assets located in the Permian Basin and Huron play (2018 Divestitures). For the nine months ended September 30, 2018, as a result of the 2018 Divestitures, the Company recorded an impairment/loss on sale/exchange of long-lived assets of \$2.4 billion. The impairment of these properties and related pipeline assets recorded was due to the carrying value of the assets exceeding the amounts received upon the closing of the 2018 Divestitures.

The fair value of the impaired assets was based on significant inputs that were not observable in the market and, as such, are considered to be Level 3 fair value measurements. See Note 5 for a description of the fair value hierarchy and Note 1 included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018 for the policy on impairment of proved and unproved properties. Key assumptions included in the calculation of the fair value of the impaired assets included (i) reserves, including risk adjustments for probable and possible reserves, (ii) future commodity prices, (iii) to the extent available, market based indicators of fair value including estimated proceeds that could be realized upon a potential disposition, (iv) production rates based on the Company's experience with similar properties it operates, (v) estimated future operating and development costs and (vi) a market-based weighted average cost of capital.

In connection with the closing of the 2018 Divestitures, the Company also recorded a loss of \$259.3 million during the third quarter of 2018 related to certain capacity contracts that the Company no longer has existing production to satisfy and does not plan to

EQT Corporation and Subsidiaries
Notes to the Condensed Consolidated Financial Statements (Unaudited)

use in the future. The loss was recorded in the impairment/loss on sale/exchange of long-lived assets within the Statements of Consolidated Operations. The fair value of the loss for the initial measurement was based upon significant inputs that were not observable in the market and, as such, is considered a Level 3 fair value measurement. The key unobservable input in the calculation is the amount, if any, of potential future economic benefit from the contracts. See Note 5 for a description of the fair value hierarchy.

EQT Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of financial condition and results of operations in conjunction with the Condensed Consolidated Financial Statements, and the notes thereto, included elsewhere in this report. For all periods prior to the Separation and Distribution (as defined in Note 2 to the Condensed Consolidated Financial Statements), the results of operations of Equitrans Midstream Corporation (Equitrans Midstream) are reflected as discontinued operations. The Statements of Condensed Consolidated Operations have been recast to reflect this presentation and also included presenting certain transportation and processing expenses in continuing operations that were previously eliminated in consolidation. The cash flows related to Equitrans Midstream have not been segregated and are included within the Statements of Condensed Consolidated Cash Flows for all periods prior to the Separation and Distribution. See Note 2 to the Condensed Consolidated Financial Statements for amounts of the discontinued operations related to Equitrans Midstream that are included in the Statements of Condensed Consolidated Cash Flows.

CAUTIONARY STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Statements that do not relate strictly to historical or current facts are forward-looking and usually identified by the use of words such as "anticipate," "estimate," "could," "would," "will," "may," "forecast," "approximate," "expect," "project," "intend," "plan," "believe" and other words of similar meaning, or the negative thereof, in connection with any discussion of future operating or financial matters. Without limiting the generality of the foregoing, forward-looking statements contained in this Quarterly Report on Form 10-Q include the matters discussed in the section captioned "Outlook" in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the expectations of plans, strategies, objectives and growth and anticipated financial and operational performance of EQT Corporation and its subsidiaries (collectively, the Company), including guidance regarding the Company's strategy to develop its Marcellus, Utica, Upper Devonian and other reserves; drilling plans and programs (including the number, type, depth, spacing, lateral lengths and location of wells to be drilled and the availability of capital to complete these plans and programs); production and sales volumes (including liquids volumes) and growth rates; production of free cash flow; the Company's ability to reduce its drilling costs and capital expenditures; the Company's ability to maximize recoveries per acre; infrastructure programs; monetization transactions, including asset sales, joint ventures or other transactions involving the Company's assets; acquisition transactions; the Company's ability to successfully implement and execute the new management team's strategic and operational plan and achieve the anticipated results of such plan; the Company's ability to achieve the anticipated synergies, operational efficiencies and returns from its acquisition of Rice Energy Inc.; the timing and structure of any dispositions of the Company's approximately 19.9% interest in Equitrans Midstream, and the planned use of the proceeds from any such dispositions; natural gas prices, changes in basis and the impact of commodity prices on the Company's business; reserves, including potential future downward adjustments and reserve life; potential future impairments of the Company's assets; projected capital expenditures; the amount and timing of any repurchases of the Company's common stock and outstanding debt securities; dividend amounts and rates; liquidity and financing requirements, including funding sources and availability; the Company's ability to maintain or improve its credit ratings; the Company's hedging strategy; and the effects of litigation, government regulation, and tax position. The forward-looking statements included in this Quarterly Report on Form 10-Q involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company has based these forward-looking statements on current expectations and assumptions about future events, taking into account all information currently available to the Company. While the Company considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond the Company's control. The risks and uncertainties that may affect the operations, performance and results of the Company's business and forward-looking statements include, but are not limited to, those set forth under Item 1A, "Risk Factors," and elsewhere in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018, as updated by Part II, Item 1A, "Risk Factors" in both the Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2019 and this Quarterly Report on Form 10-Q, and the other documents the Company files from time to time with the Securities and Exchange Commission.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company does not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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Management's Discussion and Analysis of Financial Condition and Results of Operations

Consolidated Results of Operations

Loss from continuing operations for the three months ended September 30, 2019 was \$361.0 million, \$1.41 per diluted share, compared to loss from continuing operations for the same period in 2018 of \$127.3 million, \$0.49 per diluted share. The decrease was attributable primarily to the unrealized loss on investment in Equitrans Midstream, decreased operating revenues and increased proxy, transaction and reorganization and other selling, general and administrative costs, partly offset by lower impairment costs as a result of the 2018 Divestitures (defined in Note 12 to the Condensed Consolidated Financial Statements).

Loss from continuing operations for the nine months ended September 30, 2019 was \$44.8 million, \$0.18 per diluted share, compared to loss from continuing operations for the same period in 2018 of \$1.8 billion, \$6.79 per diluted share. The increase was attributable primarily to lower impairment costs as a result of the 2018 Divestitures, increased operating revenues and dividends received on investment in Equitrans Midstream, partly offset by decreased income tax benefit, the unrealized loss on investment in Equitrans Midstream and increased proxy, transaction and reorganization and other selling, general and administrative costs.

See "Sales Volumes and Revenues" and "Operating Expenses" for a discussion of items impacting operating income and "Other Income Statement Items" for a discussion of other income statement items. See "Investing Activities" under the caption "Capital Resources and Liquidity" for a discussion of capital expenditures.

Average Realized Price Reconciliation

The following table presents detailed natural gas and liquids operational information to assist in the understanding of the Company's consolidated operations, including the calculation of the Company's average realized price (\$/Mcf), which is based on adjusted operating revenues, a non-GAAP supplemental financial measure. Adjusted operating revenues is presented because it is an important measure used by the Company's management to evaluate period-to-period comparisons of earnings trends. Adjusted operating revenues should not be considered as an alternative to total operating revenues. See "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of adjusted operating revenues with total operating revenues, the most directly comparable financial measure calculated in accordance with GAAP.

EQT Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(Thousands, unless noted otherwise)				
NATURAL GAS				
Sales volume (MMcf)	363,034	350,297	1,077,962	1,013,836
NYMEX price (\$/MMBtu) (a)	\$ 2.23	\$ 2.90	\$ 2.67	\$ 2.89
Btu uplift	0.11	0.17	0.13	0.19
Natural gas price (\$/Mcf)	\$ 2.34	\$ 3.07	\$ 2.80	\$ 3.08
Basis (\$/Mcf) (b)	\$ (0.35)	\$ (0.41)	\$ (0.23)	\$ (0.24)
Cash settled basis swaps (not designated as hedges) (\$/Mcf)	0.02	(0.06)	(0.05)	(0.07)
Average differential, including cash settled basis swaps (\$/Mcf)	\$ (0.33)	\$ (0.47)	\$ (0.28)	\$ (0.31)
Average adjusted price (\$/Mcf)	\$ 2.01	\$ 2.60	\$ 2.52	\$ 2.77
Cash settled derivatives (not designated as hedges) (\$/Mcf)	0.44	0.03	0.19	0.05
Average natural gas price, including cash settled derivatives (\$/Mcf)	\$ 2.45	\$ 2.63	\$ 2.71	\$ 2.82
Natural gas sales, including cash settled derivatives	\$ 891,249	\$ 922,974	\$ 2,916,891	\$ 2,862,582
LIQUIDS				
Natural gas liquids (NGLs) (excluding ethane):				
Sales volume (MMcfe) (c)	10,609	13,964	34,359	51,299
Sales volume (Mbbls)	1,768	2,328	5,726	8,550
Price (\$/Bbl)	\$ 16.85	\$ 40.73	\$ 23.00	\$ 37.97
Cash settled derivatives (not designated as hedges) (\$/Bbl)	3.89	(2.28)	2.74	(1.39)
Average NGLs price, including cash settled derivatives (\$/Bbl)	\$ 20.74	\$ 38.45	\$ 25.74	\$ 36.58
NGLs sales	\$ 36,668	\$ 89,498	\$ 147,392	\$ 312,768
Ethane:				
Sales volume (MMcfe) (c)	5,846	9,002	18,239	25,413
Sales volume (Mbbls)	974	1,501	3,040	4,236
Price (\$/Bbl)	\$ 5.22	\$ 7.88	\$ 6.34	\$ 7.82
Ethane sales	\$ 5,083	\$ 11,822	\$ 19,273	\$ 33,108
Oil:				
Sales volume (MMcfe) (c)	1,334	974	3,847	3,234
Sales volume (Mbbls)	222	162	641	539
Price (\$/Bbl)	\$ 39.01	\$ 51.73	\$ 42.07	\$ 54.41
Oil sales	\$ 8,671	\$ 8,392	\$ 26,971	\$ 29,322
Total liquids sales volume (MMcfe) (c)	17,789	23,940	56,445	79,946
Total liquids sales volume (Mbbls)	2,964	3,991	9,407	13,325
Liquids sales	\$ 50,422	\$ 109,712	\$ 193,636	\$ 375,198
TOTAL				
Total natural gas & liquids sales, including cash settled derivatives (d)	\$ 941,671	\$ 1,032,686	\$ 3,110,527	\$ 3,237,780
Total sales volume (MMcfe)	380,823	374,237	1,134,407	1,093,782
Average realized price (\$/Mcf)	\$ 2.47	\$ 2.76	\$ 2.74	\$ 2.96

- (a) The Company's volume weighted New York Mercantile Exchange (NYMEX) natural gas price (actual average NYMEX natural gas price (\$/MMBtu)) was \$2.23 and \$2.90 for the three months ended September 30, 2019 and 2018, respectively, and \$2.67 and \$2.90 for the nine months ended September 30, 2019 and 2018, respectively.
- (b) Basis represents the difference between the ultimate sales price for natural gas and the NYMEX natural gas price.
- (c) NGLs, ethane and crude oil were converted to Mcfe at the rate of six Mcfe per barrel for all periods.
- (d) Also referred to in this report as adjusted operating revenues, a non-GAAP supplemental financial measure.

EQT Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

Reconciliation of Non-GAAP Financial Measures

The table below reconciles adjusted operating revenues, a non-GAAP supplemental financial measure, with total operating revenues, its most directly comparable financial measure calculated in accordance with GAAP. Adjusted operating revenues (also referred to as total natural gas & liquids sales, including cash settled derivatives) is presented because it is an important measure used by the Company's management to evaluate period-over-period comparisons of earnings trends. Adjusted operating revenues as presented excludes the revenue impact of changes in the fair value of derivative instruments prior to settlement and the revenue impact of "net marketing services and other." Management uses adjusted operating revenues to evaluate earnings trends because the measure reflects only the impact of settled derivative contracts and, thus, does not impact the revenue from natural gas sales with the often-volatile fluctuations in the fair value of derivatives prior to settlement. Adjusted operating revenues also excludes "net marketing services and other" because management considers these revenues to be unrelated to the revenues for its natural gas and liquids production. "Net marketing services and other" primarily includes the cost of and recoveries on pipeline capacity releases and revenues for gathering services. Management further believes that adjusted operating revenues as presented provides useful information to investors for evaluating period-over-period earnings trends.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(Thousands, unless noted otherwise)				
Total operating revenues	\$ 951,576	\$ 1,050,046	\$ 3,405,001	\$ 3,312,730
Add back (deduct):				
(Gain) loss on derivatives not designated as hedges	(180,313)	3,075	(455,952)	(5,620)
Net cash settlements received (paid) on derivatives not designated as hedges	162,639	(14,285)	152,149	(27,401)
Premiums received (paid) for derivatives that settled during the period	9,405	(18)	16,611	453
Net marketing services and other	(1,636)	(6,132)	(7,282)	(42,382)
Adjusted operating revenues, a non-GAAP financial measure	\$ 941,671	\$ 1,032,686	\$ 3,110,527	\$ 3,237,780
Total sales volumes (MMcfe)	380,823	374,237	1,134,407	1,093,782
Average realized price (\$/Mcf)	\$ 2.47	\$ 2.76	\$ 2.74	\$ 2.96

Sales Volumes and Revenues

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	%	2019	2018	%
Sales volume detail (MMcfe):						
Marcellus (a)	314,915	316,740	(0.6)	960,588	899,642	6.8
Ohio Utica	64,581	52,400	23.2	169,501	147,706	14.8
Other	1,327	5,097	(74.0)	4,318	46,434	(90.7)
Total sales volumes (b)	380,823	374,237	1.8	1,134,407	1,093,782	3.7
Average daily sales volumes (MMcfe/d)	4,139	4,068	1.7	4,155	4,007	3.7

Operating revenues (thousands):						
Sales of natural gas, oil and NGLs	\$ 769,627	\$ 1,046,989	(26.5)	\$ 2,941,767	\$ 3,264,728	(9.9)
Gain (loss) on derivatives not designated as hedges	180,313	(3,075)	(5,963.8)	455,952	5,620	8,013.0
Net marketing services and other	1,636	6,132	(73.3)	7,282	42,382	(82.8)
Total operating revenues	\$ 951,576	\$ 1,050,046	(9.4)	\$ 3,405,001	\$ 3,312,730	2.8

(a) Includes Upper Devonian wells.

(b) NGLs, ethane and crude oil were converted to Mcfe at the rate of six Mcfe per barrel for all periods.

Three Months Ended September 30, 2019 Compared to Three Months Ended September 30, 2018

Total operating revenues were \$951.6 million for the three months ended September 30, 2019 compared to \$1,050.0 million for the three months ended September 30, 2018.

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Sales of natural gas, oil and NGLs decreased for the three months ended September 30, 2019 compared to the same period in 2018 due to a lower average realized price, partly offset by a 2% increase in sales volumes. Average realized price decreased due to lower NYMEX prices, liquids sales and Btu uplift, partly offset by higher cash settled derivatives and a higher average differential. For the three months ended September 30, 2019 and 2018, the Company received \$162.6 million and paid \$14.3 million, respectively, of net cash settlements on derivatives not designated as hedges, which are included in average realized price but may not be included in operating revenues.

Changes in the fair market value of derivative instruments prior to settlement are recognized in gain (loss) on derivatives not designated as hedges. For the three months ended September 30, 2019, the Company recognized a gain on derivatives not designated as hedges of \$180.3 million compared to a loss of \$3.1 million for the same period in 2018. The gain for the three months ended September 30, 2019 was related primarily to increases in the fair market value of the Company's NYMEX swaps and options due to decreases in NYMEX prices.

Net marketing services and other decreased for the three months ended September 30, 2019 compared to the same period in 2018 primarily as a result of fewer capacity releases at lower capacity release rates on the Tennessee Gas Pipeline.

Nine Months Ended September 30, 2019 Compared to Nine Months Ended September 30, 2018

Total operating revenues were \$3.4 billion for the nine months ended September 30, 2019 compared to \$3.3 billion for the nine months ended September 30, 2018.

Sales of natural gas, oil and NGLs decreased for the nine months ended September 30, 2019 compared to the same period in 2018 as a result of a lower average realized price, partly offset by a 4% increase in sales volumes. Excluding sales volumes related to the 2018 Divestitures, sales volumes increased by 8% for the nine months ended September 30, 2019 compared to the same period in 2018. Average realized price decreased due to lower NYMEX and liquids prices and, as a result of the 2018 Divestitures, lower liquids volumes and Btu uplift, partly offset by higher cash settled derivatives and a higher average differential. For the nine months ended September 30, 2019 and 2018, the Company received \$152.1 million and paid \$27.4 million, respectively, of net cash settlements on derivatives not designated as hedges, which are included in average realized price but may not be included in operating revenues.

For the nine months ended September 30, 2019, the Company recognized a gain on derivatives not designated as hedges of \$456.0 million compared to \$5.6 million for the same period in 2018. The gain for the nine months ended September 30, 2019 was related to increases in the fair market value of the Company's NYMEX swaps and options due to decreases in NYMEX prices, partly offset by decreases in the fair market value of the Company's basis swaps due to increases in basis prices.

Net marketing services and other decreased for the nine months ended September 30, 2019 compared to the same period in 2018 as a result of fewer capacity releases at lower capacity release rates on the Tennessee Gas Pipeline and lower revenues from gathering services following the 2018 Divestitures.

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Operating Expenses

The following table presents information about certain of the Company's operating expenses.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	%	2019	2018	%
(Thousands, except per unit amounts)						
Per Unit (\$/Mcf)						
Gathering	\$ 0.55	\$ 0.53	3.8	\$ 0.55	\$ 0.54	1.9
Transmission	0.52	0.49	6.1	0.52	0.50	4.0
Processing	0.08	0.10	(20.0)	0.08	0.12	(33.3)
Lease operating expenses (LOE), excluding production taxes	0.06	0.06	—	0.06	0.08	(25.0)
Production taxes	0.04	0.06	(33.3)	0.05	0.06	(16.7)
Exploration	0.01	0.01	—	0.01	0.01	—
Selling, general and administrative	0.21	0.14	50.0	0.19	0.14	35.7
Production depletion	1.02	1.03	(1.0)	1.01	1.03	(1.9)
Operating expenses:						
Gathering	\$ 210,631	\$ 199,475	5.6	\$ 629,359	\$ 587,844	7.1
Transmission	197,005	182,932	7.7	589,433	548,106	7.5
Processing	30,306	38,340	(21.0)	95,380	129,523	(26.4)
LOE, excluding production taxes	22,355	21,480	4.1	62,582	83,069	(24.7)
Production taxes	15,466	21,254	(27.2)	54,963	66,162	(16.9)
Exploration	3,492	3,596	(2.9)	6,356	6,474	(1.8)
Selling, general and administrative	79,376	51,816	53.2	214,562	154,590	38.8
Depreciation and depletion:						
Production depletion	\$ 387,404	\$ 384,904	0.6	\$ 1,143,552	\$ 1,128,248	1.4
Other depreciation and depletion	3,589	3,112	15.3	10,967	24,170	(54.6)
Total depreciation and depletion	\$ 390,993	\$ 388,016	0.8	\$ 1,154,519	\$ 1,152,418	0.2

Three Months Ended September 30, 2019 Compared to Three Months Ended September 30, 2018

Gathering expense increased on an absolute and per Mcfe basis for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to the sales volumes mix between firm and volumetric gathering contracts. Transmission expense increased on an absolute and per Mcfe basis for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to increased transmission capacity contracted to move the Company's natural gas out of the Appalachian Basin and increased costs associated with unreleased capacity on the Tennessee Gas Pipeline. Processing expense decreased on an absolute and per Mcfe basis for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to lower liquids sales volumes.

LOE increased on an absolute basis for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to increased salt water disposal costs, partly offset by lower personnel costs due to reductions in workforce.

Production taxes decreased on an absolute and per Mcfe basis for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to lower severance taxes as a result of lower unhedged prices and the 2018 Divestitures and lower Pennsylvania impact fees.

Selling, general and administrative expense increased on an absolute and per Mcfe basis for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to an increase in the royalty and litigation reserve, net of settlements received, of \$36.6 million for the three months ended September 30, 2019, partly offset by lower personnel costs due to reductions in workforce.

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Production depletion increased on an absolute basis for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to higher produced volumes, partly offset by a lower depletion rate. Production depletion decreased on a per Mcfe basis due to higher sales volumes.

See Notes 11 and 12 to the Condensed Consolidated Financial Statements for a discussion of the Asset Exchange Transaction and the 2018 Divestitures, respectively, both of which were recognized in impairment/loss on sale/exchange of long-lived assets.

Lease impairments and expirations increased for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to increased lease expirations, a majority of which were related to leases acquired in 2016 and 2017.

For the three months ended September 30, 2019, the Company recognized an impairment charge on its intangible assets associated with non-compete agreements for former Rice Energy Inc. executives who are now employees of the Company.

Proxy, transaction and reorganization expense increased for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to reductions in workforce and other strategy alignment initiatives, which resulted in severance and other termination benefits of \$62.2 million and contract termination fees of \$12.6 million.

Nine Months Ended September 30, 2019 Compared to Nine Months Ended September 30, 2018

Gathering expense increased on an absolute and per Mcfe basis for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due primarily to the sales volumes mix on firm and volumetric gathering contracts. Gathering expense per Mcfe excluding sales volumes related to the 2018 Divestitures was \$0.56 for the nine months ended September 30, 2018. Transmission expense increased on an absolute and per Mcfe basis for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due primarily to increased transmission capacity contracted to move the Company's natural gas out of the Appalachian Basin, volumetric charges and costs associated with unreleased capacity on the Tennessee Gas Pipeline, partly offset by decreased firm capacity costs as a result of the 2018 Divestitures. Processing expense decreased on an absolute and per Mcfe basis for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due primarily to lower liquids sales volumes, the majority of which resulted from the 2018 Divestitures.

LOE and production taxes decreased on an absolute and per Mcfe basis for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 primarily as a result of the 2018 Divestitures and lower Pennsylvania impact fees.

Selling, general and administrative expense increased on an absolute and per Mcfe basis for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due primarily to an increase in the royalty and litigation reserve, net of settlements received, of \$82.4 million in 2019, partly offset by lower personnel costs due to reductions in workforce and decreased long-term incentive compensation due to changes in the fair value of awards. Long-term incentive compensation may fluctuate with changes in the Company's stock price and performance conditions.

Production depletion increased on an absolute basis for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due primarily to higher produced volumes, partly offset by a lower depletion rate. Production depletion decreased on a per Mcfe basis due to higher sales volumes. Other depreciation and depletion decreased as a result of the 2018 Divestitures.

See Notes 11 and 12 to the Condensed Consolidated Financial Statements for a discussion of the Asset Exchange Transaction and the 2018 Divestitures, respectively, both of which were recognized in impairment/loss on sale/exchange of long-lived assets.

Lease impairments and expirations increased for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due primarily to increased lease expirations, a majority of which were related to leases acquired in 2016 and 2017.

For the nine months ended September 30, 2019, the Company recognized an impairment charge on intangible assets associated with non-compete agreements for former Rice Energy Inc. executives who are now employees of the Company.

Proxy, transaction and reorganization expense increased for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due primarily to reductions in workforce and other strategy alignment initiatives, which resulted in severance and other termination benefits of \$68.0 million and contract termination fees of \$12.6 million, and proxy costs of

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\$19.3 million recognized in the first half of 2019. Prior period transaction costs include legal and banking fees recognized with the acquisition of Rice Energy Inc.

Other Income Statement Items

The Company's investment in Equitrans Midstream is recorded at fair value based on the closing stock price of Equitrans Midstream's common stock multiplied by the number of shares of Equitrans Midstream's common stock owned by the Company. The changes in fair value are recorded in the Statements of Condensed Consolidated Operations as an unrealized gain or loss on investment in Equitrans Midstream.

Dividend and other income increased primarily due to dividends received from Equitrans Midstream during the three and nine months ended September 30, 2019.

Interest expense decreased for the three and nine months ended September 30, 2019 compared to the three and nine months ended September 30, 2018, respectively, due to decreased borrowings under the Company's credit facility and repayment of the \$700 million aggregate principal amount of the Company's 8.125% Senior Notes that matured on June 1, 2019, partly offset by interest incurred on borrowings under the Term Loan Facility (defined in Note 7 to the Condensed Consolidated Financial Statements).

See Note 6 to the Condensed Consolidated Financial Statements for a discussion of income tax benefit.

OUTLOOK

Following the substantial reconstitution of the Company's Board of Directors at the Company's 2019 annual meeting of shareholders and the change in executive leadership, the Company adopted a business transformation program designed to effect operational, organizational, cultural and other changes to lower operating costs and increase free cash flow generation through improved efficiency, well performance and the use of technology. The transformation program's goal is to reposition the organization to effectively execute on large-scale combo-development projects, which consist of developing multiple wells and pads simultaneously, and intends to take a disciplined approach to capital allocation and in establishing its development schedule. Under the transformation program, the level of future development capital spending will be determined by the economics of the Company's available projects in light of the commodity price environment. Future production growth will be an output of that economic decision.

For 2019, the Company expects to spend \$1.735 billion to \$1.785 billion for capital expenditures, which are expected to be funded by operating cash flow and, if required, borrowings under the Company's credit facility. Sales volumes are expected to be 1,490 Bcfe to 1,510 Bcfe for 2019.

Compensation packages for certain of the Company's executive officers have not yet been determined by the Compensation Committee of the Company's Board of Directors. As a result, such compensation expenses and any accruals thereof for these executive officers have not been included in the Company's third quarter 2019 financial results.

The Company's revenues, earnings, liquidity and ability to grow are substantially dependent on the prices it receives for, and the Company's ability to develop its reserves of, natural gas, oil and NGLs. Due to the volatility of commodity prices, the Company is unable to predict future potential movements in the market prices for natural gas, oil and NGLs at the Company's ultimate sales points and, thus, cannot predict the ultimate impact of prices on its operations. Changes in natural gas, oil and NGLs prices could affect, among other things, the Company's development plans, which would increase or decrease the pace of the development and the level of the Company's reserves, as well as the Company's revenues, earnings or liquidity. Lower prices and changes in development plans could also result in non-cash impairments in the book value of the Company's oil and gas properties or other long-lived intangible assets or downward adjustments to the Company's estimated proved reserves. Any such impairment and/or downward adjustment to the Company's estimated reserves could potentially be material to the Company.

See "Critical Accounting Policies and Estimates" and Note 1 to the Consolidated Financial Statements included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018 for a discussion of the Company's accounting policies and significant assumptions related to accounting for oil and gas producing activities, and the Company's policies and processes with respect to impairment reviews for proved and unproved property. See also Item 1A, "Risk Factors – Natural gas, NGLs and oil price declines have resulted in impairment of certain of our non-core assets. Future declines in commodity prices, increases in operating costs or adverse changes in well performance may result in additional write-downs of the carrying amounts of our assets, including long lived intangible assets, which could materially and adversely affect our results of operations in future periods" in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018.

EQT Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

CAPITAL RESOURCES AND LIQUIDITY

Operating Activities. Net cash provided by operating activities was \$1,633.9 million for the nine months ended September 30, 2019 compared to \$2,445.4 million for the nine months ended September 30, 2018. The decrease was driven by cash provided by discontinued operations included in the nine months ended September 30, 2018 and lower cash operating revenues in excess of cash operating expenses, partly offset by favorable timing of working capital payments and dividends received from Equitrans Midstream.

The Company's cash flows from operating activities will be affected by movements in the market price for commodities. The Company is unable to predict such movements outside of the current market view as reflected in forward strip pricing. Refer to Item 1A, "Risk Factors – Natural gas, NGLs and oil price volatility, or a prolonged period of low natural gas, NGLs and oil prices, may have an adverse effect on our revenue, profitability, future rate of growth, liquidity and financial position" in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018 for further information.

Investing Activities. Net cash used in investing activities was \$1,256.2 million for the nine months ended September 30, 2019 compared to \$2,719.5 million for the nine months ended September 30, 2018. The decrease was due primarily to lower capital expenditures for the nine months ended September 30, 2019 as a result of the change in strategy from production growth to capital efficiency and cash used in discontinued operations for capital expenditures and capital contributions included in the nine months ended September 30, 2018. These decreases were partly offset by proceeds received from asset sales during the nine months ended September 30, 2018.

Capital Expenditures

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(Millions)			
Reserve development	\$ 380	\$ 731	\$ 1,155	\$ 1,824
Land and lease	49	61	144	164
Capitalized overhead	18	36	59	101
Capitalized interest	6	7	19	23
Other production infrastructure	17	13	28	39
Property acquisitions	2	5	8	24
Other corporate items	3	2	4	6
Total capital expenditures from continuing operations	475	855	1,417	2,181
Midstream infrastructure (a)	—	241	—	624
Total capital expenditures	475	1,096	1,417	2,805
Add (deduct) non-cash items (b)	16	61	(160)	45
Total cash capital expenditures	\$ 491	\$ 1,157	\$ 1,257	\$ 2,850

- (a) Capital expenditures related to midstream infrastructure are presented as discontinued operations as described in Note 2 to the Condensed Consolidated Financial Statements.
- (b) Represents the net impact of non-cash capital expenditures including capitalized share-based compensation costs and the effect of timing of receivables from working interest partners and accrued capital expenditures.

Financing Activities. Net cash used in financing activities was \$373.6 million for the nine months ended September 30, 2019 compared to net cash provided by financing activities of \$131.6 million for the nine months ended September 30, 2018. For the nine months ended September 30, 2019, the primary uses of financing cash flows were net repayments of debt and credit facility borrowings, and the primary source of financing cash flows was net proceeds from borrowings under the Term Loan Facility. For the nine months ended September 30, 2018, the primary source of financing cash flows was net proceeds from the EQM Midstream Partners, LP (EQM) senior notes offering, and the primary uses of financing cash flows were a net decrease in the Company's, EQM's and Rice Midstream Partners LP's credit facility borrowings, repurchase and retirement of common stock, distributions to noncontrolling interests, EQM's acquisition of the remaining 25% ownership interest in Strike Force Midstream LLC, dividends paid and cash paid for taxes on share-based incentive awards.

EQT Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company may from time-to-time seek to repurchase its outstanding debt securities. Such repurchases, if any, will depend on prevailing market conditions, the Company's liquidity requirements, contractual and legal restrictions and other factors. In addition, the Company plans to dispose its retained shares of Equitrans Midstream's common stock and use the proceeds to reduce the Company's debt.

Security Ratings and Financing Triggers

The table below reflects the credit ratings and ratings outlook assigned to debt instruments of the Company as of October 31, 2019. Changes in credit ratings may affect the Company's cost of short-term debt through interest rates and fees under its lines of credit. Changes in credit ratings or ratings outlook may also affect collateral requirements under the Company's derivative instruments and midstream services contracts, rates available on new long-term debt and access to the credit markets.

Rating Service	Credit Rating	Outlook
Moody's	Baa3	Negative
S&P	BBB-	Negative
Fitch Ratings Service (Fitch)	BBB-	Negative

The Company's credit ratings and ratings outlook are subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating. The Company cannot ensure that a rating will remain in effect for any given period of time or that a rating will not be lowered or withdrawn by a credit rating agency if, in its judgment, circumstances so warrant. If any credit rating agency downgrades the Company's rating, the Company's access to the capital markets may be limited, borrowing costs and margin deposits on the Company's derivative instruments may increase, the Company's potential pool of investors and funding sources may decrease and the Company's counterparties under midstream services contracts may request additional assurances, including collateral. The required margin on the Company's derivative instruments is also subject to significant change as a result of factors other than credit rating, such as gas prices and credit thresholds set forth in agreements between the hedging counterparties and the Company. As of October 31, 2019, the Company had sufficient unused borrowing capacity under its credit facility to satisfy any requests for margin or other collateral that a counterparty would be permitted to request of the Company under its derivative contracts and midstream services contracts in the event that the Company's credit ratings were to fall one rating category. As of September 30, 2019, such amounts could be up to approximately \$1.6 billion. See Note 4 to the Condensed Consolidated Financial Statements for further discussion on what is deemed investment grade and a discussion of other factors affecting margin deposit requirements.

The Company's debt agreements and other financial obligations contain various provisions that, if not complied with, could result in termination of the agreements, require early payment of amounts outstanding or similar actions. The most significant covenants and events of default under the debt agreements relate to maintenance of a debt-to-total capitalization ratio, limitations on transactions with affiliates, insolvency events, nonpayment of scheduled principal or interest payments, acceleration of other financial obligations and change of control provisions. The Company's credit facility and the Term Loan Agreement each contain financial covenants that require the Company to have a total debt-to-total capitalization ratio no greater than 65%. The calculation of this ratio excludes the effects of accumulated other comprehensive income (OCI). As of September 30, 2019, the Company was in compliance with all debt provisions and covenants.

See Note 7 to the Condensed Consolidated Financial Statements for a discussion of the borrowings under the Company's credit facility and Term Loan Facility.

EQT Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

Commodity Risk Management

The substantial majority of the Company's commodity risk management program is related to hedging sales of the Company's produced natural gas. The Company's overall objective in this hedging program is to protect cash flow from undue exposure to the risk of changing commodity prices. The derivative commodity instruments currently used by the Company are primarily swaps, calls and puts. During the third quarter of 2019, the Company terminated certain OTC hedge positions related to years 2021 and onward. The value associated with these terminated positions was rolled into new hedge positions with the same counterparties for 2020. No cash was exchanged related to these terminations or the associated execution of new hedge positions. As of October 25, 2019, the approximate volumes and prices of the Company's NYMEX hedge positions through 2023 are:

	2019 (a)	2020	2021	2022	2023
Swaps					
Volume (MMDth)	272	1,096	166	3	2
Average Price (\$/Dth)	\$ 2.80	\$ 2.75	\$ 2.42	\$ 2.72	\$ 2.67
Calls - Net Short					
Volume (MMDth)	61	392	209	157	77
Average Short Strike Price (\$/Dth)	\$ 3.02	\$ 2.99	\$ 2.82	\$ 2.79	\$ 2.96
Puts - Net Long					
Volume (MMDth)	8	154	157	135	69
Average Long Strike Price (\$/Dth)	\$ 2.67	\$ 2.38	\$ 2.38	\$ 2.35	\$ 2.40
Fixed Price Sales (b)					
Volume (MMDth)	27	14	7	—	—
Average Price (\$/Dth)	\$ 2.81	\$ 2.78	\$ 2.57	\$ —	\$ —

(a) October 1 through December 31.

(b) The difference between the fixed price and NYMEX price is included in average differential on the Company's price reconciliation under "Average Realized Price Reconciliation." The fixed price natural gas sales agreements can be physically or financially settled.

For 2019 (October - December), 2020, 2021, 2022 and 2023, the Company has natural gas sales agreements for approximately 8 MMDth, 13 MMDth, 18 MMDth, 18 MMDth and 18 MMDth, respectively, that include average NYMEX ceiling prices of \$3.37, \$3.68, \$3.17, \$3.17 and \$3.17, respectively. The Company also has derivative instruments to hedge basis and a limited number of contracts to hedge its NGLs exposure. The Company may use other contractual agreements to implement its commodity hedging strategy.

See Item 3, "Quantitative and Qualitative Disclosures About Market Risk," and Note 4 to the Company's Condensed Consolidated Financial Statements for further discussion of the Company's hedging program.

Commitments and Contingencies

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against the Company. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company accrues legal and other direct costs related to loss contingencies when actually incurred. The Company has established reserves it believes to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, the Company believes that the ultimate outcome of any matter currently pending against the Company will not materially affect the Company's financial condition, results of operations or liquidity. See Note 15 to the Consolidated Financial Statements in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018 for a discussion of the Company's commitments and contingencies. See also Part II, Item 1 "Legal Proceedings" in this Quarterly Report on Form 10-Q.

Off-Balance Sheet Arrangements

See Note 16 to the Consolidated Financial Statements in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018 for a discussion of the Company's guarantees.

EQT Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

Dividend

On October 9, 2019, the Board of Directors of the Company declared a regular quarterly cash dividend of \$0.03 per share, payable December 1, 2019, to the Company's shareholders of record at the close of business on November 8, 2019.

Critical Accounting Policies

The Company's significant accounting policies are described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," contained in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018. Any new accounting policies or updates to existing accounting policies as a result of new accounting pronouncements have been included in the notes to the Company's Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q. The application of the Company's critical accounting policies may require management to make judgments and estimates about the amounts reflected in the Condensed Consolidated Financial Statements. Management uses historical experience and all available information to make these estimates and judgments. Different amounts could be reported using different assumptions and estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk and Derivative Instruments

The Company's primary market risk exposure is the volatility of future prices for natural gas and NGLs. Due to the volatility of commodity prices, the Company is unable to predict future potential movements in the market prices for natural gas and NGLs at the Company's ultimate sales points and, thus, cannot predict the ultimate impact of prices on its operations. Prolonged low, and/or significant or extended declines in, natural gas and NGLs prices could adversely affect, among other things, the Company's development plans, which would decrease the pace of development and the level of the Company's proved reserves.

The Company uses derivatives to reduce the effect of commodity price volatility. The Company's use of derivatives is further described in Note 4 to the Condensed Consolidated Financial Statements and under the caption "Commodity Risk Management" in the "Capital Resources and Liquidity" section of Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Company's over the counter (OTC) derivative commodity instruments are placed primarily with financial institutions and the creditworthiness of these institutions is regularly monitored. The Company primarily enters into derivative instruments to hedge forecasted sales of production. The Company also enters into derivative instruments to hedge basis and exposure to fluctuations in interest rates. The Company's use of derivative instruments is implemented under a set of policies approved by the Company's Hedge and Financial Risk Committee and reviewed by the Company's Board of Directors.

For the derivative commodity instruments used to hedge the Company's forecasted sales of production, most of which are hedged at NYMEX natural gas prices, the Company sets policy limits relative to the expected production and sales levels that are exposed to price risk. The Company has an insignificant amount of financial natural gas derivative commodity instruments for trading purposes.

The derivative commodity instruments currently used by the Company are primarily fixed price swap agreements, collar agreements and option agreements that may require payments to or receipt of payments from counterparties based on the differential between two prices for the commodity. The Company may also use other contractual agreements in implementing its commodity hedging strategy.

The Company monitors price and production levels on a continuous basis and makes adjustments to quantities hedged as warranted. The Company's overall objective in its hedging program is to protect a portion of cash flows from undue exposure to the risk of changing commodity prices.

For information on the quantity of derivative commodity instruments held by the Company, see Note 4 to the Condensed Consolidated Financial Statements and the "Commodity Risk Management" section in the "Capital Resources and Liquidity" section of Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

A hypothetical decrease of 10% in the market price of natural gas from the September 30, 2019 and December 31, 2018 levels would have increased the fair value of these natural gas derivative instruments by approximately \$394.1 million and \$432.5 million, respectively. A hypothetical increase of 10% in the market price of natural gas from the September 30, 2019 and December 31, 2018 levels would have decreased the fair value of these natural gas derivative instruments by approximately \$401.6 million and \$443.4 million, respectively. The Company determined the change in the fair value of the derivative commodity instruments using a method similar to its normal determination of fair value as described in Note 5 to the Condensed Consolidated Financial Statements. The Company assumed a 10% change in the price of natural gas from its levels at September 30, 2019 and December 31, 2018. The price change was then applied to these natural gas derivative commodity instruments recorded on the Company's Condensed Consolidated Balance Sheets, resulting in the hypothetical change in fair value.

The above analysis of the derivative commodity instruments held by the Company does not include the offsetting impact that the same hypothetical price movement may have on the Company's physical sales of natural gas. The portfolio of derivative commodity instruments held to hedge the Company's forecasted produced gas approximates a portion of the Company's expected physical sales of natural gas; therefore, an adverse impact to the fair value of the portfolio of derivative commodity instruments held to hedge the Company's forecasted production associated with the hypothetical changes in commodity prices referenced above should be offset by a favorable impact on the Company's physical sales of natural gas, assuming the derivative commodity instruments are not closed out in advance of their expected term, and the derivative commodity instruments continue to function effectively as hedges of the underlying risk.

If the underlying physical transactions or positions are liquidated prior to the maturity of the derivative commodity instruments, a loss on the financial instruments may occur or the derivative commodity instruments might be worthless as determined by the prevailing market value on their termination or maturity date, whichever comes first.

Interest Rate Risk

Changes in interest rates affect the amount of interest the Company earns on cash, cash equivalents and short-term investments and the interest rates the Company pays on borrowings under its credit facility, Term Loan Facility and floating rate notes. All of the Company's Senior Notes, other than the Company's floating rate notes, are fixed rate and, thus, do not expose the Company to fluctuations in its results of operations or liquidity from changes in market interest rates. Changes in interest rates do affect the fair value of the Company's fixed rate debt. See Note 7 to the Condensed Consolidated Financial Statements for further discussion of the Company's credit facility and Term Loan Facility borrowings and Note 5 to the Condensed Consolidated Financial Statements for a discussion of fair value measurements, including the fair value of long-term debt.

Other Market Risks

The Company is exposed to credit loss in the event of nonperformance by counterparties to derivative contracts. This credit exposure is limited to derivative contracts with a positive fair value, which may change as market prices change. The Company's OTC derivative instruments are primarily with financial institutions and, thus, are subject to events that would impact those companies individually as well as the financial industry as a whole. The Company uses various processes and analyses to monitor and evaluate its credit risk exposures. These include closely monitoring current market conditions and counterparty credit fundamentals. Credit exposure is controlled through credit approvals and limits based on counterparty credit fundamentals. To manage the level of credit risk, the Company enters into transactions with financial counterparties that are of investment grade, enters into netting agreements whenever possible and may obtain collateral or other security.

Approximately 73%, or \$630.8 million, of the Company's OTC derivative contracts outstanding at September 30, 2019 had a positive fair value. Approximately 64%, or \$369.5 million, of the Company's OTC derivative contracts outstanding at December 31, 2018 had a positive fair value.

As of September 30, 2019, the Company was not in default under any derivative contracts and had no knowledge of default by any counterparty to its derivative contracts. The Company made no adjustments to the fair value of derivative contracts due to credit related concerns outside the normal non-performance risk adjustment included in the Company's established fair value procedure. The Company monitors market conditions that may impact the fair value of derivative contracts reported in the Condensed Consolidated Balance Sheets.

The Company is also exposed to the risk of nonperformance by credit customers on physical sales of natural gas, NGLs and oil. A significant amount of revenues and related accounts receivable are generated from the sale of produced natural gas and NGLs to certain marketers, utility and industrial customers located in the Appalachian Basin and in markets available through the Company's current transportation portfolio, which includes markets in the Gulf Coast, Midwest and Northeast United States and Canada. The Company also contracts with certain processors to market a portion of NGLs on behalf of the Company.

No one lender of the large group of financial institutions in the syndicate for the Company's credit facility and the Term Loan Facility holds more than 10% and 15%, respectively. The large syndicate group and relatively low percentage of participation by each lender are expected to limit the Company's exposure to disruption or consolidation in the banking industry.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including the Company's Principal Executive Officer and Principal Financial Officer, an evaluation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), was conducted as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the third quarter of 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against the Company. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company accrues legal and other direct costs related to loss contingencies when actually incurred. The Company has established reserves it believes to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, the Company believes that the ultimate outcome of any matter currently pending against the Company will not materially affect the financial condition, results of operations or liquidity of the Company.

Environmental Proceedings

Well Control Event at Habanaro Well, Washington County, Pennsylvania. On October 12, 2018, the Company received a Notice of Violation (NOV) from the Pennsylvania Department of Environmental Protection (PADEP) relating to a well control event that occurred on September 26, 2018, at the Company's Habanaro well pad in Washington County, Pennsylvania. The NOV alleged multiple violations of the Oil and Gas Act and the Clean Streams Law pertaining to the well control event. The Company took immediate actions to bring the well into control and cooperated fully with the PADEP in its investigation of the event. In June 2019, the PADEP offered to settle the Company's civil penalty liability related to the incident. The Company and the PADEP negotiated a civil penalty settlement of \$160,000 to settle this matter, which the Company paid in full in September 2019, and the matter is now closed. The payment of the settlement did not have a material impact on the financial condition, results of operations or liquidity of the Company.

Other Legal Proceedings

Mary Farr Secrist, et al. v. EQT Production Company, et al., Circuit Court of Doddridge County, West Virginia. On May 2, 2014, royalty owners whose predecessors had entered into a 960-acre lease (the Stout Lease) and several additional leases comprising 6,356-acres (the Cities Services Lease) with EQT Production Company's predecessor, each covering acreage in Doddridge County, West Virginia, filed a complaint in the Circuit Court of Doddridge County, West Virginia. The complaint alleged that EQT Production Company and a number of related companies, including the Company, EQT Gathering, LLC, EQT Energy, LLC, and EQM Midstream Services, LLC (formerly known as EQT Midstream Services, LLC, the general partner of the Company's former midstream affiliate), underpaid on royalties for gas produced under the leases and took improper post-production deductions from the royalties paid. With respect to the Stout Lease, the plaintiffs also asserted that the Company committed a trespass by drilling on the leased property, claiming that the Company had no right under the lease to drill in the Marcellus shale formation. The plaintiffs also asserted claims for fraud, slander of title, punitive damages, pre-judgment interest and attorneys' fees. The plaintiffs sought more than \$100 million in compensatory damages for the trespass claim under the Stout Lease, and approximately \$20 million for insufficient royalties under both the Stout Lease and the Cities Services Lease, in addition to punitive damages and other relief. On June 27, 2018, the Court held that EQT Production Company and its marketing affiliate EQT Energy, LLC are alter egos of one another and that royalties paid under the leases should have been based on the price of gas produced under the leases when sold to unaffiliated third parties, and not on the price when the gas was sold from EQT Production Company to EQT Energy, LLC. Further, on January 14, 2019, the Court entered an Order granting the plaintiffs' motion for summary judgment and declaring that the Company did not have the right to drill in the Marcellus shale formation under the Stout Lease. The Court also ruled that seven of the Company's wells that have been producing gas under the Stout Lease are trespassing, and that a jury will determine whether the trespass was willful or innocent. On February 27, 2019, the Company filed a motion seeking permission to immediately appeal the trespass Order to the West Virginia Supreme Court; however, the motion was denied on March 25, 2019, and the Court continued the trial to September 2019. On May 28, 2019, the Court entered an Order excluding certain of the Company's costs that could have otherwise offset any damages for innocent trespass under the Stout Lease. On August 8, 2019, the Company reached a settlement with the plaintiffs to resolve all claims under the Stout Lease and the Cities Services Lease for \$54 million plus lease modifications to address the trespass issue and the calculation of future royalty payments under the leases. The Company paid \$51 million of the settlement in October 2019 and is scheduled to pay the remaining amount under the settlement in January 2020.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in Item 1A, "Risk Factors" of the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2018 as updated by Part II, Item 1A, "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2019, other than those listed in this section.

We are under the leadership of a substantially reconstituted Board of Directors and a new Chief Executive Officer who plan to implement a variety of operational, organizational, cultural and other changes to our business, and we may not be able to achieve some or all of the anticipated benefits of this transformation plan.

Our Board of Directors was substantially reconstituted at our annual meeting of shareholders on July 10, 2019 and, following that meeting, Toby Z. Rice was appointed as President and Chief Executive Officer. Prior to our annual meeting, the proponents of our reconstituted Board of Directors disclosed a detailed transformation plan designed to effect operational, organizational, cultural and other changes to our business in order to lower operating costs and increase free cash flow generation through improved efficiency, well performance and the use of technology. As a result of these events, during the third quarter of 2019, we recorded severance payments and other compensation expenses associated with the departure of certain of our officers and other employees, and we may incur other similar types of expenses and charges during the fourth quarter of 2019 and thereafter related to other employee departures or otherwise associated with implementation of the transformation plan. In addition, while we believe that the successful implementation of the transformation plan will improve our operational and financial performance, there can be no assurance that we will be able to successfully implement the transformation plan or otherwise realize the anticipated benefits of the transformation plan and we may encounter short-term disruptions of certain aspects of our business as elements of the transformation plan are implemented.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth the Company's repurchases of equity securities registered under Section 12 of the Exchange Act that have occurred during the three months ended September 30, 2019:

Period	Total number of shares purchased (a)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under plans or programs
July 1 – July 31, 2019	—	—	—	—
August 1 – August 31, 2019	59,977	\$ 15.83	—	—
September 1 – September 30, 2019	103,909	12.27	—	—
Total	163,886	\$ 13.57	—	—

(a) Reflects the number of shares withheld by the Company to pay taxes upon vesting of restricted stock.

Item 5. Other Information

As previously announced by the Company in its current report on [Form 8-K](#) filed with the Securities and Exchange Commission on October 11, 2019, the Company's Board of Directors has determined to hold the Company's 2020 annual meeting of shareholders on Friday, May 1, 2020, at a time and location to be determined.

Shareholder proposals intended to be submitted pursuant to Rule 14a-8 in connection with the 2020 annual meeting of shareholders (the 2020 Annual Meeting) should be received by the Company's Corporate Secretary on or before November 25, 2019 in order to be considered for inclusion the Company's 2020 proxy statement. Such proposals must be directed to: 625 Liberty Avenue, Suite 1700, Pittsburgh, Pennsylvania 15222, Attn: Corporate Secretary, must comply with the requirements of Rule 14a-8 and the interpretations thereof, and may be omitted from the 2020 proxy statement if not in compliance with applicable requirements.

Additionally, pursuant to the Company's Amended and Restated Bylaws (the Bylaws), because the 2020 Annual Meeting is being advanced by more than 30 days from the anniversary date of the Company's 2019 annual meeting, shareholder proposals submitted outside of Rule 14a-8, including any proposal nominating a person as a director, must be received by the Company's Corporate Secretary within the following dates: not earlier than the close of business on the 120th day prior to the 2020 Annual Meeting and not later than the later of (i) the close of business on the 90th day prior to the 2020 Annual Meeting or (ii) the close of business on the 10th day following the date that the Company publicly announced the date of the 2020 Annual Meeting. Accordingly, such proposals and nominations must be received by the Company's Corporate Secretary no earlier than January 2, 2020 and no later than February 1, 2020. Such proposals and nominations also must comply with the advance notice provisions contained in the Bylaws.

Item 6. Exhibits

Exhibit No.	Document Description	Method of Filing
<u>10.01*</u>	EQT Corporation 2019 Supplemental Short-Term Incentive Plan	Filed herewith as Exhibit 10.01
<u>10.02</u>	Agreement and Release, dated as of August 22, 2019, by and between EQT Corporation and Gary E. Gould	Filed herewith as Exhibit 10.02
<u>10.03*</u>	Agreement and Release, dated as of September 9, 2019, by and between EQT Corporation and Jimmi Sue Smith	Filed herewith as Exhibit 10.03
<u>10.04*</u>	Letter Agreement, effective October 1, 2019, by and between EQT Corporation and Robert J. McNally	Incorporated by reference to Exhibit 10.1 to Form 8-K (#001-3551) filed on October 2, 2019
<u>10.05*</u>	Letter Agreement, effective October 1, 2019, by and between EQT Corporation and David L. Porges	Incorporated by reference to Exhibit 10.2 to Form 8-K (#001-3551) filed on October 2, 2019
<u>10.06*</u>	Letter Agreement, effective October 1, 2019, by and between EQT Corporation and David E. Schlosser, Jr.	Incorporated by reference to Exhibit 10.3 to Form 8-K (#001-3551) filed on October 2, 2019
<u>10.07*</u>	Letter Agreement, effective October 1, 2019, by and between EQT Corporation and Jimmi Sue Smith	Incorporated by reference to Exhibit 10.4 to Form 8-K (#001-3551) filed on October 2, 2019
<u>10.08*</u>	Amendment No. 2, dated October 7, 2019, to the Second Amended and Restated Confidentiality, Non-Solicitation and Non-Competition Agreement, by and between EQT Corporation and Donald M. Jenkins	Incorporated by reference to Exhibit 10.1 to Form 8-K (#001-3551) filed on October 7, 2019
<u>10.09</u>	Offer Letter, dated October 14, 2019, by and between EQT Corporation and Todd James	Incorporated by reference to Exhibit 10.1 to Form 8-K (#001-3551) filed on October 17, 2019
<u>31.01</u>	Rule 13(a)-14(a) Certification of Principal Executive Officer	Filed herewith as Exhibit 31.01
<u>31.02</u>	Rule 13(a)-14(a) Certification of Principal Financial Officer	Filed herewith as Exhibit 31.02
<u>32</u>	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer	Furnished herewith as Exhibit 32
101	Interactive Data File	Filed herewith as Exhibit 101

** Indicates a management contract or compensatory plan, contract or arrangement in which a director or a named executive officer of the registrant participates*

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EQT CORPORATION

(Registrant)

By:

/s/ Kyle Derham

Kyle Derham

Interim Chief Financial Officer

Date: October 31, 2019

EQT CORPORATION
2019 SUPPLEMENTAL SHORT-TERM INCENTIVE PLAN

EQT CORPORATION (the “Company”) hereby establishes this EQT CORPORATION 2019 SUPPLEMENTAL SHORT-TERM INCENTIVE PLAN (the “Plan”), effective as of the 11th day of July, 2019, in accordance with the terms provided herein.

WHEREAS, the EQT Corporation 2019 Short-Term Incentive Plan (the “STIP”) and the EQT Corporation 2016 Executive Short-Term Incentive Plan (the “Executive STIP” and, together with the STIP, the “Prior Short-Term Plans”) were previously established to govern the Company’s 2019 annual incentive award program in respect of the Company’s non-executive officer employees and executive officer employees, respectively;

WHEREAS, effective upon the election of directors by the Company’s shareholders at the 2019 annual meeting of shareholders on July 10, 2019, a Change of Control (as defined under each of the STIP and the Executive STIP) occurred, resulting in the automatic termination of the 2019 performance period under each of the Prior Short-Term Plans and each participant in such plans receiving a prorated portion of his or her target short-term incentive award;

WHEREAS, the Company desires to establish this supplemental 2019 incentive plan for the remainder of 2019 which describes the goals of the Company and the methodology for awarding incentive amounts, which shall be consistent with those previously established for purposes of the Prior Short-Term Plans; and

WHEREAS, the amount of a participant’s award under this Plan will be reduced (but not to an amount less than zero) by the amount of any incentive award previously distributed to such participant under the Prior Short-Term Plans;

NOW, THEREFORE, the Company hereby adopts the terms of the Plan as follows:

Section 1. Incentive Program Purposes. The Company’s main purposes in providing the incentive program described within the Plan (the “Incentive Program”) are to maintain a competitive level of total cash compensation and to align the interests of the Company’s employees with those of the Company’s shareholders and customers and with the strategic objectives of the Company. By placing a portion of employee compensation at risk, the Company can reward performance based on the overall performance of the Company, the business segment and the individual contribution of each employee.

Section 2. Effective Date. The effective date of this Plan is July 11, 2019. The Plan will remain in effect for the calendar year 2019 (the “Plan Year”) unless earlier replaced or terminated in accordance with Section 18 or the occurrence of a Change of Control as provided in Section 15, or unless adopted with respect to future calendar years.

Section 3. Eligibility. To be eligible for the Incentive Program in the Plan Year, employees must execute an Alternative Dispute Resolution Program Agreement and related

documents on or before deadlines established by the Company. Additional eligibility requirements for the Incentive Program may be proposed from time to time by the appropriate business segment or functional officer and approved by the Company's Chief Human Resources Officer ("CHRO"). Based upon such eligibility requirements, the Company's CHRO or the Company's Manager, Compensation and Payroll, as applicable, may designate any eligible employee for participation in the Plan in his or her complete and sole discretion. Following initial designation of eligible employees in the Plan Year, an eligible employee will be notified in writing of his or her participation, and a Plan document will be made available to all eligible employees.

Section 4. Administration of the Plan. The Company's Manager, Compensation and Payroll shall administer the Incentive Program under the general direction of the Company's CHRO; provided, however, that the Management Development and Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board") shall at all times retain the discretion with respect to the Incentive Program to increase, reduce, eliminate or determine the source of any payment or award hereunder without regard to any particular factors specified in the Plan. On an annual basis, the Committee must review and approve (a) the Plan, (b) the methodology for determining the incentive pools, including the Financial Measures, as defined in Section 7 of the Plan, and (c) the projected payout under the Plan and under the Incentive Program. The Committee must also review and approve any proposed amendments to the Plan throughout the Plan Year.

Section 5. Incentive Programs. The following Incentive Program shall be administered under the Plan: the EQT Corporation Short-Term Incentive Program.

Section 6. Definitions. The following provides the definition of certain Financial Measures, identified in Section 7 of the Plan, as may be used in the Incentive Program:

- (a) Earnings before Interest, Income Taxes, Depreciation and Amortization ("EBITDA"). Subject to Section 6(e) below, EBITDA is calculated as follows:

Company EBITDA means 2019 EBITDA, as defined in and calculated in accordance with the Company's 2019 Value Driver Performance Share Unit Award Agreements. For the avoidance of doubt, all amounts referenced above shall include the components thereof attributable to noncontrolling interests, if any. By way of example only, total revenues shall include components attributable to noncontrolling interests and the income taxes excluded shall include components attributable to noncontrolling interests. The calculation of Company EBITDA for the Plan Year will be calculated by the Company's principal accounting officer and submitted to the Company's principal financial officer for approval. The Company's principal financial officer will determine, for purposes of the Plan, the Company EBITDA under the general direction of the Committee.

- (b) Earnings before Interest, Income Taxes, Depreciation, Amortization and Exploration Expense (“EBITDAX”). Subject to Section 6(e) below, EBITDAX is calculated as follows:

Company EBITDAX means, for the Plan Year, Company EBITDA, as calculated under Section 6(a) above, before exploration expenses. The calculation of Company EBITDAX for the Plan Year will be calculated by the Company’s principal accounting officer and submitted to the Company’s principal financial officer for approval. The Company’s principal financial officer will determine, for purposes of the Plan, the Company EBITDAX under the general direction of the Committee.

- (c) Free Cash Flow. Free Cash Flow is calculated as follows:

Company Free Cash Flow means, for the Plan Year, the Company’s net cash provided by operating activities, excluding from such amount the effects of changes in other assets and liabilities, minus accrual-based capital expenditures (which, for the avoidance of doubt, shall exclude any cash payments or capital expenditures for acquisitions), plus dividends received from Equitrans Midstream Corporation. The calculation of Free Cash Flow for the Plan Year will be calculated by the Company’s principal accounting officer and submitted to the Company’s principal financial officer for approval. The Company’s principal financial officer will determine, for purposes of the Plan, the Company Free Cash Flow under the general direction of the Committee.

- (d) Days Away Restricted or Transferred. Days Away Restricted or Transferred is calculated as follows:

The Days Away Restricted or Transferred (“DART”) rate represents employee injuries that require employee days away from work or assignment to restricted duty. The DART rate is calculated by multiplying the number of DART recordable incidents during 2019 by 200,000, and then dividing that number by the total number of employee hours worked during 2019.

- (e) Notices of Violation Rate. Notices of Violation Rate is calculated as follows:

The Notices of Violation (“NOV”) rate represents an enforcement action by a state or federal environmental regulatory agency which notifies the company of a violation of statutes and/or regulations. The NOV rate is calculated by dividing the total number of NOV’s for 2019 by the Company’s total 2019 production volume. Total production volume means the gross production sales volumes which shall be determined based upon the Company’s internal books and records, included annually in the Company’s Form 10-K.

- (f) Peer Group. The Committee may establish a peer group (“Peer Group”) for purposes of applying any peer comparative to performance measures used in the Plan. Any changes to the Peer Group must be approved by the Committee.
- (g) Acquisitions/Dispositions. The calculations set forth in Sections 6(a), 6(b) and 6(c) shall be adjusted to exclude all direct and indirect impacts of acquisitions and/or dispositions during the year in which the total consideration paid, received or assumed is in excess of \$100 million to the extent not contemplated by the 2019 business plan. Such calculations may also be adjusted, in the discretion of the Committee, to exclude the impact of acquisitions and/or dispositions in which the total consideration paid, received or assumed is in excess of \$50 million and less than or equal to \$100 million.

Section 7. Determination of Incentive Pools.

- (a) The Incentive Program provides for incentive payments that are funded based on an incentive pool. The base amount of the incentive pool shall be determined by the extent to which one or more specific and defined financial measures (the “Financial Measures”) and operational and efficiency measures (the “Operational and Efficiency Measures”) are achieved for the Plan Year. For purposes of determining achievement of the Financial Measures under the Plan, the business plan Financial Measures will be adjusted to exclude, if any event occurs after the commencement of the Plan Year that causes the Company to report discontinued operations for 2019 not contemplated in the Company’s 2019 business plan, the components of the business plan Financial Measures attributable to such discontinued operations.
- (b) The following are the specific Financial and Operational and Efficiency Measures for the EQT Corporation Short-Term Incentive Program:

Financial and Operational and Efficiency Measures
Company EBITDA to Business Plan
Company Free Cash Flow to Business Plan
Safety and Environmental

- (c) The base amount of each incentive pool is determined based upon the Financial and Operational and Efficiency Measures listed above. Additional adjustments are made based on any minimum threshold amounts established therefor in accordance with the weightings assigned to each as listed on Attachment A. Attachment B to this Plan specifies the base or target amount expressed as the total of all Incentive Targets, as defined in Section 8 of the Plan, of those participants in the Incentive Program. The targets on Attachment B are automatically amended in the event of the addition of new hires as participants,

the elimination of the targets of former participants and participant compensation changes. No incentive pool shall exceed three (3) times the target set forth on Attachment B, subject to the adjustments described in the preceding sentence.

- (d) The Committee may, in its sole and absolute discretion, adjust the determination of the base amount of the pool (i) by any amount based upon earnings per share, (ii) by any amount based upon a significant safety or significant environmental event (as determined by the Committee) and (iii) by adjusting EBITDAX, EBITDA or Free Cash Flow for the impact of the prices of gas, oil and liquids and/or any extraordinary items or performance factors determined by the Committee, provided that such adjustment shall be limited to the difference between the business plan assumption and the actual impact of such items. Such adjustments by the Committee may be either positive or negative. Notwithstanding the forgoing, under no circumstance shall the aggregate of all incentive pools exceed 6.5% of the Company's EBITDAX for the Plan Year, calculated without adjusting EBITDAX for the impact of the prices of gas, oil and liquids and/or any extraordinary items or performance factors.

Section 8. Incentive Targets. Each participant under the Plan shall be given an incentive target (an "Incentive Target") that shall be determined based on market competitive levels. All Incentive Targets shall be determined within ninety (90) days of the commencement of each Plan Year by the Company's Manager, Compensation and Payroll, in consultation with the appropriate business segment or functional officer and approved by the Company's CHRO. Actual incentive awards payable ("Incentive Awards"), subject to adjustments as provided in the Plan, shall be based on the overall determination of the incentive pools and on individual performance.

Section 9. Performance Goals.

- (a) Each participant shall have specific performance goals (the "Performance Goals") determined for his or her position for the Plan Year. These Performance Goals must support the approved business plan of the Company.
- (b) A copy of each participant's Performance Goals and objectives shall be determined in writing, and kept on file with the Company's Human Resources Department.
- (c) Following the determination of the incentive pools as described in Section 7, an evaluation of each participant's actual performance relative to his or her individual Performance Goals for the Plan Year shall be completed. Performance can be rated as Outstanding Performer, Exceeds Expectations, Successful, Partially Successful, Fails to Meet Expectations and Not Rated. The definition of each rating is as follows:

<u>Performance Level</u>	<u>Performance Definition</u>
Outstanding Performer	Recognized leader in the department and/or Company. Contributes to the organization's success by adding significant value well beyond job requirements. Identifies opportunities and provides unique, innovative and practical solutions to problems. Consistently exceeds expectations and demonstrates a unique understanding of work beyond assigned area of responsibility.
Exceeds Expectations	Makes significant contributions to department and/or Company's business results. Overall performance far exceeds all requirements necessary to fulfill the principal duties, responsibilities, objectives and expectations of the position.
Successful	Overall performance meets all and may exceed some of the requirements necessary to fulfill the principal duties, responsibilities, objectives and expectations of the position. Produces timely and accurate results. Works independently to perform all aspects of the job. Recognizes, participates in and adjusts to changing work assignments.
Partially Successful	Overall performance meets most of the requirements necessary to fulfill the principal duties, responsibilities, objectives and expectations of the position. May require additional training, resources or coaching in an area before Successful.
Fails to Meet Expectations	Overall performance fails to meet all or most of the requirements necessary to fulfill the principal duties, responsibilities, objectives and expectations of the position. Performance Improvement Plan is required.
Not Rated	Appropriate only for employees who have been in current position less than three months.

Based on the evaluation of the participant's performance relative to his or her Performance Goals, individual performance adjustments can be made by the appropriate functional officer, ranging from elimination of the Incentive Target to 150% of the Incentive Target. The CEO must approve all individual performance adjustments under the Plan and may make individual performance adjustments in excess of 150%.

Section 10. Distributing the Incentive Pool. Incentive Awards may be earned based on the determination of the incentive pools and individual performance as follows:

- (1) The incentive pool is determined as described in Section 7. If the established Financial Measures and Operational and Efficiency Measures for the incentive pool are not achieved, the process to calculate Incentive Awards for the Incentive Program is terminated.
- (2) The performance of each participant is reviewed by the appropriate functional officer and the individual performance adjustment described in Section 9, if any, is applied as appropriate to the participant's original Incentive Target.
- (3) The Incentive Targets for each participant within an incentive pool, after giving effect to the individual performance adjustments described in Section 9, if any, are totaled. Each participant's adjusted Incentive Target is then calculated as a percent of the total adjusted Incentive Targets for all participants within the incentive pool.
- (4) The percent assigned to each participant in step 3 is multiplied by the total incentive pool generated, resulting in the amount of the participant's actual Incentive Award payable, subject to increase, reduction, elimination or substitution of the final incentive pool by the Committee as provided in Section 4. The amount of a participant's actual Incentive Award payable as determined pursuant to this Section 10(4) will be reduced (but in no event to an amount less than zero) by the amount of any Incentive Award previously paid to the participant under the Prior Short-Term Plans, as applicable (which plans terminated on July 10, 2019 upon the occurrence of a Change of Control, as defined therein).
- (5) Distributions, if any, may be paid in cash or other property, including shares of Company stock, from the Plan or other source as determined by the Committee, in its discretion.

Except as provided in Sections 10(5) and 11 of the Plan, the amount of the Incentive Awards payable from the Plan, as calculated in Section 10(4) above, shall be paid in cash to participants. Payments shall be made within 2½ months following the end of the Plan Year in which the amounts are no longer subject to a substantial risk of forfeiture. An Incentive Award shall not be earned and a participant shall have no vested right, interest or entitlement to any Incentive Award hereunder, prior to its actual payment.

Section 11. Alternate Forms of Payment. In accordance with the Company's Equity Ownership Guidelines adopted on January 30, 2003 (as amended on July 8, 2008, July 11, 2012 and April 14, 2015), or any successor thereto or revision thereof, the Chairman of the Board may elect to pay all or some of a participant's Incentive Award in stock, including restricted stock subject to the similar terms and conditions as the Company's annual restricted stock or phantom unit awards, if the participant has not satisfied the Equity Ownership Guidelines.

Section 12. Impact on Benefit Plans. Payments under the Plan shall not be considered as earnings for purposes of the Company's or its affiliates' qualified retirement plans or any other retirement, compensation or benefit plan or program of the Company or its affiliates, except to the extent specifically provided in such other plan or program.

Section 13. Tax Consequences. It is intended that: (a) until the Incentive Award is actually paid to a participant, the participant's right to payment of the Incentive Award shall be considered to be subject to a substantial risk of forfeiture in accordance with those terms as defined or referenced in Sections 83(a), 409A and 3121(v)(2) of the Internal Revenue Code of 1986, as amended (the "Code"); (b) the Incentive Award shall be subject to employment taxes upon payment; and (c) until the Incentive Award is actually paid to a participant, the participant shall have merely an unfunded, unsecured promise to be paid the benefit if and to the extent earned, and such unfunded promise shall not consist of a transfer of "property" within the meaning of Code Section 83. It is further intended that a participant will not be in actual or constructive receipt of compensation with respect to the Incentive Award within the meaning of Code Section 451 until the Incentive Award is actually paid.

Section 14. Change of Status. In making decisions regarding employees' participation in the Plan, the Company's CHRO or Manager, Compensation and Payroll, as applicable, may consider any factors that he or she may consider relevant in their sole discretion. The Company shall have no obligation to exercise its discretion to make an award to any employee affected by the described status changes. The following guidelines are provided as general information regarding employee status changes upon the occurrence of the events described below.

- (a) New Hires. A newly hired employee will participate in the Plan (or successor plan, as applicable) in the Plan Year following the year in which the employee is hired, unless otherwise specified in an applicable employment offer or as otherwise approved by the Committee.
- (b) Involuntary Termination. No Incentive Award shall be paid to any employee whose services are terminated by the Company prior to payment of an Incentive Award; provided, however, as follows:
 - (i) an employee or the estate of an employee whose employment is terminated by reason of death or long-term disability following the conclusion of the Plan Year but prior to payment of an Incentive Award shall be eligible for the payment that the deceased or disabled employee would have received had that individual been employed as of the date of the payment of an Incentive Award; and
 - (ii) an employee or the estate of an employee whose employment is terminated by reason of death or long-term disability during the Plan Year **may** be eligible for payment of a pro-rated Incentive Award based on the employee's amount of active service during the Plan Year and contingent upon satisfaction of the performance criteria contained in the Plan; provided, however, that the Company shall have sole discretion, subject to

its obligations under applicable federal, state or local law, to determine whether or not any Incentive Award will be paid in such event.

- (c) Voluntary Termination. No Incentive Award shall be paid to an employee who voluntarily terminates, or gives formal or informal notice of termination of, his/her employment for any reason, including but not limited to resignation, retirement or job abandonment, prior to the payment of an Incentive Award.

Nothing in the Plan, in the Incentive Program or in any Incentive Target or Incentive Award shall confer any right on any employee to continue in the employ of the Company. In the event any payments are made under the guidelines provided in this Section 14, the timing of such payments shall be in accordance with the provisions of Section 10; provided, however, if the participant is a “specified employee” under Section 409A of the Code at the time of his or her separation from service, then, if required to avoid an additional tax under Section 409A of the Code, any payment based upon separation from service may not be made until the first day following the six-month anniversary of the participant’s separation from service.

Section 15. Change of Control. In the event of a Change of Control of the Company, as then defined under the EQT Corporation 2019 Long-Term Incentive Plan (as in effect as of the date of this Plan), or its successor, the Plan Year shall end on the date of the Change of Control, and the target Financial Measures shall be deemed to have been achieved at the “Successful” level for the pro-rata portion of the calendar year that elapsed through the date of the Change of Control. In such event, any Incentive Awards earned shall be paid to participants on such pro-rata basis in accordance with the provisions set forth in Section 10 and without adjustment to any individual Incentive Targets, but subject to the Committee’s overall discretion as provided in Section 4.

Section 16. Compensation Recoupment Policy. Any Incentive Award paid to a participant hereunder shall be subject to the terms and conditions of any compensation recoupment policy adopted from time to time by the Board or any committee of the Board, to the extent such policy is applicable to annual incentive compensation and the participant.

Section 17. Dispute Resolution. The following is the exclusive procedure to be followed by all participants in resolving disputes arising from participation in and payments made under the Plan. Claims must be based on the participant’s performance rating under Section 9(c) and/or payment amount under the Plan. Any claim relative to a given Plan Year must be presented to the Company’s Manager, Compensation and Payroll within thirty (30) days following the later of (a) the payment date of the Incentive Award for that Plan Year or (b) the participant’s receipt of his or her performance rating. If a participant’s claim is not presented within such thirty (30) day period, the participant’s rights in respect of a claim for payment will be forfeited. Once the Manager, Compensation and Payroll has received a claim, he or she will assemble a meeting to review the issue. The participants in the meeting will include the Manager, Compensation and Payroll, the manager of the participant with the dispute, the appropriate human resources business partner, and, if desired by the participant, a peer chosen by the participant. The participant will be given an opportunity to present his or her issues to the Manager, Compensation and Payroll. A decision will be rendered by the Manager, Compensation and

Payroll within thirty (30) business days of the meeting. The Manager, Compensation and Payroll will be responsible for preparing a written version of the decision. This decision may be appealed to the Company's CHRO. Appealed decisions will be reviewed by the CHRO with information requested from the appropriate parties as he or she may determine in his or her sole discretion. The decision made by the CHRO regarding the matter is final and binding on all Plan participants.

Section 18. Amendment, Replacement or Termination of this Plan. The Company shall have the right to amend, replace or terminate the Plan at any time by written action of the Committee, provided that no employee or participant shall have any vested right, interest or entitlement to payment of any Incentive Award hereunder prior to its payment. The Company shall notify affected participants in writing of any material amendment or Plan termination.

ATTACHMENT A
Weighting of Financial and Operational and Efficiency Measures

Measures	Weighting
<u>EQT Corporation Short-Term Incentive Program</u>	
Company EBITDA To Business Plan*	50%
Free Cash Flow to Business Plan*	30%
Safety and Environmental**	
- Days Away Restricted (DART)**	10%
- Notices of Violation (NOV)**	10%
Total	100%

* Note: Achievement of these Financial Measures is determined by reference to the performance results and pay-out matrix approved by the Committee, which are set forth on Attachment C hereto.

** Note: Safety and Environmental measures are as set forth in the Safety and Environmental matrix approved by the Committee, which are set forth on Attachment C hereto.

ATTACHMENT B
Incentive Targets \$(000,000)

EQT Corporation Total	[\$27.70]
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ATTACHMENT C
Performance Metrics and Payout Multiples

<u>Performance Metrics</u>	<u>Payout Multiple*</u>
Adjusted EBITDA to Business Plan	
• 5% under Business Plan	.50
• Business Plan	1.00
• 10% over Business Plan	2.00
• More than 10% over Business Plan	Committee Discretion
Adjusted Free Cash Flow to Business Plan	
• 5% under Business Plan	.50
• Business Plan	1.00
• 10% over Business Plan	2.00
• More than 10% over Business Plan	Committee Discretion
Days Away Restricted Incident Rate (DARTS)	
• Successful equals 0.35	1.00
• Exceeds equals 0.28	2.00
Notices of Violation Rate (NOVs)	
• Successful equals 0.062	1.00
• Exceeds equals 0.053	2.00

* Performance between stated levels is interpolated in each case.

AGREEMENT AND RELEASE

This **AGREEMENT AND RELEASE** (this “Agreement”), is entered into between EQT Corporation (together with its subsidiaries and affiliates, “EQT” or the “Company”) and Gary E. Gould (“Employee”).

WHEREAS, Employee’s full-time employment was terminated by EQT without Cause on August 7, 2019 (the “Separation Date”);

WHEREAS, subject to Employee’s right to opt-out of the Executive Alternative Work Arrangement Employment Agreement (“EAWA Employment Agreement”) (attached as Exhibit A hereto) by executing the EAWA Waiver Form attached in Exhibit E, Employee shall continue employment with EQT on a part-time basis pursuant to the EAWA Employment Agreement in accordance with Section 9 of the Confidentiality, Non-Solicitation and Non-Competition Agreement dated March 6, 2019, as amended by any amendments thereto (collectively, the “Non-Compete Agreement”) (attached as Exhibit B hereto);

WHEREAS, the Non-Compete Agreement provides that Employee shall be eligible for certain benefits upon termination of employment without Cause (as defined in the Non-Compete Agreement) in exchange for, among other things, a general release of claims in a form acceptable to EQT; and

WHEREAS, the parties desire to fully and finally resolve all issues between them including any issues arising out of the employment relationship and the termination of that relationship.

NOW, THEREFORE, in consideration of the respective representations, acknowledgements, covenants and agreements of the parties set forth herein, and intending to be legally bound, the parties agree as follows:

1. **Termination of Employment.** Employee acknowledges and agrees that, effective as of 5:00 p.m. on the Separation Date, he discontinued full-time employment with EQT. Subject to Employee’s right to opt out of the EAWA, he shall remain employed by EQT pursuant to the EAWA Employment Agreement. In the event Employee opts out of the EAWA, his employment with EQT will terminate upon his execution and delivery of the EAWA Waiver Form to the Chief Human Resources Officer. EQT and Employee acknowledge and agree that Employee experienced a “separation from service” (within the meaning of Section 409A of the Internal Revenue Code) as of 5:00 p.m. on the Separation Date.
 2. **Resignation from Positions.** As a result of the termination of Employee’s employment by EQT without Cause, effective as of 5:00 p.m. on the Separation Date, Employee hereby resigns his positions as Executive Vice President & Chief Operating Officer and from any other positions he might hold with EQT and its affiliates. While Employee agrees that the foregoing resignations are intended to be self-effectuating, Employee further agrees to execute any documentation that EQT determines necessary or appropriate to facilitate such resignations.
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3. **EAWA Employment Agreement.** Employee shall execute the EAWA Employment Agreement at the time he executes this Agreement and, provided he remains eligible pursuant to the EAWA Employment Agreement, he shall be deemed to have become an EAWA employee of EQT pursuant to the terms of the EAWA Employment Agreement as of the Separation Date. Employee shall have 30-days from his/her Separation Date to opt-out of the EAWA Employment Agreement by executing and delivering the EAWA Waiver Form to EQT's Chief Human Resources Officer.

4. **Termination Payments and Benefits.** Subject to Employee's execution of this Agreement, the expiration of the revocation period described in Section 11 of this Agreement and Employee's compliance with his obligations under this Agreement, the Non-Compete Agreement, and the EAWA Employment Agreement, including the restrictive covenants set forth herein and therein (collectively, the "Agreement Conditions"), Employee shall be entitled to the following compensation and benefits:

- a. Pursuant to Section 3(a) of the Non-Compete Agreement, a cash payment equal to \$1,100,000.00 (*i.e.*, twenty-four (24) months of Employee's base salary), which shall be paid in a lump sum within 60 days following the Separation Date.
 - b. Pursuant to Section 3(b) of the Non-Compete Agreement, a cash payment equal to \$990,000.00 (*i.e.*, two times the average annual incentive (bonus) payment earned by Employee under the Company's applicable Short-Term Incentive Plan for the three (3) full year period prior to the Separation Date), which shall be paid in a lump sum within 60 days following the Separation Date. Since Employee has not been employed for three (3) full years, the average has been calculated by including, for each partial calendar year of employment with EQT and each calendar year during which Employee was not employed by EQT, the greater of: (i) the Employee's actual award for such year, and (ii) the Employee's target annual incentive (bonus) award at the time of termination.
 - c. Pursuant to Section 3(c) of the Non-Compete Agreement, a cash payment equal to \$19,564.00 (*i.e.*, the product of (i) twelve (12) and (ii) 100% of the current Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") monthly rate for family coverage), which shall be paid in a lump sum within 60 days following the Separation Date.
 - d. Pursuant to Section 3(d) of the Non-Compete Agreement, a cash payment equal to \$200,000, which shall be paid in a lump sum within 60 days following the Separation Date.
 - e. Pursuant to Section 3(e) of the Non-Compete Agreement, full vesting as of the Separation Date of all value driver-type performance based equity awards, stock options, restricted stock, restricted stock units and other
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time-vesting equity awards held by Employee as of the Separation Date. Employee acknowledges and agrees that all such awards are reflected on Exhibit C attached hereto.

- f. Pursuant to Section 3(f) of the Non-Compete Agreement, all performance-vesting equity awards held by Employee as of the Separation Date shall remain eligible to vest to the same extent as if Employee's employment had not terminated on the Separation Date. Employee acknowledges and agrees that all such awards are reflected on Exhibit D attached hereto.

The payments provided under this Section 4 are subject to applicable tax and payroll withholding. Except as expressly provided in Sections 4(e) and (f) above, Employee's rights under the long-term incentive programs referenced above shall remain subject to the terms and conditions of the applicable award program documentation, as they may be amended from time to time. In the event of Employee's death, any amounts payable under this Section 4 shall be paid to Employee's estate. The payments provided under this Section 4 will be made notwithstanding paragraph 20 of Employee's Executive Alternative Work Arrangement Employment Agreement.

5. **Cooperation.** Employee, upon reasonable notice and at reasonable times, agrees to cooperate with the Company in the defense of litigation and in related investigations of any claims or actions now in existence or that may be threatened or brought in the future relating to events or occurrences that transpired while Employee was employed by the Company. Further, Employee hereby re-affirms the reasonableness of, and his agreement to abide by, his obligations under, and the terms and conditions of, the Non-Compete Agreement.

6. **Condition to Payment; Employee Acknowledgements.** Employee hereby acknowledges and agrees that EQT's obligation to provide the payments set forth in Section 4 of this Agreement is subject to Employee's satisfaction of the Agreement Conditions. Further, Employee hereby acknowledges and agrees that the payments set forth in Section 4 of this Agreement, together with any accrued but unpaid base salary, accrued but unused vacation, any vested right to receive payments under the 2019 Short-Term Incentive Plan, any vested account balance that Employee may have under the EQT Employee Savings Plan and any compensation or benefits to which Employee may become entitled pursuant to the EAWA Employment Agreement, shall be in full satisfaction of all obligations of EQT to Employee under this Agreement, the Non-Compete Agreement, the Severance Pay Plan and any other compensation or benefit plan, agreement or arrangement or otherwise. Employee hereby understands that any payments or benefits set forth in Section 4 of the Agreement represent, in part, consideration for signing this Agreement and are not salary, wages or benefits to which Employee was already entitled. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates. Notwithstanding anything to the contrary in the foregoing paragraph or in this Agreement, Employee shall, pursuant to the Relocation Expense Reimbursement Agreement dated March 30, 2019, be entitled to receive reimbursement for

qualifying expenses that are outstanding related to his relocation from Oklahoma to Pittsburgh, Pennsylvania in the second quarter of 2019.

7. **Release of Claims.** In consideration for EQT's commitments herein, Employee, on behalf of himself, his heirs, representatives, estates, successors and assigns, does hereby voluntarily, irrevocably and unconditionally release and forever discharge EQT, its predecessors, subsidiaries, affiliates, and benefit plans, and their past, present and future officers, directors, trustees, administrators, agents and employees, as well as the heirs, successors and assigns of any such persons or such entities (hereinafter severally and collectively called "Releasees") from any and all suits, actions, causes of action, damages and claims, known and unknown, that Employee has or may have against any of the Releasees for any acts, practices or events up to and including the date he signs this Agreement, except for the performance of the provisions of this Agreement, it being the intention of Employee to effect a general release of all such claims. This release includes any and all claims under any possible legal, equitable, contract, tort, or statutory theory, including but not limited to any claims under Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Americans With Disabilities Act, the Civil Rights Act of 1991, the Genetic Information Nondiscrimination Act, the Pennsylvania Human Relations Act, the City of Pittsburgh Human Relations Ordinance, all as amended, and other federal, state, and local statutes, ordinances, executive orders, regulations and other laws prohibiting discrimination in employment, the federal Employee Retirement Income Security Act of 1974, as amended, and state, federal or local law claims of any other kind whatsoever (including common law tort and contract claims) arising out of or in any way related to Employee's employment with EQT. Employee also specifically releases all Releasees from any and all claims or causes of action for the fees, costs and expenses of any and all attorneys who have at any time or are now representing him in connection with this Agreement or in connection with any matter released in this Agreement.

The release in the preceding paragraph is intended to be a general release, excluding only claims which Employee is legally barred from releasing. Employee understands that the release does not include: any claims that cannot be released or waived as a matter of law; any claim for or right to vested benefits under a 401(k) plan on or prior to the Separation Date; any right to enforce this Agreement; and any claims based on acts or events occurring after Employee signs this Agreement. Nothing in this Agreement prohibits the filing of a charge or complaint with, or testimony, assistance or participation in, any investigation, proceeding or hearing conducted by any federal, state or local governmental agency, including but not limited to the Equal Employment Opportunity Commission.

Nothing in this Agreement or the Non-Compete Agreement prohibits Employee from: (a) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation; or (b) disclosing confidential information and/or trade secrets when this disclosure is solely for the purpose of: (i) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity;

(ii) working with legal counsel in order to determine whether possible violations of federal, state, or local law or regulation exist; or
(iii) filing a complaint or other document in a lawsuit or other proceeding, if such filing is made under seal. Any disclosures of trade secrets must be consistent with 18 U.S.C. § 1833.

8. **No Pending Actions.** Employee warrants that he has no actions now pending against Releasees in any court of the United States or any State thereof based upon any acts or events arising out of or related to his employment with EQT. Employee represents and warrants that he has made no assignment or transfer of any right, claim, demand, cause of action or other matter covered by Section 7 above. Notwithstanding any other language in this Agreement, the parties understand that this Agreement does not prohibit Employee from filing an administrative charge of alleged employment discrimination under Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act or the Equal Pay Act. Employee, however, waives his right to monetary or other recovery should any federal, state or local administrative agency pursue any claims on his behalf arising out of or relating to his employment with any of the Releasees. This means that by signing this Agreement, Employee will have waived any right he had to obtain a recovery if an administrative agency pursues a claim on his behalf against any of the Releasees based on any actions taken by any of the Releasees up to the date of the signing of this Agreement and that Employee will have released the Releasees of any and all claims of any nature arising up to the date of the signing of this Agreement. However, nothing in this Agreement prevents Employee from making any reports to or receiving any awards from the Securities and Exchange Commission or the Occupational Safety and Health Administration.

9. **Nonadmission.** By entering into this Agreement, EQT in no way admits that it or any of the Releasees has treated Employee unlawfully or wrongfully in any way. Neither this Agreement nor the implementation thereof shall be construed to be, or shall be admissible in any proceedings as, evidence of any admission by EQT or any of the Releasees of any violation of or failure to comply with any federal, state, or local law, ordinance, agreement, rule, regulation or order.

10. **Agreement Consideration Period.** Employee acknowledges that he has been given the opportunity to consider this Agreement for forty-five (45) calendar days, which is a reasonable period of time, and that he has been advised to consult with an attorney in relation thereto prior to executing it. Employee further acknowledges that he has had a full and fair opportunity to consult with an attorney, that he has carefully read and fully understands all of the provisions of this Agreement, that he has discussed this Agreement with such attorneys if he has chosen to, and that he is voluntarily executing and entering into this Agreement, intending to be legally bound hereby. If Employee signs this Agreement in less than forty-five (45) calendar days, Employee acknowledges that he has thereby waived his right to the full forty-five (45) calendar day consideration period. By law, EQT is required to notify Employee of the following information: Set forth in Exhibit F attached hereto is a listing of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated on July 10 and July 21, 2019 and August 7, 2019 plus the job titles and ages of the Section 16 officers of EQT as July

9, 2019 whose employment was not terminated effective July 10 or July 21, 2019, or August 7, 2019.

11. **Revocation Period.** For a period of seven (7) calendar days following Employee's execution of this Agreement, Employee may revoke it by delivery of a written notice revoking same within that seven (7)-day period to the office of the General Counsel, EQT Corporation, 625 Liberty Avenue, Suite 1700, Pittsburgh, PA, 15222. This Agreement shall not be effective or enforceable until that seven (7)-day revocation period has expired, and EQT shall not be obligated to make any of the payments, or provide any of the benefits, described in Section 4 prior to such expiration.

12. **Remedies.** If Employee does not comply with the terms of this Agreement or revokes his execution of this Agreement, EQT, in addition to any other remedies it may have (whether under applicable law, the Non-Compete Agreement or otherwise), shall be entitled to (a) cease payment of the payments contemplated by Section 4 of this Agreement to the extent not previously paid or provided and (b) the prompt return by Employee of any portion of such payments previously paid or provided. Without limiting the generality of the foregoing, in the event of Employee's actual or threatened breach of any Agreement Condition set forth in this Agreement or the Non-Compete Agreement, EQT shall be entitled to injunctive relief (including temporary restraining orders, preliminary injunctions and permanent injunctions), without posting a bond, in any court of competent jurisdiction. Employee understands that by entering into this Agreement he will be limiting the availability of certain remedies that he may have against the Releasees and limiting also his ability to pursue certain claims against the Releasees.

13. **Severability.** The provisions of this Agreement are severable. To the extent that any provision of this Agreement is deemed unenforceable in any court of law, the parties intend that such provision be construed by such court in a manner to make it enforceable, and the remaining provisions of this Agreement shall remain in full force and effect.

14. **Successors.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

15. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

16. **Entire Agreement.** Except: (a) as provided in the second sentence of this Section 16; (b) for the Indemnification Agreement between EQT and Employee; (c) the Non-Compete Agreement; (d) the EAWA Employment Agreement; and (e) as otherwise expressly set forth in this Agreement, this Agreement (including the Exhibits attached hereto) contains the entire agreement between the parties and it supersedes all prior agreements and understandings between EQT and Employee (oral or written). For the avoidance of doubt, Employee's covenants, obligations and acknowledgments, and EQT's rights and remedies, set forth in the Non-Compete Agreement remain in full force and effect.

17. **Amendments**. This Agreement may not be changed, amended, or modified except by a written instrument signed by both parties.

18. **Interpretation**. As used in this Agreement, the term “including” does not limit the preceding words or terms.

19. **EMPLOYEE ACKNOWLEDGEMENT**. **EMPLOYEE ACKNOWLEDGES THAT HE HAS CAREFULLY READ AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THIS AGREEMENT, AND THAT HE IS VOLUNTARILY EXECUTING AND ENTERING INTO THIS AGREEMENT, WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND INTENDING TO BE LEGALLY BOUND BY IT.**

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

EQT CORPORATION

By: /s/ Lesley Evancho
Name: Lesley Evancho
Title: Chief Human Resources Officer

August 22, 2019
Date

/s/ Gary E. Gould
Gary E. Gould

August 22, 2019
Date

EXHIBIT A

EXECUTIVE ALTERNATIVE WORK ARRANGEMENT EMPLOYMENT AGREEMENT

EXECUTIVE ALTERNATIVE WORK ARRANGEMENT EMPLOYMENT AGREEMENT

This is an Executive Alternative Work Arrangement Employment Agreement (“Agreement”) entered into between EQT Corporation (together with its subsidiaries, “EQT” or the “Company”) and Gary E. Gould (“Employee”).

WHEREAS, Employee is an executive officer of EQT and his full-time employment with EQT has been terminated by the Company without Cause effective August 7, 2019, but he will continue employment with EQT on a part-time basis;

WHEREAS, EQT is interested in continuing to retain the services of Employee on a part-time basis for at least 100 (but no more than 400) hours per year; and

WHEREAS, Employee has elected to modify his/her employment status to Executive Alternative Work Arrangement;

NOW, THEREFORE, in consideration of the respective representations, acknowledgements, and agreements of the parties set forth herein, and intending to be legally bound, the parties agree as follows:

1. The term of this Agreement is for the one-year period commencing on the day after Employee’s full-time status with EQT ceases. During that period, Employee will hold the position of an Executive Alternative Work Arrangement employee of EQT. Employee’s status as Executive Alternative Work Arrangement (and this one-year Agreement) will automatically renew annually unless either party terminates this Agreement by written notice to the other not less than 30 days prior to the renewal date. The automatic annual renewals of this Agreement will cease, however, at the end of five years of Executive Alternative Work Arrangement employment status.

2. During each one-year period in Executive Alternative Work Arrangement employment status, Employee is required to provide no less than 100 hours of service to EQT. During each one-year period, Employee will also make himself/herself available for up to 300 additional hours of service upon request from the Company. All such hours of service will occur during the Company’s regularly scheduled business hours (unless otherwise agreed by the parties), and no more than fifty (50) hours will be scheduled per month (unless otherwise agreed by the parties).

3. Employee shall be paid an hourly rate for Employee’s actual services provided under this Agreement. The hourly rate shall be Employee’s annual base salary in effect immediately prior to Employee’s change in employee classification to Executive Alternative Work Arrangement employment status divided by 2080. Employee shall submit monthly time sheets in a form agreed upon by the parties, and Employee will be paid on regularly scheduled payroll dates in accordance with the Company’s standard payroll practices following submission of his/her time sheets. Notwithstanding the foregoing, in the event that during any one-year

period in Executive Alternative Work Arrangement employment status, EQT requests Employee to provide less than 100 hours of service, EQT shall pay Employee for a minimum of 100 hours of service (regardless of the actual number of hours of service), with any remaining amount owed payable on the next regularly scheduled payroll date following the end of the applicable one-year period. If either party terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof, no additional compensation will be paid to Employee pursuant to this Section 3.

4. Employee shall be eligible to continue to participate in the group medical (including prescription drug), dental and vision programs in which Employee participated immediately before the classification change to Executive Alternative Work Arrangement (as such plans might be modified by the Company from time-to-time), but Employee will be required to pay 100% of the Company's premium (or premium equivalent) rates to the carriers (the full active employee premium rates – both the employee portion and the employer portion - as adjusted year-to-year) for participation in such group insurance programs. If Employee completes five years of Executive Alternative Work Arrangement employment status or if the Company terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof other than pursuant to paragraph 17 hereof, Employee will be allowed to participate in such group insurance programs at 102% of the then-applicable full active employee premium rates (both the employee portion and the employer portion) until the earlier of: (i) Employee becomes eligible to receive Medicare benefits and (ii) Employee reaches age 70, even though Employee is no longer employed by EQT. Employee acknowledges that, to the extent, if at all, the Company's cost to include Employee in the group insurance programs pursuant to this paragraph exceeds the cost paid by the Employee, the benefits provided hereunder may result in taxable income to the Employee. All amounts required to be paid by Employee pursuant to this paragraph shall be due not later than 30 days after written notice thereof is sent by the Company. Company may terminate the benefits provided under this Agreement upon 30 days written notice of any failure by Employee to timely perform his/her payment obligation hereunder, unless such failure is earlier cured.

5. During the term of this Agreement, Employee will continue to receive service credit for purposes of calculating the value of the Medical Spending Account.

6. Employee shall not be eligible to participate in the Company's life insurance and disability insurance programs, 401(k) Plan, ESPP, or any other retirement or welfare benefit programs or perquisites of the Company. Likewise, Employee shall not receive any paid vacation, paid holidays or car allowance.

7. Employee is not eligible to receive bonus payments under any short-term incentive plans of EQT, and is not eligible to receive any new grants under EQT's long-term incentive plans, programs or arrangements.

8. Effective not later than the commencement of this Executive Alternative Work Arrangement, Employee shall be deemed to have retired for purposes of measuring vesting and/or post-termination exercise periods of all forms of long term incentive awards. The timing

of any payments for such awards will be as provided in the underlying plans, programs or arrangements and is subject to any required six-month delay in payment if Employee is a "specified employee" under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") at the time of Employee's separation from service, with respect to payments made by reason of Employee's separation from service. Nothing in this paragraph 8, or in paragraph 7, shall prevent (a) the continued vesting of previously granted long-term incentive awards to the extent the award agreement therefore expressly contemplates continued vesting while the recipient serves as a member of the Board of Directors of the Company or an affiliate or (b) grants of non-employee director awards to an individual solely because such individual serves on the Board of Directors of the Company or an affiliate. Notwithstanding anything contained herein to the contrary, any special vesting and/or payment provisions applicable to Employee's long-term incentive awards pursuant to that certain Confidentiality, Non-Solicitation and Non-Competition Agreement between EQT and Employee dated March 4, 2019 (as amended from time to time, the "Non-Competition Agreement") shall apply and be given effect.

9. The Company shall either pay on behalf of Employee or reimburse Employee for the cost of (i) monthly dues for one country club and one dining club (such clubs to be approved by the Company's Chief Executive Officer), and (ii) executive level physicals (currently "gold" level) and related health and wellness services for Employee and Employee's spouse (up to a maximum annual benefit of \$15,000), in each case during the term of this Agreement or, if the Company terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof other than pursuant to paragraph 17 hereof, through the fifth anniversary hereof in accordance with and on the dates specified in the Company's policies; *provided, however*, that no such payments or reimbursements shall be made until the first day following the six-month anniversary of Employee's separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of the Code; *provided, further*, that to the extent reimbursed or paid, all reimbursements and payments with respect to expenses incurred within a particular year shall be made no later than the end of Employee's taxable year following the taxable year in which the expense was incurred. The amount of payments or reimbursable expenses incurred in one taxable year of Employee shall not affect the amount of reimbursable expenses in a different taxable year, and such payments or reimbursement shall not be subject to liquidation or exchange for another benefit.

10. Employee shall continue to have mobile telephone service and reasonable access to the Company's Help Desk during the term of this Agreement or, if the Company terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof other than pursuant to paragraph 17 hereof, through the fifth anniversary hereof; *provided, however*, if the provision of such service will result in taxable income to Employee, then no such taxable service shall be provided until the first day following the six-month anniversary of Employee's separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of the Code.

11. Employee shall receive tax, estate and financial planning services from providers approved in advance by the Company during the term of this Agreement or, if the Company terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof other than pursuant to paragraph 17 hereof, through the fifth anniversary hereof, in amount not to exceed \$15,000 per calendar year, to be paid directly by the Company in accordance with and on the dates specified in the Company's policies; *provided, however*, that no such payments or reimbursements shall be made until the first day following the six-month anniversary of Employee's separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of Code; *provided, further*, that to the extent reimbursed or paid, all reimbursements and payments with respect to expenses incurred within a particular year shall be made no later than the end of Employee's taxable year following the taxable year in which the expense was incurred. The amount of payments or reimbursable expenses incurred in one taxable year of Employee shall not affect the amount of payments or reimbursable expenses in a different taxable year, and such payments or reimbursement shall not be subject to liquidation or exchange for another benefit.

12. During the term of this Agreement, Employee shall maintain an ownership level of Company stock equal to not less than one-half of the value last required as a full-time Employee. In the event that at any time during the term of this Agreement Employee does not maintain the required ownership level, Employee shall promptly notify the Company and increase his or her ownership to at least the required level. Any failure of Employee to maintain at least the required ownership level for more than three months during the term of this Agreement shall constitute and be deemed to be an immediate termination by Employee of his or her Executive Alternative Work Arrangement.

13. This Agreement sets forth all of the payments, benefits, perquisites and entitlements to which Employee shall be entitled upon assuming Executive Alternative Work Arrangement employment status. Employee shall not be entitled to receive any gross-up payments for any taxes or other amounts with respect to amounts payable under this Agreement.

14. Nothing in this Agreement shall prevent or prohibit the Company from modifying any of its employee benefits plans, programs, or policies.

15. Non-Competition and Non-Solicitation. The covenants as to non-competition and non-solicitation contained in Section 1, and as to notification of subsequent employment in Section 12, in each case of the Non-Competition Agreement shall remain in effect throughout Employee's employment with EQT in Executive Alternative Work Arrangement employment status and for a period of twenty-four (24) months, in the case of non-competition covenants; twenty-four (24), in the case of non-solicitation covenants relating to customers and prospective customers; and thirty-six (36) months, in the case of non-solicitation covenants relating to employees, consultants, vendors or independent contractors, in each case after the termination of Employee's employment as an Executive Alternative Work Arrangement employee. It is understood and agreed that if Employee's employment as an Executive Alternative Work Arrangement employee terminates for any reason in the midst of any one-year term period as provided under this Agreement (including, without limitation, a termination

pursuant to Sections 4, 12 or 17 of this Agreement), the covenants as to non-competition and non-solicitation contained in the Non-Competition Agreement shall remain in effect throughout the remainder of that one-year term and for a period of twenty-four (24) months, in the case of non-competition covenants, and thirty-six (36) months, in the case of non-solicitation covenants, months thereafter.

16. Confidential Information and Non-Disclosure. Employee acknowledges and agrees that Employee's employment by the Company necessarily involves Employee's knowledge of and access to confidential and proprietary information pertaining to the business of the Company. Accordingly, Employee agrees that at all times during the term of this Agreement and for as long as the information remains confidential after the termination of Employee's employment, Employee will not, directly or indirectly, without the express written authority of the Company, unless directed by applicable legal authority having jurisdiction over Employee, disclose to or use, or knowingly permit to be so disclosed or used, for the benefit of Employee, any person, corporation or other entity other than the Company, (i) any information concerning any financial matters, employees of the Company, customer relationships, competitive status, supplier matters, internal organizational matters, current or future plans, or other business affairs of or relating to the Company, (ii) any management, operational, trade, technical or other secrets or any other proprietary information or other data of the Company, or (iii) any other information related to the Company which has not been published and is not generally known outside of the Company. Employee acknowledges that all of the foregoing constitutes confidential and proprietary information, which is the exclusive property of the Company. Nothing in this Section 16 prohibits Employee from reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation.

17. EQT may terminate this Agreement and Employee's employment at any time for Cause. Solely for purposes of this Agreement, "Cause" shall mean: (i) Employee's conviction of a felony, a crime of moral turpitude or fraud or Employee having committed fraud, misappropriation or embezzlement in connection with the performance of his/her duties; (ii) Employee's willful and repeated failures to substantially perform assigned duties; or (iii) Employee's violation of any provision of this Agreement or express significant policies of the Company. If the Company terminates Employee's employment for Cause, the Company shall give Employee written notice setting forth the reason for his/her termination not later than 30 days after such termination.

18. Except as otherwise provided herein, in the event of any controversy, dispute or claim arising out of, or relating to this Agreement, or the breach thereof, or arising out of any other matter relating to the Employee's employment with EQT or the termination of such employment, EQT may seek recourse for injunctive relief to the courts having jurisdiction thereof and if any relief other than injunctive relief is sought, EQT and the Employee agree that such underlying controversy, dispute or claim shall be settled by arbitration conducted in Pittsburgh, Pennsylvania in accordance with this Section 18 of this Agreement and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The matter

shall be heard and decided, and awards, if any, rendered by a panel of three (3) arbitrators (the "Arbitration Panel"). EQT and the Employee shall each select one arbitrator from the AAA National Panel of Commercial Arbitrators (the "Commercial Panel") and AAA shall select a third arbitrator from the Commercial Panel. Any award rendered by the Arbitration Panel shall be final, binding and confidential as between the parties hereto and their heirs, executors, administrators, successors and assigns, and judgment on the award may be entered by any court having jurisdiction thereof.

19. EQT shall have the authority and the right to deduct or withhold, or require Employee to remit to EQT, an amount sufficient to satisfy federal, state, and local taxes (including Employee's FICA obligation) required by law to be withheld with respect to any payment or benefit provided pursuant to this Agreement. The obligations of EQT under this Agreement will be conditioned on such payment or arrangements and EQT will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Employee.

20. It is understood and agreed that upon Employee's discontinuation of full-time employment and transition to Executive Alternative Work Arrangement employment status hereunder, Employee has no continuing rights under Section 3 of the Non-Competition Agreement and such section shall have no further force or effect.

21. The provisions of this Agreement are severable. To the extent that any provision of this Agreement is deemed unenforceable in any court of law, the parties intend that such provision be construed by such court in a manner to make it enforceable.

22. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

23. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

24. This Agreement supersedes all prior agreements and understandings between EQT and Employee with respect to the subject matter hereof (oral or written), including but not limited to Section 3 of the Non-Competition Agreement. It is understood and agreed, however, that the covenants as to non-competition, non-solicitation, confidentiality and nondisclosure contained in Sections 1 and 2 of the Non-Competition Agreement remain in effect as modified herein, along with the provisions in Sections 4, 5, 6, 7, 8, 11 and 12 of the Non-Competition Agreement.

25. This Agreement may not be changed, amended, or modified except by a written instrument signed by both parties, provided that the Company may amend this Agreement from time to time without Employee's consent to the extent deemed necessary or appropriate, in its sole discretion, to effect compliance with Section 409A of the Code, including regulations and interpretations thereunder, which amendments may result in a reduction of benefits provided hereunder and/or other unfavorable changes to Employee.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

EQT CORPORATION

By: /s/ Lesley Evanco

Chief Human Resources Officer

Title

8/22/19

Date

EMPLOYEE

/s/ Gary E. Gould

Name: Gary E. Gould

8/22/19

Date

EXHIBIT B

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

**CONFIDENTIALITY, NON-SOLICITATION and
NON-COMPETITION AGREEMENT**

This CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT (this “Agreement”) is entered into and effective as of March 6, 2019, by and between EQT Corporation, a Pennsylvania corporation (EQT Corporation and its subsidiary companies are hereinafter collectively referred to as the “Company”), and GARY E. GOULD (the “Employee”).

WITNESSETH:

WHEREAS, the Company desires to procure the services of Employee, and Employee is willing to enter into employment with the Company, subject to the terms and subject to the conditions set forth below; and

WHEREAS, during the course of Employee’s employment with the Company, the Company will impart to Employee proprietary and/or confidential information and/or trade secrets of the Company; and

WHEREAS, in order to protect the business and goodwill of the Company, the Company desires to obtain certain confidentiality, non-competition and non-solicitation covenants from the Employee; and

WHEREAS, the Employee is willing to agree to these confidentiality, non-competition and non-solicitation covenants by entering into this Agreement, in exchange for the Company’s employment of Employee and the Company’s agreement to pay the severance benefits described in Section 3 below in the event that Employee’s employment with the Company is terminated in certain circumstances; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Restrictions on Competition and Solicitation. While the Employee is employed by the Company and for a period of twenty-four (24) months after the date of Employee's termination of employment with the Company for any reason Employee will not, directly or indirectly, expressly or tacitly, for himself/herself or on behalf of any entity conducting business anywhere in the Restricted Territory (as defined below): (i) act in any capacity for any business in which his duties at or for such business include oversight of or actual involvement in providing services which are competitive with the services or products being provided or which are being produced or developed by the Company, or were under investigation by the Company within the last two (2) years prior to the end of Employee's employment with the Company, (ii) recruit investors on behalf of an entity which engages in activities which are competitive with the services or products being provided or which are being produced or developed by the Company, or were under investigation by the Company within the last two (2) years prior to the end of

Employee's employment with the Company, or (iii) become employed by such an entity in any capacity which would require Employee to carry out, in whole or in part, the duties Employee has performed for the Company which are competitive with the services or products being provided or which are being produced or developed by the Company, or were under active investigation by the Company within the last two (2) years prior to the end of Employee's employment with the Company. Notwithstanding the foregoing, the Employee may purchase or otherwise acquire up to (but not more than) 1% of any class of securities of any enterprise (but without otherwise participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. This covenant shall apply to any services, products or businesses under investigation by the Company within the last two (2) years prior to the end of Employee's employment with the Company only to the extent that Employee acquired or was privy to confidential information regarding such services, products or businesses. Employee acknowledges that this restriction will prevent Employee from acting in any of the foregoing capacities for any competing entity operating or conducting business within the Restricted Territory and that this scope is reasonable in light of the business of the Company.

Restricted Territory shall mean: (i) the entire geographic location of any natural gas and oil play in which the Company owns, operates or has contractual rights to purchase natural gas-related assets (other than commodity trading rights and pipeline capacity contracts on non-affiliated or third-party pipelines), including but not limited to, storage facilities, interstate pipelines, intrastate pipelines, intrastate distribution facilities, liquefied natural gas facilities, propane-air facilities or other peaking facilities, and/or processing or fractionation facilities; or (ii) the entire geographic location of any natural gas and oil play in which the Company owns proved, developed and/or undeveloped natural gas and/or oil reserves and/or conducts natural gas or oil exploration and production activities of any kind; or (iii) the entire geographic location of any natural gas and oil play in which the Company has decided to make or has made an offer to purchase or lease assets for the purpose of conducting any of the business activities described in subparagraphs (i) and (ii) above within the six (6) month period immediately preceding the end of the Employee's employment with the Company provided that Employee had actual knowledge of the offer or decision to make an offer prior to Employee's separation from the Company. For geographic locations of natural gas and oil plays, refer to the maps produced by the United States Energy Information Administration located at www.eia.gov/maps.

Employee agrees that for a period of twenty-four (24) months following the termination of Employee's employment with the Company for any reason, including without limitation termination for cause or without cause, Employee shall not, directly or indirectly, solicit the business of, or do business with: (i) any customer that Employee approached, solicited or accepted business from on behalf of the Company, and/or was provided confidential or proprietary information about while employed by the Company within the one (1) year period preceding Employee's separation from the Company; and (ii) any prospective customer of the Company who was identified to or by the Employee and/or who Employee was provided confidential or proprietary information about while employed by the Company within the one (1) year period preceding Employee's separation from the Company, for purposes of marketing,

selling and/or attempting to market or sell products and services which are the same as or similar to any product or service the Company offers within the last two (2) years prior to the end of Employee's employment with the Company, and/or, which are the same as or similar to any product or service the Company has in process over the last two (2) years prior to the end of Employee's employment with the Company to be offered in the future.

While Employee is employed by the Company and for a period of thirty-six (36) months after the date of Employee's termination of employment with the Company for any reason, Employee shall not (directly or indirectly) on his own behalf or on behalf of any other person or entity solicit or induce, or cause any other person or entity to solicit or induce, or attempt to solicit or induce, any employee, consultant, vendor or independent contractor to leave the employ of or engagement by the Company or its successors, assigns or affiliates, or to violate the terms of their contracts with the Company.

2. Confidentiality of Information and Nondisclosure. Employee acknowledges and agrees that his employment by the Company necessarily involves his/her knowledge of and access to confidential and proprietary information pertaining to the business of the Company. Accordingly, Employee agrees that at all times during the term of this Agreement and for as long as the information remains confidential after the termination of Employee's employment, he will not, directly or indirectly, without the express written authority of the Company, unless directed by applicable legal authority having jurisdiction over Employee, disclose to or use, or knowingly permit to be so disclosed or used, for the benefit of himself/herself, any person, corporation or other entity other than the Company, (i) any information concerning any financial matters, employees of the Company, customer relationships, competitive status, supplier matters, internal organizational matters, current or future plans, or other business affairs of or relating to the Company, (ii) any management, operational, trade, technical or other secrets or any other proprietary information or other data of the Company, or (iii) any other information related to the Company which has not been published and is not generally known outside of the Company. Employee acknowledges that all of the foregoing, constitutes confidential and proprietary information, which is the exclusive property of the Company. Nothing in this Agreement prohibits Employee from: (i) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures (including of confidential information) that are protected under the whistleblower provisions of federal, state, or local law or regulation; or (ii) disclosing trade secrets when the disclosure is solely for the purpose of: (a) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity; (b) working with legal counsel in order to determine whether possible violations of federal, state, or local law or regulation exist; or (c) filing a complaint or other document in a lawsuit or other proceeding, if such filing is made under seal. Any disclosures of trade secrets must be consistent with 18 U.S.C. §1833.

3. Severance Benefit. If the Employee's employment is terminated by the Company for any reason other than Cause (as defined below) or if the Employee terminates his employment for Good Reason (as defined below), the Company shall provide Employee with the following:

(a) A lump sum payment payable within 60 days following Employee's termination date equal to twenty-four (24) months of Employee's base salary in effect at the time of such termination, or immediately prior to the event that serves as the basis for termination for Good Reason;

(b) A lump sum payment payable within 60 days following Employee's termination date equal to two times the average annual incentive (bonus) payment received by the Employee under the Company's applicable Short-Term Incentive Plan (or any successor plan) for the three (3) full years prior to Employee's termination date; provided that (x) if such termination of employment occurs prior to Employee having been employed by the Company for three full calendar years and through the determination and payment, if any, of the annual incentive for any of such three years, then such average shall be calculated by including, for each partial calendar year of employment and each calendar year during which such individual was not employed by the Company, the greater of (i) the Employee's actual award for such year, and (ii) the Employee's target annual incentive (bonus) award at time of termination and (y) any year in which no bonus is paid due to any failure to achieve applicable performance metrics shall be counted as a zero for purposes of calculating the foregoing average annual incentive (bonus) payment;

(c) A lump sum payment payable within 60 days following Employee's termination date equal to the product of (i) twelve (12) and (ii) 100% of the then-current Consolidated Omnibus Budget Reconciliation Act of 1985 monthly rate for family coverage;

(d) A lump sum payment payable within 60 days following Employee's termination date equal to \$200,000;

(e) Subject to Section 14 of this Agreement, all stock options, restricted stock, restricted stock units and other time-vesting equity awards granted to Employee under the EQT Corporation 2014 Long-Term Incentive Plan (as amended from time to time, and including any successor plan thereto, the "2014 LTIP"), and any other long-term incentive plan of the Company (the 2014 LTIP and any other long-term incentive plan of the Company are, collectively, the "LTIPs") shall immediately become vested and exercisable in full and/or all restrictions on such awards shall lapse (for avoidance of doubt, this provision shall supersede any provision to the contrary contained in any award agreement or program); and

(f) Subject to Section 14 of this Agreement, all performance-based equity awards granted to Employee by the Company under the LTIPs shall remain outstanding and shall be earned and settled, if at all, in accordance with the applicable award agreement or program based on actual performance through the end of the performance period as if Employee's employment had not been terminated (for avoidance of doubt, this provision shall supersede any provision to the contrary contained in any award agreement or program).

The payments provided under this Section 3 shall be subject to applicable tax and payroll withholdings, and shall be in lieu of any payments and/or benefits to which the Employee would

otherwise be entitled under the EQT Corporation Severance Pay Plan (as amended from time to time) or any other severance policy or program, and shall, to the extent applicable, be reduced by any payments due in respect of any notice of termination required to be provided to the Employee under the Worker Adjustment and Retraining Notification act of 1988 (and any similar state law). The Company's obligation to provide the payments and benefits under this Section 3 shall be contingent upon the following:

(a) Employee's execution of a release of claims in a form acceptable to the Company; and

(b) Employee's compliance with his obligations hereunder, including, but not limited to, Employee's obligations set forth in Sections 1 and 2 (the "Restrictive Covenants").

Solely for purposes of this Agreement, "Cause" as a reason for the Employee's termination of employment shall mean: (i) Employee's conviction of a felony, a crime of moral turpitude or fraud or Employee having committed fraud, misappropriation or embezzlement in connection with the performance of his duties; (ii) Employee's willful and repeated failures to substantially perform assigned duties; or (iii) Employee's violation of any provision of a written employment-related agreement between Employee and the Company or express significant policies of the Company. If the Company terminates Employee's employment for Cause, the Company shall give Employee written notice setting forth the reason for his termination not later than 30 days after such termination.

Solely for purposes of this Agreement, "Good Reason" shall mean Employee's resignation within 90 days after: (i) a reduction in Employee's base salary of 10% or more (unless the reduction is applicable to all similarly situated employees); (ii) a reduction in Employee's annual short-term bonus target of 10% or more (unless the reduction is applicable to all similarly situated employees); (iii) a significant diminution in Employee's job responsibilities, duties or authority; (iv) a change in the geographic location of Employee's primary reporting location of more than 50 miles; and/or (v) any other action or inaction that constitutes a material breach by the Company of this Agreement. A termination by Employee shall not constitute termination for Good Reason unless Employee first delivers to the General Counsel of the Company written notice: (i) stating that Employee intends to resign for Good Reason pursuant to this Agreement; and (ii) setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than 90 days after the initial occurrence of such event). The Company shall have a reasonable period of time (not less than 30 days after receipt of Employee's written notice that Employee is resigning for Good Reason) to take action to correct, rescind or substantially reverse the occurrence supporting termination for Good Reason as identified by Employee. Failure by the Company to act or respond to the written notice shall not be deemed to be an admission that Good Reason exists.

4. Severability and Modification of Covenants. Employee acknowledges and agrees that each of the Restrictive Covenants is reasonable and valid in time and scope and in all other respects. The parties agree that it is their intention that the Restrictive Covenants be enforced in

accordance with their terms to the maximum extent permitted by law. Each of the Restrictive Covenants shall be considered and construed as a separate and independent covenant. Should any part or provision of any of the Restrictive Covenants be held invalid, void, or unenforceable, such invalidity, voidness, or unenforceability shall not render invalid, void, or unenforceable any other part or provision of this Agreement or such Restrictive Covenant. If any of the provisions of the Restrictive Covenants should ever be held by a court of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court may deem just and proper for the reasonable protection of the Company's legitimate business interests and may be enforced by the Company to that extent in the manner described above and all other provisions of this Agreement shall be valid and enforceable.

5. Reasonable and Necessary Agreement. The Employee acknowledges and agrees that: (i) this Agreement is necessary for the protection of the legitimate business interests of the Company; (ii) the restrictions contained in this Agreement are reasonable; (iii) the Employee has no intention of competing with the Company within the limitations set forth above; (iv) the Employee acknowledges and warrants that Employee believes that Employee will be fully able to earn an adequate livelihood for Employee and Employee's dependents if the covenant not to compete contained in this Agreement is enforced against the Employee; and (v) the Employee has received adequate and valuable consideration for entering into this Agreement.

6. Injunctive Relief and Attorneys' Fees. The Employee stipulates and agrees that any breach of the Restrictive Covenants by the Employee will result in immediate and irreparable harm to the Company, the amount of which will be extremely difficult to ascertain, and that the Company could not be reasonably or adequately compensated by damages in an action at law. For these reasons, the Company shall have the right, without the need to post bond or prove actual damages, to obtain such preliminary, temporary or permanent injunctions, orders or decrees as may be necessary to protect the Company against, or on account of, any breach by the Employee of the Restrictive Covenants. In the event the Company obtains any such injunction, order, decree or other relief, in law or in equity, the duration of any violation of Section 1 shall be added to the applicable restricted period specified in Section 1. Employee understands and agrees that, if the parties become involved in a lawsuit regarding the enforcement of the Restrictive Covenants and if the Company prevails in such legal action, the Company will be entitled, in addition to any other remedy, to recover from Employee its reasonable costs and attorneys' fees incurred in enforcing such covenants. The Company's ability to enforce its rights under the Restrictive Covenants or applicable law against Employee shall not be impaired in any way by the existence of a claim or cause of action on the part of Employee based on, or arising out of, this Agreement or any other event or transaction arising out of the employment relationship.

7. Binding Agreement. This Agreement (including the Restrictive Covenants) shall be binding upon and inure to the benefit of the successors and assigns of the Company.

8. Employment at Will. Employee shall be employed at-will and for no definite term. This means that either party may terminate the employment relationship at any time for any or no reason.

9. Executive Alternative Work Arrangement Employment Status. As a board-designated executive officer of the Company, Employee has the opportunity to participate in the Executive Alternative Work Arrangement upon discontinuing full-time status. The terms and conditions of Executive Alternative Work Arrangement Employment Status are described in the form of Executive Alternative Work Arrangement Employment Agreement attached hereto as Exhibit A. Set forth below the signature lines to this Agreement is an election form regarding participation in the Executive Alternative Work Arrangement. Employee must complete and sign such form indicating whether or not he desires to participate in Executive Alternative Work Arrangement Status. Any failure to make an election at the time of execution of this Agreement shall be deemed to be an election not to participate. If Employee elects to participate, the Executive Alternative Work Arrangement classification will be automatically assigned to Employee if and when Employee incurs a termination of employment that meets each of the following conditions (an "Eligible Termination"): (a) Employee's employment is terminated by the Company for any reason other than Cause **or** Employee gives the Company (delivered to the Vice President and Chief Human Resources Officer) at least 90 days' advance written notice of Employee's intention to discontinue employment, (b) Employee is a board-designated executive officer in good standing with EQT Corporation as of the time of his termination of employment, and (c) Employee's employment shall not have been terminated by Employee for Good Reason. By electing to participate in the Executive Alternative Work Arrangement, Employee hereby agrees to execute an Executive Alternative Work Arrangement Employment Agreement, in a form substantially similar to the one attached hereto as Exhibit A, within 90 days prior to Employee's relinquishment of full-time status, which agreement will become effective automatically on the day following Employee's Eligible Termination. Without limiting the foregoing, Employee agrees that he will not be eligible for the Executive Alternative Work Arrangement, including the post-employment benefits described therein, if Employee's termination of employment is not an Eligible Termination. Notwithstanding the foregoing, within 30 days following an Eligible Termination, Employee may provide written notice to the Company of Employee's election to waive the Executive Alternative Work Arrangement Employment Agreement, in which case (x) the Executive Alternative Work Arrangement Employment Agreement shall be of no force or effect, and neither the Company nor Employee shall have any obligations thereunder, and (y) in consideration for such election, Employee agrees that the restricted period contemplated by the first paragraph of Section 1 shall be extended for a period of three additional months beyond the period specified therein.

10. Applicable Law; Exclusive Forum Selection; Consent to Jurisdiction. The Company and Employee agree that this Agreement shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to its conflicts of law principles. Except to the extent that a dispute is required to be submitted to arbitration as set forth in Section 11 below, Employee agrees that the exclusive forum for any action to enforce this Agreement, as well as any action relating to or arising out of

this Agreement, shall be the state courts of Allegheny County, Pennsylvania or the United States District Court for the Western District of Pennsylvania, Pittsburgh Division. With respect to any such court action, Employee hereby (a) irrevocably submits to the personal jurisdiction of such courts; (b) consents to service of process; (c) consents to venue; and (d) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction, service of process, or venue. Both parties hereto further agree that such courts are convenient forums for any dispute that may arise herefrom and that neither party shall raise as a defense that such courts are not convenient forums.

11. Agreement to Arbitrate. Employee and the Company agree that any controversy, claim, or dispute between Employee and the Company arising out of or relating to this Agreement or the breach thereof, or arising out of any matter relating to the Employee's employment with the Company or the termination thereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The arbitration shall be governed by the Federal Arbitration Act, shall be held in Pittsburgh, Pennsylvania, and shall be conducted before a panel of three (3) arbitrators (the "Arbitration Panel"). The Company and Employee shall each select one arbitrator from the AAA National Panel of Commercial Arbitrators (the "Commercial Panel"), and the AAA shall select a third arbitrator from the Commercial Panel. The Arbitration Panel shall render a reasoned opinion in writing in support of its decision. Any award rendered by the Arbitration Panel shall be final, binding, and confidential as between the parties. Notwithstanding this agreement to arbitrate, in the event that Employee breaches or threatens to breach any of Employee's obligations under the Restrictive Covenants, the Company shall have the right to file an action in one of the courts specified in Section 10 above seeking temporary, preliminary or permanent injunctive relief to enforce Employee's obligations under the Restrictive Covenants.

12. Notification of Subsequent Employment. Employee shall upon termination of his employment with the Company, as soon as practicable and for the length of the non-competition period described in Section 1 above, notify the Company: (i) of the name, address and nature of the business of his new employer; (ii) if self-employed, of the name, address and nature of his new business; (iii) that he/she has not yet secured new employment; and (iv) each time his employment status changes. In addition, Employee shall notify any prospective employer that this Agreement exists and shall provide a copy of this Agreement to the prospective employer prior to beginning employment with that prospective employer. Any notice provided under this Section (or otherwise under this Agreement) shall be in writing directed to the General Counsel, EQT Corporation, 625 Liberty Avenue, Suite 1700, Pittsburgh, PA 15222-3111.

13. Mandatory Reduction of Payments in Certain Events.

(a) Notwithstanding anything in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this

Agreement or otherwise) (such benefits, payments or distributions are hereinafter referred to as “Payments”) would, if paid, be subject to the excise tax (the “Excise Tax”) imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”), then, prior to the making of any Payments to the Employee, a calculation shall be made comparing (i) the net after-tax benefit to the Employee of the Payments after payment by the Employee of the Excise Tax, to (ii) the net after-tax benefit to the Employee if the Payments had been limited to the extent necessary to avoid being subject to the Excise Tax. If the amount calculated under (i) above is less than the amount calculated under (ii) above, then the Payments shall be limited to the extent necessary to avoid being subject to the Excise Tax (the “Reduced Amount”). The reduction of the Payments due hereunder, if applicable, shall be made by first reducing cash Payments and then, to the extent necessary, reducing those Payments having the next highest ratio of Parachute Value to actual present value of such Payments as of the date of the change in control transaction, as determined by the Determination Firm (as defined in Section 13(b) below). For purposes of this Section 13, present value shall be determined in accordance with Section 280G(d)(4) of the Code. For purposes of this Section 13, the “Parachute Value” of a Payment means the present value as of the date of the change in control transaction of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2) of the Code, as determined by the Determination Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(b) All determinations required to be made under this Section 13, including whether an Excise Tax would otherwise be imposed, whether the Payments shall be reduced, the amount of the Reduced Amount, and the assumptions to be utilized in arriving at such determinations, shall be made by an independent, nationally recognized accounting firm or compensation consulting firm mutually acceptable to the Company and the Employee (the “Determination Firm”) which shall provide detailed supporting calculations both to the Company and the Employee within 15 business days after the receipt of notice from the Employee that a Payment is due to be made, or such earlier time as is requested by the Company. All fees and expenses of the Determination Firm shall be borne solely by the Company. Any determination by the Determination Firm shall be binding upon the Company and the Employee. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Determination Firm hereunder, it is possible that Payments which the Employee was entitled to, but did not receive pursuant to Section 13(a), could have been made without the imposition of the Excise Tax (“Underpayment”), consistent with the calculations required to be made hereunder. In such event, the Determination Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Employee but no later than March 15 of the year after the year in which the Underpayment is determined to exist, which is when the legally binding right to such Underpayment arises.

(c) In the event that the provisions of Code Section 280G and 4999 or any successor provisions are repealed without succession, this Section 13 shall be of no further force or effect.

14. Internal Revenue Code Section 409A.

(a) General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder. Nevertheless, the tax treatment of the benefits provided under the Agreement is not warranted or guaranteed. Neither the Company nor its directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by Employee as a result of the application of Section 409A of the Code.

(b) Separation from Service. For purposes of the Agreement, the term “termination,” when used in the context of a condition to, or the timing of, a payment hereunder, shall be interpreted to mean a “separation from service” as such term is used in Section 409A of the Code.

(c) Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute non-exempt “deferred compensation” for purposes of Section 409A of the Code (“Non-Exempt Deferred Compensation”) would otherwise be payable or distributable under this Agreement by reason of Employee’s separation from service during a period in which Employee is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Company under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes):

(i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following Employee’s separation from service will be accumulated through and paid or provided on the first day of the seventh month following Employee’s separation from service (or, if Employee dies during such period, within thirty (30) days after Employee’s death) (in either case, the “Required Delay Period”); and

(ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

For purposes of this Agreement, the term “Specified Employee” has the meaning given such term in Code Section 409A and the final regulations thereunder.

(d) Timing of Release of Claims. Whenever in this Agreement a payment or benefit is conditioned on Employee’s execution of a release of claims, such release must be executed and all revocation periods shall have expired within sixty (60) days after the date of termination; failing which such payment or benefit shall be forfeited. If such payment or benefit constitutes Non-Exempt Deferred Compensation, and if such 60-day period begins in one calendar year and ends in the next calendar year, the payment or benefit shall not be made or commence before the second such calendar year, even if the release becomes irrevocable in the

first such calendar year. In other words, Employee is not permitted to influence the calendar year of payment based on the timing of his signing of the release.

15. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements (with the exception of the Relocation Expense Reimbursement Agreement and the Offer of Employment Letter dated March 4, 2019) and understandings, oral or written. This Agreement may not be changed, amended, or modified, except by a written instrument signed by the parties; provided, however, that the Company may amend this Agreement from time to time without Employee's consent to the extent deemed necessary or appropriate, in its sole discretion, to effect compliance with Section 409A of the Code, including regulations and interpretations thereunder, which amendments may result in a reduction of benefits provided hereunder and/or other unfavorable changes to Employee.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and the Employee has hereunto set his hand, all as of the day and year first above written.

EQT CORPORATION

By: /s/ David J. Smith

Name: David J. Smith

Title: Senior Vice President, Human Resources

EMPLOYEE

/s/ Gary E. Gould

GARY E. GOULD

**ELECTION TO PARTICIPATE IN
EXECUTIVE ALTERNATIVE WORK ARRANGEMENT CLASSIFICATION**

- ☒ I hereby elect to participate in the Executive Alternative Work Arrangement Classification as described in Section 9 of the above Confidentiality, Non-Solicitation and Non-Competition Agreement. I hereby agree to execute an Executive Alternative Work Arrangement Employment Agreement in a form substantially similar to the one attached hereto as Exhibit A, within 90 days prior to my relinquishment of full-time status, which agreement will become effective automatically on the day following my Eligible Termination. I understand that I will not be eligible for the Executive Alternative Work Arrangement, including the post-employment benefits described therein if my termination from employment is not an Eligible Termination.
- ☐ I hereby decline to participate in the Executive Alternative Work Arrangement Classification as described in Section 9 of the above Confidentiality, Non-Solicitation and Non-Competition Agreement.

Gary E. Gould
Employee Name Printed

/s/ Gary E. Gould
Employee Signature

3/6/2019
Date

EXHIBIT C

EMPLOYEE'S TIME-VESTING EQUITY AWARDS

Grant Date	Grant Type	Target Grant
04/22/2019	2019 EQT Restricted Awards	30,580.000
04/22/2019	2019 EQT Restricted Awards	190,810.000
04/22/2019	2019 EQT Stock Options	110,100.000

EXHIBIT D

EMPLOYEE'S PERFORMANCE-VESTING EQUITY AWARDS

Grant Date	Grant Type	Target Grant
04/22/2019	2019 EQT IPSUP	61,160.000

EXHIBIT E

EAWA WAIVER FORM

ELECTION TO WAIVE PARTICIPATION IN EXECUTIVE ALTERNATIVE WORK ARRANGEMENT CLASSIFICATION

You are receiving this election form because you previously elected to participate in the Executive Alternative Work Arrangement Classification described in Section 9 of the Confidentiality, Non-Solicitation and Non-Competition Agreement between you and EQT Corporation (the “Confidentiality, Non-Solicitation and Non-Competition Agreement”).

Notwithstanding your prior election to participate in the Executive Alternative Work Arrangement Classification, you may waive such participation by providing written notice to EQT Corporation within 30 days following an Eligible Termination (as defined in the Confidentiality, Non-Solicitation and Non-Competition Agreement). You may provide EQT Corporation with written notice of such waiver by marking the box below indicating that you wish to waive participation in the Executive Alternative Work Arrangement Classification and returning the form to EQT’s Senior Vice President, Human Resources within 30 days following your Eligible Termination. If you mark the box below indicating that you are not waiving participation in the Executive Alternative Work Arrangement Classification or if you do not return this form to EQT’s Senior Vice President, Human Resources within 30 days following your Eligible Termination, you will be deemed **NOT** to have waived your participation in the Executive Alternative Work Arrangement Classification.

If you waive participation in the Executive Alternative Work Arrangement Classification (x) the Executive Alternative Work Arrangement Employment Agreement referenced in the Confidentiality, Non-Solicitation and Non-Competition Agreement shall be of no force or effect, and neither EQT Corporation nor you shall have any obligations thereunder, and (y) in consideration for such waiver, you agree that the restricted period contemplated by the first paragraph of Section 1 of the Confidentiality, Non-Solicitation and Non-Competition Agreement shall be extended for a period of three additional months beyond the period specified therein.

- I hereby **WAIVE** participation in the Executive Alternative Work Arrangement Classification as described in Section 9 of the Confidentiality, Non-Solicitation and Non-Competition Agreement. Further, I acknowledge and agree that, as a result of such waiver, (x) the Executive Alternative Work Arrangement Employment Agreement referenced in the Confidentiality, Non-Solicitation and Non-Competition Agreement shall be of no force or effect, and neither EQT Corporation nor I shall have any obligations thereunder, and (y) in consideration for such waiver, the restricted period contemplated by the first paragraph of Section 1 of the Confidentiality, Non-Solicitation and Non-Competition Agreement shall be extended for a period of three additional months beyond the period specified therein.
-

- I hereby **DECLINE TO WAIVE** to participation in the Executive Alternative Work Arrangement Classification as described in Section 9 of the Confidentiality, Non-Solicitation and Non-Competition Agreement.

Gary E. Gould

Employee Name Printed

/s/ Gary E. Gould

Employee Signature

8/22/19

Date

EXHIBIT F

OWBPA DISCLOSURE

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated effective August 7, 2019 as part of a change of control.

Job Title	Age as of August 7, 2019
Executive Vice President & Chief Operating Officer	54

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated effective July 21, 2019 as part of a change of control.

Job Title	Age as of July 21, 2019
Senior Vice President, Human Resources	60

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated effective July 10, 2019 as part of a change of control.

Job Title	Age as of July 10, 2019
President & Chief Executive Officer	48
General Counsel & Senior Vice President, Government Affairs	43

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment was not terminated effective July 10 or July 21, 2019 or August 7, 2019.

Job Title	Age as of August 7, 2019
Executive Vice President, Commercial, Business Development, Information Technology & Safety	46
Senior Vice President and Chief Financial Officer	47
Vice President & Principal Accounting Officer	47

AGREEMENT AND RELEASE

This **AGREEMENT AND RELEASE** (this “Agreement”), is entered into between EQT Corporation (together with its subsidiaries and affiliates, “EQT” or the “Company”) and Jimmi Sue Smith (“Employee”).

WHEREAS, Employee’s full-time employment with EQT terminated on August 29, 2019 (the “Separation Date”);

WHEREAS, subject to Employee’s right to opt-out of the Executive Alternative Work Arrangement Employment Agreement (“EAWA Employment Agreement”) (attached as Exhibit A hereto) by executing the EAWA Waiver Form attached in Exhibit E, Employee shall continue employment with EQT on a part-time basis pursuant to the EAWA Employment Agreement in accordance with Section 9 of the Second Amended and Restated Confidentiality, Non-Solicitation and Non-Competition Agreement dated November 13, 2018, as amended by any amendments thereto (collectively, the “Non-Compete Agreement”) (attached as Exhibit B hereto);

WHEREAS, the Non-Compete Agreement provides that Employee shall be eligible for certain benefits upon termination of employment without Cause (as defined in the Non-Compete Agreement) in exchange for, among other things, a general release of claims in a form acceptable to EQT; and

WHEREAS, the parties desire to fully and finally resolve all issues between them including any issues arising out of the employment relationship and the termination of that relationship.

NOW, THEREFORE, in consideration of the respective representations, acknowledgements, covenants and agreements of the parties set forth herein, and intending to be legally bound, the parties agree as follows:

1. **Termination of Employment**. Employee acknowledges and agrees that, effective as of 12:00 p.m. on the Separation Date, EQT discontinued her full-time employment. Subject to Employee’s right to opt out of the EAWA, she shall remain employed by EQT pursuant to the EAWA Employment Agreement. In the event Employee opts out of the EAWA, her employment with EQT will terminate upon her execution and delivery of the EAWA Waiver Form to the Chief Human Resources Officer. EQT and Employee acknowledge and agree that Employee experienced a “separation from service” (within the meaning of Section 409A of the Internal Revenue Code) as of 12:00 p.m. on the Separation Date.

2. **Resignation from Positions**. Effective as of 12:00 p.m. on the Separation Date, Employee hereby resigns her positions as Senior Vice President & Chief Financial Officer and from any other positions she might hold with EQT and its affiliates. While Employee agrees that the foregoing resignations are intended to be self-effectuating, Employee further agrees to

execute any documentation that EQT determines necessary or appropriate to facilitate such resignations.

3. **EAWA Employment Agreement**. Employee shall execute the EAWA Employment Agreement at the time she executes this Agreement and, provided she remains eligible pursuant to the EAWA Employment Agreement, she shall be deemed to have become an EAWA employee of EQT pursuant to the terms of the EAWA Employment Agreement as of the Separation Date. Employee shall have 30-days from her Separation Date to opt-out of the EAWA Employment Agreement by executing and delivering the EAWA Waiver Form to EQT's Chief Human Resources Officer.

4. **Termination Payments and Benefits**. Subject to Employee's execution of this Agreement, the expiration of the revocation period described in Section 11 of this Agreement and Employee's compliance with her obligations under this Agreement, the Non-Compete Agreement, and the EAWA Employment Agreement, including the restrictive covenants set forth herein and therein (collectively, the "**Agreement Conditions**"), Employee shall be entitled to the following compensation and benefits:

- a. Pursuant to Section 3(a) of the Non-Compete Agreement, a cash payment equal to \$926,400.00 (*i.e.*, twenty-four (24) months of Employee's base salary), which shall be paid in a lump sum within 60 days following the Separation Date.
 - b. Pursuant to Section 3(b) of the Non-Compete Agreement, a cash payment equal to \$432,000.00 (*i.e.*, two times the average annual incentive (bonus) payment earned by Employee under the Company's applicable Short-Term Incentive Plan for the three (3) full year period prior to the Separation Date), which shall be paid in a lump sum within 60 days following the Separation Date.
 - c. Pursuant to Section 3(c) of the Non-Compete Agreement, a cash payment equal to \$19,564.00 (*i.e.*, the product of (i) twelve (12) and (ii) 100% of the current Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**") monthly rate for family coverage), which shall be paid in a lump sum within 60 days following the Separation Date.
 - d. Pursuant to Section 3(d) of the Non-Compete Agreement, a cash payment equal to \$200,000, which shall be paid in a lump sum within 60 days following the Separation Date.
 - e. Pursuant to Section 3(e) and 3(g) of the Non-Compete Agreement, full vesting as of the Separation Date of all value driver-type performance based equity awards, stock options, restricted stock, restricted stock units and other time-vesting equity awards held by Employee as of the
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Separation Date. Employee acknowledges and agrees that all such awards are reflected on Exhibit C attached hereto.

- f. Pursuant to Section 3(f) of the Non-Compete Agreement, all performance-vesting equity awards held by Employee as of the Separation Date shall remain eligible to vest to the same extent as if Employee's employment had not terminated on the Separation Date. Employee acknowledges and agrees that all such awards are reflected on Exhibit D attached hereto.

The payments provided under this Section 4 are subject to applicable tax and payroll withholding. Except as expressly provided in Sections 4(e) and (f) above, Employee's rights under the long-term incentive programs referenced above shall remain subject to the terms and conditions of the applicable award program documentation, as they may be amended from time to time. In the event of Employee's death, any amounts payable under this Section 4 shall be paid to Employee's estate.

5. **Cooperation.** Employee, upon reasonable notice and at reasonable times, agrees to cooperate with the Company in the defense of litigation and in related investigations of any claims or actions now in existence or that may be threatened or brought in the future relating to events or occurrences that transpired while Employee was employed by the Company. Further, Employee hereby re-affirms the reasonableness of, and her agreement to abide by, her obligations under, and the terms and conditions of, the Non-Compete Agreement.

6. **Condition to Payment; Employee Acknowledgements.** Employee hereby acknowledges and agrees that EQT's obligation to provide the payments set forth in Section 4 of this Agreement is subject to Employee's satisfaction of the Agreement Conditions. Further, Employee hereby acknowledges and agrees that the payments set forth in Section 4 of this Agreement, together with any accrued but unpaid base salary, accrued but unused vacation, any vested right to receive payments under the 2019 Short-Term Incentive Plan, any vested account balance that Employee may have under the EQT Employee Savings Plan and any compensation or benefits to which Employee may become entitled pursuant to the EAWA Employment Agreement, shall be in full satisfaction of all obligations of EQT to Employee under this Agreement, the Non-Compete Agreement, the Severance Pay Plan and any other compensation or benefit plan, agreement or arrangement or otherwise. Employee hereby understands that any payments or benefits set forth in Section 4 of the Agreement represent, in part, consideration for signing this Agreement and are not salary, wages or benefits to which Employee was already entitled. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

7. **Release of Claims.** In consideration for EQT's commitments herein, Employee, on behalf of himself, her heirs, representatives, estates, successors and assigns, does hereby voluntarily, irrevocably and unconditionally release and forever discharge EQT, its predecessors, subsidiaries, affiliates, and benefit plans, and their past, present and future officers, directors,

trustees, administrators, agents and employees, as well as the heirs, successors and assigns of any such persons or such entities (hereinafter severally and collectively called “Releasees”) from any and all suits, actions, causes of action, damages and claims, known and unknown, that Employee has or may have against any of the Releasees for any acts, practices or events up to and including the date she signs this Agreement, except for the performance of the provisions of this Agreement, it being the intention of Employee to effect a general release of all such claims. This release includes any and all claims under any possible legal, equitable, contract, tort, or statutory theory, including but not limited to any claims under Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Americans With Disabilities Act, the Civil Rights Act of 1991, the Genetic Information Nondiscrimination Act, the Pennsylvania Human Relations Act, the City of Pittsburgh Human Relations Ordinance, all as amended, and other federal, state, and local statutes, ordinances, executive orders, regulations and other laws prohibiting discrimination in employment, the federal Employee Retirement Income Security Act of 1974, as amended, and state, federal or local law claims of any other kind whatsoever (including common law tort and contract claims) arising out of or in any way related to Employee’s employment with EQT. Employee also specifically releases all Releasees from any and all claims or causes of action for the fees, costs and expenses of any and all attorneys who have at any time or are now representing him in connection with this Agreement or in connection with any matter released in this Agreement.

The release in the preceding paragraph is intended to be a general release, excluding only claims which Employee is legally barred from releasing. Employee understands that the release does not include: any claims that cannot be released or waived as a matter of law; any claim for or right to vested benefits under a 401(k) plan on or prior to the Separation Date; any right to enforce this Agreement; and any claims based on acts or events occurring after Employee signs this Agreement. Nothing in this Agreement prohibits the filing of a charge or complaint with, or testimony, assistance or participation in, any investigation, proceeding or hearing conducted by any federal, state or local governmental agency, including but not limited to the Equal Employment Opportunity Commission.

Nothing in this Agreement or the Non-Compete Agreement prohibits Employee from: (a) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation; or (b) disclosing confidential information and/or trade secrets when this disclosure is solely for the purpose of: (i) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity; (ii) working with legal counsel in order to determine whether possible violations of federal, state, or local law or regulation exist; or (iii) filing a complaint or other document in a lawsuit or other proceeding, if such filing is made under seal. Any disclosures of trade secrets must be consistent with 18 U.S.C. § 1833.

8. **No Pending Actions.** Employee warrants that she has no actions now pending against Releasees in any court of the United States or any State thereof based upon any acts or

events arising out of or related to her employment with EQT. Employee represents and warrants that she has made no assignment or transfer of any right, claim, demand, cause of action or other matter covered by Section 7 above. Notwithstanding any other language in this Agreement, the parties understand that this Agreement does not prohibit Employee from filing an administrative charge of alleged employment discrimination under Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act or the Equal Pay Act. Employee, however, waives her right to monetary or other recovery should any federal, state or local administrative agency pursue any claims on her behalf arising out of or relating to her employment with any of the Releasees. This means that by signing this Agreement, Employee will have waived any right she had to obtain a recovery if an administrative agency pursues a claim on her behalf against any of the Releasees based on any actions taken by any of the Releasees up to the date of the signing of this Agreement and that Employee will have released the Releasees of any and all claims of any nature arising up to the date of the signing of this Agreement. However, nothing in this Agreement prevents Employee from making any reports to or receiving any awards from the Securities and Exchange Commission or the Occupational Safety and Health Administration.

9. **Nonadmission**. By entering into this Agreement, EQT in no way admits that it or any of the Releasees has treated Employee unlawfully or wrongfully in any way. Neither this Agreement nor the implementation thereof shall be construed to be, or shall be admissible in any proceedings as, evidence of any admission by EQT or any of the Releasees of any violation of or failure to comply with any federal, state, or local law, ordinance, agreement, rule, regulation or order.

10. **Agreement Consideration Period**. Employee acknowledges that she has been given the opportunity to consider this Agreement for forty-five (45) calendar days, which is a reasonable period of time, and that she has been advised to consult with an attorney in relation thereto prior to executing it. Employee further acknowledges that she has had a full and fair opportunity to consult with an attorney, that she has carefully read and fully understands all of the provisions of this Agreement, that she has discussed this Agreement with such attorneys if she has chosen to, and that she is voluntarily executing and entering into this Agreement, intending to be legally bound hereby. If Employee signs this Agreement in less than forty-five (45) calendar days, Employee acknowledges that she has thereby waived her right to the full forty-five (45) calendar day consideration period. By law, EQT is required to notify Employee of the following information: Set forth in Exhibit F attached hereto is a listing of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated on July 10 and July 21, 2019 and August 7 and 29, 2019 plus the job titles and ages of the Section 16 officers of EQT as July 9, 2019 whose employment was not terminated effective July 10 or July 21, 2019, or August 7 or 29, 2019.

11. **Revocation Period**. For a period of seven (7) calendar days following Employee's execution of this Agreement, Employee may revoke it by delivery of a written notice revoking same within that seven (7)-day period to the office of the General Counsel, EQT Corporation, 625 Liberty Avenue, Suite 1700, Pittsburgh, PA, 15222. This Agreement shall not

be effective or enforceable until that seven (7)-day revocation period has expired, and EQT shall not be obligated to make any of the payments, or provide any of the benefits, described in Section 4 prior to such expiration.

12. **Remedies**. If Employee does not comply with the terms of this Agreement or revokes her execution of this Agreement, EQT, in addition to any other remedies it may have (whether under applicable law, the Non-Compete Agreement or otherwise), shall be entitled to (a) cease payment of the payments contemplated by Section 4 of this Agreement to the extent not previously paid or provided and (b) the prompt return by Employee of any portion of such payments previously paid or provided. Without limiting the generality of the foregoing, in the event of Employee's actual or threatened breach of any Agreement Condition set forth in this Agreement or the Non-Compete Agreement, EQT shall be entitled to injunctive relief (including temporary restraining orders, preliminary injunctions and permanent injunctions), without posting a bond, in any court of competent jurisdiction. Employee understands that by entering into this Agreement she will be limiting the availability of certain remedies that she may have against the Releasees and limiting also her ability to pursue certain claims against the Releasees.

13. **Severability**. The provisions of this Agreement are severable. To the extent that any provision of this Agreement is deemed unenforceable in any court of law, the parties intend that such provision be construed by such court in a manner to make it enforceable, and the remaining provisions of this Agreement shall remain in full force and effect.

14. **Successors**. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

15. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

16. **Entire Agreement**. Except: (a) as provided in the second sentence of this Section 16; (b) for the Indemnification Agreement between EQT and Employee; (c) the Non-Compete Agreement; (d) the EAWA Employment Agreement; and (e) as otherwise expressly set forth in this Agreement, this Agreement (including the Exhibits attached hereto) contains the entire agreement between the parties and it supersedes all prior agreements and understandings between EQT and Employee (oral or written). For the avoidance of doubt, Employee's covenants, obligations and acknowledgments, and EQT's rights and remedies, set forth in the Non-Compete Agreement remain in full force and effect.

17. **Amendments**. This Agreement may not be changed, amended, or modified except by a written instrument signed by both parties.

18. **Interpretation**. As used in this Agreement, the term "including" does not limit the preceding words or terms.

19. **EMPLOYEE ACKNOWLEDGEMENT. EMPLOYEE ACKNOWLEDGES THAT SHE HAS CAREFULLY READ AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THIS AGREEMENT, AND THAT SHE IS VOLUNTARILY EXECUTING AND ENTERING INTO THIS AGREEMENT, WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND INTENDING TO BE LEGALLY BOUND BY IT.**

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

EQT CORPORATION

By: /s/ Lesley Evancho
Name: Lesley Evancho
Title: Chief Human Resources Officer

/s/ Jimmi Sue Smith
Jimmi Sue Smith

September 9, 2019
Date

September 9, 2019
Date

EXHIBIT A

EXECUTIVE ALTERNATIVE WORK ARRANGEMENT EMPLOYMENT AGREEMENT

EXECUTIVE ALTERNATIVE WORK ARRANGEMENT EMPLOYMENT AGREEMENT

This is an Executive Alternative Work Arrangement Employment Agreement (“Agreement”) entered into between EQT Corporation (together with its subsidiaries, “EQT” or the “Company”) and Jimmi Sue Smith (“Employee”).

WHEREAS, Employee is an executive officer of EQT who desires to relinquish that status and discontinue full-time employment with EQT but continue employment with EQT on a part-time basis; and

WHEREAS, EQT is interested in continuing to retain the services of Employee on a part-time basis for at least 100 (but no more than 400) hours per year; and

WHEREAS, Employee has elected to modify her employment status to Executive Alternative Work Arrangement;

NOW, THEREFORE, in consideration of the respective representations, acknowledgements, and agreements of the parties set forth herein, and intending to be legally bound, the parties agree as follows:

1. The term of this Agreement is for the one-year period commencing on the day after Employee’s full-time status with EQT ceases. During that period, Employee will hold the position of an Executive Alternative Work Arrangement employee of EQT. Employee’s status as Executive Alternative Work Arrangement (and this one-year Agreement) will automatically renew annually unless either party terminates this Agreement by written notice to the other not less than 30 days prior to the renewal date. The automatic annual renewals of this Agreement will cease, however, at the end of five years of Executive Alternative Work Arrangement employment status.

2. During each one-year period in Executive Alternative Work Arrangement employment status, Employee is required to provide no less than 100 hours of service to EQT. During each one-year period, Employee will also make herself available for up to 300 additional hours of service upon request from the Company. All such hours of service will occur during the Company’s regularly scheduled business hours (unless otherwise agreed by the parties), and no more than fifty (50) hours will be scheduled per month (unless otherwise agreed by the parties).

3. Employee shall be paid an hourly rate for Employee’s actual services provided under this Agreement. The hourly rate shall be Employee’s annual base salary in effect immediately prior to Employee’s change in employee classification to Executive Alternative Work Arrangement employment status divided by 2080. Employee shall submit monthly time sheets in a form agreed upon by the parties, and Employee will be paid on regularly scheduled payroll dates in accordance with the Company’s standard payroll practices following submission of her time sheets. Notwithstanding the foregoing, in the event that during any one-year period in Executive Alternative Work Arrangement employment status, EQT requests Employee to

provide less than 100 hours of service, EQT shall pay Employee for a minimum of 100 hours of service (regardless of the actual number of hours of service), with any remaining amount owed payable on the next regularly scheduled payroll date following the end of the applicable one-year period. If either party terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof, no additional compensation will be paid to Employee pursuant to this Section 3.

4. Employee shall be eligible to continue to participate in the group medical (including prescription drug), dental and vision programs in which Employee participated immediately before the classification change to Executive Alternative Work Arrangement (as such plans might be modified by the Company from time-to-time), but Employee will be required to pay 100% of the Company's premium (or premium equivalent) rates to the carriers (the full active employee premium rates – both the employee portion and the employer portion - as adjusted year-to-year) for participation in such group insurance programs. If Employee completes five years of Executive Alternative Work Arrangement employment status or if the Company terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof other than pursuant to paragraph 17 hereof, Employee will be allowed to participate in such group insurance programs at 102% of the then-applicable full active employee premium rates (both the employee portion and the employer portion) until the earlier of: (i) Employee becomes eligible to receive Medicare benefits and (ii) Employee reaches age 70, even though Employee is no longer employed by EQT. Employee acknowledges that, to the extent, if at all, the Company's cost to include Employee in the group insurance programs pursuant to this paragraph exceeds the cost paid by the Employee, the benefits provided hereunder may result in taxable income to the Employee. All amounts required to be paid by Employee pursuant to this paragraph shall be due not later than 30 days after written notice thereof is sent by the Company. Company may terminate the benefits provided under this Agreement upon 30 days written notice of any failure by Employee to timely perform her payment obligation hereunder, unless such failure is earlier cured.

5. During the term of this Agreement, Employee will continue to receive service credit for purposes of calculating the value of the Medical Spending Account.

6. Employee shall not be eligible to participate in the Company's life insurance and disability insurance programs, 401(k) Plan, ESPP, or any other retirement or welfare benefit programs or perquisites of the Company. Likewise, Employee shall not receive any paid vacation, paid holidays or car allowance.

7. Employee is not eligible to receive bonus payments under any short-term incentive plans of EQT, and is not eligible to receive any new grants under EQT's long-term incentive plans, programs or arrangements.

8. Effective not later than the commencement of this Executive Alternative Work Arrangement, Employee shall be deemed to have retired for purposes of measuring vesting and/or post-termination exercise periods of all forms of long term incentive awards. The timing of any payments for such awards will be as provided in the underlying plans, programs or

arrangements and is subject to any required six-month delay in payment if Employee is a “specified employee” under Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) at the time of Employee’s separation from service, with respect to payments made by reason of Employee’s separation from service. Nothing in this paragraph 8, or in paragraph 7, shall prevent (a) the continued vesting of previously granted long-term incentive awards to the extent the award agreement therefore expressly contemplates continued vesting while the recipient serves as a member of the Board of Directors of the Company or an affiliate or (b) grants of non-employee director awards to an individual solely because such individual serves on the Board of Directors of the Company or an affiliate. Notwithstanding anything contained herein to the contrary, any special vesting and/or payment provisions applicable to Employee’s long-term incentive awards pursuant to that certain Confidentiality, Non-Solicitation and Non-Competition Agreement between EQT and Employee dated November 13, 2018 (as amended from time to time, the “Non-Competition Agreement”) shall apply and be given effect.

9. The Company shall either pay on behalf of Employee or reimburse Employee for the cost of (i) monthly dues for one country club and one dining club (such clubs to be approved by the Company’s Chief Executive Officer), and (ii) executive level physicals (currently “gold” level) and related health and wellness services for Employee and Employee’s spouse (up to a maximum annual benefit of \$15,000), in each case during the term of this Agreement or, if the Company terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof other than pursuant to paragraph 17 hereof, through the fifth anniversary hereof in accordance with and on the dates specified in the Company’s policies; *provided, however*, that no such payments or reimbursements shall be made until the first day following the six-month anniversary of Employee’s separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of the Code; *provided, further*, that to the extent reimbursed or paid, all reimbursements and payments with respect to expenses incurred within a particular year shall be made no later than the end of Employee’s taxable year following the taxable year in which the expense was incurred. The amount of payments or reimbursable expenses incurred in one taxable year of Employee shall not affect the amount of reimbursable expenses in a different taxable year, and such payments or reimbursement shall not be subject to liquidation or exchange for another benefit.

10. Employee shall continue to have mobile telephone service and reasonable access to the Company’s Help Desk during the term of this Agreement or, if the Company terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof other than pursuant to paragraph 17 hereof, through the fifth anniversary hereof; *provided, however*, if the provision of such service will result in taxable income to Employee, then no such taxable service shall be provided until the first day following the six-month anniversary of Employee’s separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of the Code.

11. Employee shall receive tax, estate and financial planning services from providers approved in advance by the Company during the term of this Agreement or, if the

Company terminates the Executive Alternative Work Arrangement prior to the fifth anniversary hereof other than pursuant to paragraph 17 hereof, through the fifth anniversary hereof, in amount not to exceed \$15,000 per calendar year, to be paid directly by the Company in accordance with and on the dates specified in the Company's policies; *provided, however*, that no such payments or reimbursements shall be made until the first day following the six-month anniversary of Employee's separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of Code; *provided, further*, that to the extent reimbursed or paid, all reimbursements and payments with respect to expenses incurred within a particular year shall be made no later than the end of Employee's taxable year following the taxable year in which the expense was incurred. The amount of payments or reimbursable expenses incurred in one taxable year of Employee shall not affect the amount of payments or reimbursable expenses in a different taxable year, and such payments or reimbursement shall not be subject to liquidation or exchange for another benefit.

12. During the term of this Agreement, Employee shall maintain an ownership level of Company stock equal to not less than one-half of the value last required as a full-time Employee. In the event that at any time during the term of this Agreement Employee does not maintain the required ownership level, Employee shall promptly notify the Company and increase her or her ownership to at least the required level. Any failure of Employee to maintain at least the required ownership level for more than three months during the term of this Agreement shall constitute and be deemed to be an immediate termination by Employee of her or her Executive Alternative Work Arrangement.

13. This Agreement sets forth all of the payments, benefits, perquisites and entitlements to which Employee shall be entitled upon assuming Executive Alternative Work Arrangement employment status. Employee shall not be entitled to receive any gross-up payments for any taxes or other amounts with respect to amounts payable under this Agreement.

14. Nothing in this Agreement shall prevent or prohibit the Company from modifying any of its employee benefits plans, programs, or policies.

15. Non-Competition and Non-Solicitation. The covenants as to non-competition and non-solicitation contained in Section 1, and as to notification of subsequent employment in Section 12, in each case of the Non-Competition Agreement shall remain in effect throughout Employee's employment with EQT in Executive Alternative Work Arrangement employment status and for a period of twenty-four (24) months, in the case of non-competition covenants; twenty-four (24), in the case of non-solicitation covenants relating to customers and prospective customers; and thirty-six (36) months, in the case of non-solicitation covenants relating to employees, consultants, vendors or independent contractors, in each case after the termination of Employee's employment as an Executive Alternative Work Arrangement employee. It is understood and agreed that if Employee's employment as an Executive Alternative Work Arrangement employee terminates for any reason in the midst of any one-year term period as provided under this Agreement (including, without limitation, a termination pursuant to Sections 4, 12 or 17 of this Agreement), the covenants as to non-competition and non-solicitation contained in the Non-Competition Agreement shall remain in effect throughout

the remainder of that one-year term and for a period of twenty-four (24) months, in the case of non-competition covenants, and thirty-six (36) months, in the case of non-solicitation covenants, months thereafter.

16. Confidential Information and Non-Disclosure. Employee acknowledges and agrees that Employee's employment by the Company necessarily involves Employee's knowledge of and access to confidential and proprietary information pertaining to the business of the Company. Accordingly, Employee agrees that at all times during the term of this Agreement and for as long as the information remains confidential after the termination of Employee's employment, Employee will not, directly or indirectly, without the express written authority of the Company, unless directed by applicable legal authority having jurisdiction over Employee, disclose to or use, or knowingly permit to be so disclosed or used, for the benefit of Employee, any person, corporation or other entity other than the Company, (i) any information concerning any financial matters, employees of the Company, customer relationships, competitive status, supplier matters, internal organizational matters, current or future plans, or other business affairs of or relating to the Company, (ii) any management, operational, trade, technical or other secrets or any other proprietary information or other data of the Company, or (iii) any other information related to the Company which has not been published and is not generally known outside of the Company. Employee acknowledges that all of the foregoing constitutes confidential and proprietary information, which is the exclusive property of the Company. Nothing in this Section 16 prohibits Employee from reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation.

17. EQT may terminate this Agreement and Employee's employment at any time for Cause. Solely for purposes of this Agreement, "Cause" shall mean: (i) Employee's conviction of a felony, a crime of moral turpitude or fraud or Employee having committed fraud, misappropriation or embezzlement in connection with the performance of her duties; (ii) Employee's willful and repeated failures to substantially perform assigned duties; or (iii) Employee's violation of any provision of this Agreement or express significant policies of the Company. If the Company terminates Employee's employment for Cause, the Company shall give Employee written notice setting forth the reason for her termination not later than 30 days after such termination.

18. Except as otherwise provided herein, in the event of any controversy, dispute or claim arising out of, or relating to this Agreement, or the breach thereof, or arising out of any other matter relating to the Employee's employment with EQT or the termination of such employment, EQT may seek recourse for injunctive relief to the courts having jurisdiction thereof and if any relief other than injunctive relief is sought, EQT and the Employee agree that such underlying controversy, dispute or claim shall be settled by arbitration conducted in Pittsburgh, Pennsylvania in accordance with this Section 18 of this Agreement and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The matter shall be heard and decided, and awards, if any, rendered by a panel of three (3) arbitrators (the "Arbitration Panel"). EQT and the Employee shall each select one arbitrator from the AAA

National Panel of Commercial Arbitrators (the "Commercial Panel") and AAA shall select a third arbitrator from the Commercial Panel. Any award rendered by the Arbitration Panel shall be final, binding and confidential as between the parties hereto and their heirs, executors, administrators, successors and assigns, and judgment on the award may be entered by any court having jurisdiction thereof.

19. EQT shall have the authority and the right to deduct or withhold, or require Employee to remit to EQT, an amount sufficient to satisfy federal, state, and local taxes (including Employee's FICA obligation) required by law to be withheld with respect to any payment or benefit provided pursuant to this Agreement. The obligations of EQT under this Agreement will be conditioned on such payment or arrangements and EQT will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Employee.

20. It is understood and agreed that upon Employee's discontinuation of full-time employment and transition to Executive Alternative Work Arrangement employment status hereunder, Employee has no continuing rights under Section 3 of the Non-Competition Agreement and such section shall have no further force or effect.

21. The provisions of this Agreement are severable. To the extent that any provision of this Agreement is deemed unenforceable in any court of law, the parties intend that such provision be construed by such court in a manner to make it enforceable.

22. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

23. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

24. This Agreement supersedes all prior agreements and understandings between EQT and Employee with respect to the subject matter hereof (oral or written), including but not limited to Section 3 of the Non-Competition Agreement. It is understood and agreed, however, that the covenants as to non-competition, non-solicitation, confidentiality and nondisclosure contained in Sections 1 and 2 of the Non-Competition Agreement remain in effect as modified herein, along with the provisions in Sections 4, 5, 6, 7, 8, 11 and 12 of the Non-Competition Agreement.

25. This Agreement may not be changed, amended, or modified except by a written instrument signed by both parties, provided that the Company may amend this Agreement from time to time without Employee's consent to the extent deemed necessary or appropriate, in its sole discretion, to effect compliance with Section 409A of the Code, including regulations and interpretations thereunder, which amendments may result in a reduction of benefits provided hereunder and/or other unfavorable changes to Employee.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

EQT CORPORATION

By: /s/ Lesley Evancho

Chief Human Resources Officer
Title

9/9/19
Date

EMPLOYEE

/s/ Jimmi Sue Smith
Name: Jimmi Sue Smith

9/9/19
Date

EXHIBIT B

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

**SECOND AMENDED AND RESTATED CONFIDENTIALITY,
NON-SOLICITATION AND NON-COMPETITION AGREEMENT**

This **SECOND AMENDED AND RESTATED CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT** (this “Agreement”) is entered into and effective as of November 13, 2018, by and between EQT Corporation, a Pennsylvania corporation (EQT Corporation and its subsidiary companies are hereinafter collectively referred to as the “Company”), and Jimmi Sue Smith (“Employee”).

WITNESSETH:

WHEREAS, the Company and Employee are parties to an Amended and Restated Confidentiality, Non-Solicitation and Non-Competition Agreement dated September 10, 2016 (the “Existing Agreement”); and

WHEREAS, the Company desires to retain the services of Employee, and Employee is willing to continue employment with the Company, subject to the terms and conditions set forth below;

WHEREAS, during the course of Employee’s employment with the Company, the Company has and will continue to impart to Employee proprietary and/or confidential information and/or trade secrets of the Company;

WHEREAS, in order to protect the business and goodwill of the Company, the Company desires to obtain certain confidentiality, non-competition and non-solicitation covenants from Employee; and

WHEREAS, Employee is willing to agree to these confidentiality, non-competition and non-solicitation covenants by entering into this Agreement, in exchange for the Company’s continued employment of Employee and the Company’s agreement to pay the severance benefits described in Section 3 below in the event that Employee’s employment with the Company is terminated in certain circumstances.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Restrictions on Competition and Solicitation. While Employee is employed by the Company and for a period of twenty-four (24) months after the date of Employee’s termination of employment with the Company for any reason, Employee will not, directly or indirectly, expressly or tacitly, for himself/herself or on behalf of any entity conducting business anywhere in the Restricted Territory (as defined below), (a) act in any capacity for any business in which his/her duties at or for such business include oversight of or actual involvement in providing services that are competitive with the services or products being provided or that are being produced or developed by the Company, or were under investigation by the Company within the last two (2) years prior to the end of Employee’s employment with the Company,

(b) recruit investors on behalf of an entity that engages in activities that are competitive with the services or products being provided or that are being produced or developed by the Company, or were under investigation by the Company within the last two (2) years prior to the end of Employee's employment with the Company, or (c) become employed by such an entity in any capacity that would require Employee to carry out, in whole or in part, duties Employee has performed for the Company that are competitive with the services or products being provided or that are being produced or developed by the Company, or were under active investigation by the Company within the last two (2) years prior to the end of Employee's employment with the Company. Notwithstanding the foregoing, Employee may purchase or otherwise acquire up to (but not more than) 1% of any class of securities of any enterprise (but without otherwise participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. This covenant shall apply to any services, products or businesses under investigation by the Company within the last two (2) years prior to the end of Employee's employment with the Company only to the extent that Employee acquired or was privy to confidential information regarding such services, products or businesses. Employee acknowledges that this restriction will prevent Employee from acting in any of the foregoing capacities for any competing entity operating or conducting business within the Restricted Territory and that this scope is reasonable in light of the business of the Company. Notwithstanding anything to the contrary in the foregoing Section or in this Agreement, Employee shall not in any way be restricted from being employed as an attorney in the oil and gas industry immediately following the date of Employee's termination of employment with the Company.

The term "Restricted Territory" shall mean (i) the entire geographic location of any natural gas and oil play in which the Company owns, operates or has contractual rights to purchase natural gas-related assets (other than commodity trading rights and pipeline capacity contracts on non-affiliated or third-party pipelines), including but not limited to, storage facilities, interstate pipelines, intrastate pipelines, intrastate distribution facilities, liquefied natural gas facilities, propane-air facilities or other peaking facilities, and/or processing or fractionation facilities; or (ii) the entire geographic location of any natural gas and oil play in which the Company owns proved, developed and/or undeveloped natural gas and/or oil reserves and/or conducts natural gas or oil exploration and production activities of any kind; or (iii) the entire geographic location of any natural gas and oil play in which the Company has decided to make or has made an offer to purchase or lease assets for the purpose of conducting any of the business activities described in clauses (i) and (ii) above within the six (6)-month period immediately preceding the end of Employee's employment with the Company; provided that Employee had actual knowledge of the offer or decision to make an offer prior to Employee's separation from the Company. For geographic locations of natural gas and oil plays, refer to the maps produced by the United States Energy Information Administration located at www.eia.gov/maps.

Employee agrees that for a period of twenty-four (24) months following the termination of Employee's employment with the Company for any reason, including without limitation termination for cause or without cause, Employee shall not, directly or indirectly, solicit the

business of, or do business with, (i) any customer that Employee approached, solicited or accepted business from on behalf of the Company, and/or was provided confidential or proprietary information about while employed by the Company within the one (1)-year period preceding Employee's separation from the Company; and (ii) any prospective customer of the Company who was identified to or by Employee and/or who Employee was provided confidential or proprietary information about while employed by the Company within the one (1)-year period preceding Employee's separation from the Company, for purposes of marketing, selling and/or attempting to market or sell products and services that are the same as or similar to any product or service the Company offers within the last two (2) years prior to the end of Employee's employment with the Company and/or are the same as or similar to any product or service the Company has in process over the last two (2) years prior to the end of Employee's employment with the Company to be offered in the future.

While Employee is employed by the Company and for a period of thirty-six (36) months after the date of Employee's termination of employment with the Company for any reason, Employee shall not (directly or indirectly) on his/her own behalf or on behalf of any other person or entity solicit or induce, or cause any other person or entity to solicit or induce, or attempt to solicit or induce, any employee, consultant, vendor or independent contractor to leave the employ of or engagement by the Company or its successors, assigns or affiliates, or to violate the terms of their contracts with the Company.

2. **Confidentiality of Information and Nondisclosure.** Employee acknowledges and agrees that his/her employment by the Company necessarily involves his/her knowledge of and access to confidential and proprietary information pertaining to the business of the Company. Accordingly, Employee agrees that at all times during the term of this Agreement and for as long as the information remains confidential after the termination of Employee's employment, he/she will not, directly or indirectly, without the express written authority of the Company, unless directed by applicable legal authority having jurisdiction over Employee, disclose to or use, or knowingly permit to be so disclosed or used, for the benefit of himself/herself, any person, corporation or other entity other than the Company, the following: (a) any information concerning any financial matters, employees of the Company, customer relationships, competitive status, supplier matters, internal organizational matters, current or future plans, or other business affairs of or relating to the Company; (b) any management, operational, trade, technical or other secrets or any other proprietary information or other data of the Company; or (c) any other information related to the Company that has not been published and is not generally known outside of the Company. Employee acknowledges that all of the foregoing constitutes confidential and proprietary information, which is the exclusive property of the Company. Nothing in this Agreement prohibits Employee from: (i) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures (including of confidential information) that are protected under the whistleblower provisions of federal, state, or local law or regulation; or (ii) disclosing trade secrets when the disclosure is solely for the purpose of: (a) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity; (b) working with legal counsel in order to determine whether possible violations of federal, state, or local law or regulation exist; or (c)

filing a complaint or other document in a lawsuit or other proceeding, if such filing is made under seal. Any disclosures of trade secrets must be consistent with 18 U.S.C. §1833.

3. **Severance Benefit.** If Employee's employment is terminated by the Company for any reason other than Cause (as defined below) or if Employee terminates his/her employment for Good Reason (as defined below), the Company shall provide Employee with the following:

(a) A lump sum payment payable within sixty (60) days following Employee's termination date equal to twenty-four (24) months of Employee's base salary in effect at the time of such termination, or immediately prior to the event that serves as the basis for termination for Good Reason;

(b) A lump sum payment payable within sixty (60) days following Employee's termination date equal to two (2) times the average annual incentive (bonus) payment earned by Employee under the Company's applicable Short-Term Incentive Plan (or any successor plan) for the three (3) full years prior to Employee's termination date; provided that if such termination of employment occurs prior to Employee having been employed by the Company for three (3) full calendar years and through the determination and payment, if any, of the annual incentive for the third (3rd) such year, then such average shall be calculated by including, for each partial calendar year of employment and each calendar year during which such individual was not employed by the Company, the greater of (i) Employee's actual award for such year, and (ii) Employee's target annual incentive (bonus) award at time of termination;

(a) A lump sum payment payable within sixty (60) days following Employee's termination date equal to the product of (i) twelve (12) and (ii) 100% of the then-current Consolidated Omnibus Budget Reconciliation Act of 1985 monthly rate for family coverage;

(b) A lump sum payment payable within sixty (60) days following Employee's termination date equal to \$200,000;

(c) Subject to Section 14 of this Agreement, all stock options, restricted stock, restricted stock units and other time-vesting equity awards granted to Employee under the EQT Corporation 2014 Long-Term Incentive Plan (as amended from time to time, and including any successor plan thereto, the "2014 LTIP"), the EQT Midstream Services, LLC 2012 Long-Term Incentive Plan (as amended from time to time, and including any successor plan thereto, the "2012 LTIP"), the EQT GP Services, LLC 2015 Long-Term Incentive Plan (as amended from time to time, and including any successor plan thereto, the "2015 LTIP"), and any other long-term incentive plan of the Company (the 2014 LTIP, the 2012 LTIP, the 2015 LTIP and any other long-term incentive plan of the Company are, collectively, the "LTIPs") shall immediately become vested and exercisable in full and/or all restrictions on such awards shall lapse (for avoidance of doubt, this provision shall supersede any provision to the contrary contained in any award agreement or program); and

(d) Subject to Section 14 of this Agreement, all performance-based equity awards granted to Employee by the Company under the LTIPs shall remain outstanding and shall

be earned, if at all, based on actual performance through the end of the performance period as if Employee's employment had not been terminated (for avoidance of doubt, this provision shall supersede any provision to the contrary contained in any award agreement or program).

The payments provided under this Section 3 shall be subject to applicable tax and payroll withholdings, and shall be in lieu of any payments and/or benefits to which Employee would otherwise be entitled under the EQT Corporation Severance Pay Plan (as amended from time to time). The Company's obligation to provide the payments and benefits under this Section 3 shall be contingent upon the following:

(x) Employee's execution and non-revocation of a release of claims in a form acceptable to the Company; and

(y) Employee's compliance with his/her obligations hereunder, including, but not limited to, Employee's obligations set forth in Sections 1 and 2 (the "Restrictive Covenants").

Solely for purposes of this Agreement, "Cause" as a reason for Employee's termination of employment shall mean: (i) Employee's conviction of a felony, a crime of moral turpitude or fraud or Employee having committed fraud, misappropriation or embezzlement in connection with the performance of his/her duties; (ii) Employee's willful and repeated failures to substantially perform assigned duties; or (iii) Employee's violation of any provision of a written employment-related agreement between Employee and the Company or express significant policies of the Company. If the Company terminates Employee's employment for Cause, the Company shall give Employee written notice setting forth the reason for his/her termination not later than thirty (30) days after such termination.

Solely for purposes of this Agreement, "Good Reason" shall mean Employee's resignation within ninety (90) days after: (i) a reduction in Employee's base salary of 10% or more (unless the reduction is applicable to all similarly situated employees); (ii) a reduction in Employee's annual short-term bonus target of 10% or more (unless the reduction is applicable to all similarly situated employees); (iii) a significant diminution in Employee's job responsibilities, duties or authority; (iv) a change in the geographic location of Employee's primary reporting location of more than 50 miles; and/or (v) any other action or inaction that constitutes a material breach by the Company of this Agreement. A termination by Employee shall not constitute termination for Good Reason unless Employee first delivers to the General Counsel of the Company written notice: (i) stating that Employee intends to resign for Good Reason pursuant to this Agreement; and (ii) setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the initial occurrence of such event). The Company shall have a reasonable period of time (not less than thirty (30) days after receipt of Employee's written notice that Employee is resigning for Good Reason) to take action to correct, rescind or substantially reverse the occurrence supporting termination for Good Reason as identified by Employee. Failure by the Company to act or respond to the written notice shall not be deemed to be an admission that Good Reason exists.

4. **Severability and Modification of Covenants**. Employee acknowledges and agrees that each of the Restrictive Covenants is reasonable and valid in time and scope and in all other respects. The parties agree that it is their intention that the Restrictive Covenants be enforced in accordance with their terms to the maximum extent permitted by law. Each of the Restrictive Covenants shall be considered and construed as a separate and independent covenant.

Should any part or provision of any of the Restrictive Covenants be held invalid, void, or unenforceable, such invalidity, voidness, or unenforceability shall not render invalid, void, or unenforceable any other part or provision of this Agreement or such Restrictive Covenant. If any of the provisions of the Restrictive Covenants should ever be held by a court of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court may deem just and proper for the reasonable protection of the Company's legitimate business interests and may be enforced by the Company to that extent in the manner described above and all other provisions of this Agreement shall be valid and enforceable.

5. **Reasonable and Necessary Agreement**. Employee acknowledges and agrees that: (a) this Agreement is necessary for the protection of the legitimate business interests of the Company; (b) the restrictions contained in this Agreement are reasonable; (c) Employee has no intention of competing with the Company within the limitations set forth above; (d) Employee acknowledges and warrants that he/she believes that he/she will be fully able to earn an adequate livelihood for himself/herself and his/her dependents if the covenant not to compete contained in this Agreement is enforced against the him/her; and (e) Employee has received adequate and valuable consideration for entering into this Agreement.

6. **Injunctive Relief and Attorneys' Fees**. Employee stipulates and agrees that any breach of the Restrictive Covenants by Employee will result in immediate and irreparable harm to the Company, the amount of which will be extremely difficult to ascertain, and that the Company could not be reasonably or adequately compensated by damages in an action at law. For these reasons, the Company shall have the right, without the need to post bond or prove actual damages, to obtain such preliminary, temporary or permanent injunctions, orders or decrees as may be necessary to protect the Company against, or on account of, any breach by Employee of the Restrictive Covenants. In the event the Company obtains any such injunction, order, decree or other relief, in law or in equity, the duration of any violation of Section 1 shall be added to the applicable restricted period specified in Section 1 of this Agreement. Employee understands and agrees that, if the parties become involved in a lawsuit regarding the enforcement of the Restrictive Covenants and if the Company prevails in such legal action, the Company will be entitled, in addition to any other remedy, to recover from Employee its reasonable costs and attorneys' fees incurred in enforcing such covenants. The Company's ability to enforce its rights under the Restrictive Covenants or applicable law against Employee shall not be impaired in any way by the existence of a claim or cause of action on the part of Employee based on, or arising out of, this Agreement or any other event or transaction arising out of the employment relationship.

7. **Binding Agreement.** This Agreement (including the Restrictive Covenants) shall be binding upon and inure to the benefit of the successors and assigns of the Company.

8. **Employment at Will.** Employee shall be employed at-will and for no definite term. This means that either party may terminate the employment relationship at any time for any or no reason.

9. **Executive Alternative Work Arrangement Employment Status.** As a board-designated executive officer of the Company, Employee has the opportunity to participate in the Executive Alternative Work Arrangement upon discontinuing full-time status. The terms and conditions of Executive Alternative Work Arrangement Employment Status are described in the form of Executive Alternative Work Arrangement Employment Agreement attached hereto as Exhibit A. Set forth below the signature lines to this Agreement is an election form regarding participation in the Executive Alternative Work Arrangement. Employee must complete and sign such form indicating whether or not he/she desires to participate in Executive Alternative Work Arrangement Status. Any failure to make an election at the time of execution of this Agreement shall be deemed to be an election not to participate. If Employee elects to participate, the Executive Alternative Work Arrangement classification will be automatically assigned to Employee if and when Employee incurs a termination of employment that meets each of the following conditions (an “Eligible Termination”): (i) Employee’s employment is terminated by the Company for any reason other than Cause *or* Employee gives the Company (delivered to the Senior Vice President, Human Resources) at least ninety (90) days’ advance written notice of Employee’s intention to discontinue employment, (ii) Employee is a board-designated executive officer in good standing with EQT Corporation as of the time of his/her termination of employment, and (iii) Employee’s employment shall not have been terminated by Employee for Good Reason. By electing to participate in the Executive Alternative Work Arrangement, Employee hereby agrees to execute the an Executive Alternative Work Arrangement Employment Agreement, in a form substantially similar to the one attached hereto as Exhibit A, within ninety (90) days prior to Employee’s relinquishment of full-time status, which agreement will become effective automatically on the day following Employee’s Eligible Termination. Without limiting the foregoing, Employee agrees that he/she will not be eligible for the Executive Alternative Work Arrangement, including the post-employment benefits described therein, if Employee’s termination of employment is not an Eligible Termination.

10. **Applicable Law; Exclusive Forum Selection; Consent to Jurisdiction.** The Company and Employee agree that this Agreement shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to its conflicts of law principles. Except to the extent that a dispute is required to be submitted to arbitration as set forth in Section 11 below, Employee agrees that the exclusive forum for any action to enforce this Agreement, as well as any action relating to or arising out of this Agreement, shall be the state courts of Allegheny County, Pennsylvania or the United States District Court for the Western District of Pennsylvania, Pittsburgh Division. With respect to any such court action, Employee hereby (a) irrevocably submits to the personal jurisdiction of such courts; (b) consents to service of process; (c) consents to venue; and (d) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal

jurisdiction, service of process, or venue. Both parties hereto further agree that such courts are convenient forums for any dispute that may arise herefrom and that neither party shall raise as a defense that such courts are not convenient forums.

11. **Agreement to Arbitrate.** Employee and the Company agree that any controversy, claim, or dispute between Employee and the Company arising out of or relating to this Agreement or the breach thereof, or arising out of any matter relating to Employee's employment with the Company or the termination thereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The arbitration shall be governed by the Federal Arbitration Act, shall be held in Pittsburgh, Pennsylvania, and shall be conducted before a panel of three (3) arbitrators (the "Arbitration Panel"). The Company and Employee shall each select one arbitrator from the AAA National Panel of Commercial Arbitrators (the "Commercial Panel"), and the AAA shall select a third arbitrator from the Commercial Panel. The Arbitration Panel shall render a reasoned opinion in writing in support of its decision. Any award rendered by the Arbitration Panel shall be final, binding, and confidential as between the parties. Notwithstanding this agreement to arbitrate, in the event that Employee breaches or threatens to breach any of Employee's obligations under the Restrictive Covenants, the Company shall have the right to file an action in one of the courts specified in Section 10 above seeking temporary, preliminary or permanent injunctive relief to enforce Employee's obligations under the Restrictive Covenants.

12. **Notification of Subsequent Employment.** Employee shall upon termination of his/her employment with the Company, as soon as practicable and for the length of the non-competition period described in Section 1 above, notify the Company: (a) of the name, address and nature of the business of his/her new employer; (b) if self-employed, of the name, address and nature of his/her new business; (c) that he/she has not yet secured new employment; and (d) each time his/her employment status changes. In addition, Employee shall notify any prospective employer that this Agreement exists and shall provide a copy of this Agreement to the prospective employer prior to beginning employment with that prospective employer. Any notice provided under this Section 12 (or otherwise under this Agreement) shall be in writing directed to the General Counsel, EQT Corporation, 625 Liberty Avenue, Suite 1700, Pittsburgh, Pennsylvania 15222-3111.

13. **Mandatory Reduction of Payments in Certain Events.**

(a) Notwithstanding anything in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (such benefits, payments or distributions are hereinafter referred to as "Payments") would, if paid, be subject to the excise tax (the "Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then, prior to the making of any Payments to Employee, a calculation shall be made comparing (i) the net after-tax benefit to Employee of the Payments after payment by Employee of the Excise Tax, to (ii) the net after-

tax benefit to Employee if the Payments had been limited to the extent necessary to avoid being subject to the Excise Tax. If the amount calculated under clause (i) above is less than the amount calculated under clause (ii) above, then the Payments shall be limited to the extent necessary to avoid being subject to the Excise Tax (the “Reduced Amount”). The reduction of the Payments due hereunder, if applicable, shall be made by first reducing cash Payments and then, to the extent necessary, reducing those Payments having the next highest ratio of Parachute Value to actual present value of such Payments as of the date of the change in control transaction, as determined by the Determination Firm (as defined in Section 13(b) below). For purposes of this Section 13, present value shall be determined in accordance with Section 280G(d)(4) of the Code. For purposes of this Section 13, the “Parachute Value” of a Payment means the present value as of the date of the change in control transaction of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2) of the Code, as determined by the Determination Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(b) All determinations required to be made under this Section 13, including whether an Excise Tax would otherwise be imposed, whether the Payments shall be reduced, the amount of the Reduced Amount, and the assumptions to be utilized in arriving at such determinations, shall be made by an independent, nationally recognized accounting firm or compensation consulting firm mutually acceptable to the Company and Employee (the “Determination Firm”) which shall provide detailed supporting calculations both to the Company and Employee within fifteen (15) business days after the receipt of notice from Employee that a Payment is due to be made, or such earlier time as is requested by the Company. All fees and expenses of the Determination Firm shall be borne solely by the Company. Any determination by the Determination Firm shall be binding upon the Company and Employee. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Determination Firm hereunder, it is possible that Payments that Employee was entitled to, but did not receive pursuant to Section 13(a), could have been made without the imposition of the Excise Tax (“Underpayment”), consistent with the calculations required to be made hereunder. In such event, the Determination Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Employee but no later than March 15 of the year after the year in which the Underpayment is determined to exist, which is when the legally binding right to such Underpayment arises.

(c) If the provisions of Sections 280G and 4999 of the Code or any successor provisions are repealed without succession, this Section 13 shall be of no further force or effect.

14. Internal Revenue Section 409A of the Code.

(a) **General.** This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder. Nevertheless, the tax treatment of the benefits provided under this Agreement is not warranted or

guaranteed. Neither the Company, nor its directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by Employee as a result of the application of Section 409A of the Code.

(b) **Separation from Service**. For purposes of this Agreement, the term “termination,” when used in the context of a condition to, or the timing of, a payment hereunder, shall be interpreted to mean a “separation from service” as such term is used in Section 409A of the Code.

(c) **Six-Month Delay in Certain Circumstances**. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute non-exempt “deferred compensation” for purposes of Section 409A of the Code (“**Non-Exempt Deferred Compensation**”) would otherwise be payable or distributable under this Agreement by reason of Employee’s separation from service during a period in which Employee is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Company under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes):

(i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six (6)-month period immediately following Employee’s separation from service will be accumulated through and paid or provided on the first (1st) day of the seventh (7th) month following Employee’s separation from service (or, if Employee dies during such period, within thirty (30) days after Employee’s death) (in either case, the “**Required Delay Period**”); and

(ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

For purposes of this Agreement, the term “**Specified Employee**” has the meaning given such term in Section 409A of the Code and the final regulations thereunder.

(d) **Timing of Release of Claims**. Whenever in this Agreement a payment or benefit is conditioned on Employee’s execution of a release of claims, such release must be executed and all revocation periods shall have expired within sixty (60) days after the date of termination; failing which such payment or benefit shall be forfeited. If such payment or benefit constitutes Non-Exempt Deferred Compensation, and if such sixty (60)-day period begins in one (1) calendar year and ends in the next calendar year, the payment or benefit shall not be made or commence before the second (2nd) such calendar year, even if the release becomes irrevocable in the first (1st) such calendar year. In other words, Employee is not permitted to influence the calendar year of payment based on the timing of his/her signing of the release.

15. **Entire Agreement**. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements (including the Existing Agreement) and understandings, oral or written. This Agreement may not be changed, amended, or modified, except by a written instrument signed by the parties; provided, however, that the Company may amend this Agreement from time to time without

Employee's consent to the extent deemed necessary or appropriate, in its sole discretion, to effect compliance with Section 409A of the Code, including regulations and interpretations thereunder, which amendments may result in a reduction of benefits provided hereunder and/or other unfavorable changes to Employee.

16. Consequences of the Separation of Equitrans Midstream.

(a) **Definitions.** For purposes of this Section 16, the term "EQT" shall refer to EQT Corporation, the term "Equitrans Midstream" shall refer to Equitrans Midstream Corporation and the term "Separation Agreement" shall refer to the Separation and Distribution Agreement, by and among EQT, Equitrans Midstream and EQT Production Company and certain other ancillary agreements.

(b) **Interpretation of Sections 1 and 2.** Employee acknowledges and agrees that, if not for the separation of EQT and Equitrans Midstream at the Effective Time (as such term is defined in the Separation Agreement), the references to "the Company" in Sections 1 and 2 of this Agreement would include Equitrans Midstream as a subsidiary of EQT. To clarify the rights of EQT and Equitrans Midstream on and after the Effective Time, and the obligations of Employee, under Sections 1 and 2, the parties hereby agree that Sections 1 and 2 shall be interpreted as follows:

(i) For purposes of Sections 1 and 2, the term "the Company" shall refer to both EQT and Equitrans Midstream and their respective subsidiaries; provided, however, that (x) with respect to Equitrans Midstream and its subsidiaries, the parties agree that the post-termination non-competition and non-solicitation periods specified in Section 1 shall commence at the Effective Time; and (y) with respect to EQT and its subsidiaries (excluding Equitrans Midstream and its subsidiaries), the post-termination non-competition and non-solicitation periods specified in Section 1 shall not commence, if at all, until the date Employee's employment with EQT and its subsidiaries terminates. For illustrative purposes only, assume (A) the Effective Time occurs on November 12, 2018 and (B) Employee's employment with EQT and its subsidiaries terminates on March 15, 2021. In this case, by virtue of the restriction on competition for twenty-four (24) months following Employee's termination from employment contained in Section 1, the post-termination non-competition period would cease to apply (x) with respect to Equitrans Midstream and its subsidiaries, on November 12, 2020 and (y) with respect to EQT and its subsidiaries (excluding Equitrans Midstream and its subsidiaries), on March 15, 2023.

(ii) In the event that EQT and Equitrans Midstream (or their successors in interest) engage in activities that are competitive with each other, the non-competition covenant shall not apply while Employee is employed by EQT or its successor.

(iii) Equitrans Midstream shall be a third-party beneficiary of Sections 1 and 2 and may enforce its rights thereunder, to the same extent as EQT (as clarified by this Section 16), in accordance with Section 6 of this Agreement. Notwithstanding any provision of this Agreement to the contrary, Sections 1, 2, 6 and 11 of this Agreement

may not be amended in any manner that would be adverse to the interests of Equitrans Midstream without Equitrans Midstream's consent.

(c) **Definition of "LTIPs"**. The definition of "LTIPs" shall be deemed to include the Equitrans Midstream Corporation 2018 Long-Term Incentive Plan, and any awards held by Employee thereunder shall be subject to vesting in the same manner as other awards contemplated by Sections 3(e) and (f) of this Agreement.

(Signatures on following page)

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and Employee has hereunto set his/her hand, all as of the day and year first above written.

EQT CORPORATION

EMPLOYEE

By: /s/ Jonathan M. Lushko

/s/ Jimmi Sue Smith

Jimmi Sue Smith

Name: Jonathan M. Lushko

Title: General Counsel & Senior Vice President, Government
Affairs

**ELECTION TO PARTICIPATE IN
EXECUTIVE ALTERNATIVE WORK ARRANGEMENT CLASSIFICATION**

☒ I hereby elect to participate in the Executive Alternative Work Arrangement Classification as described in Section 9 of the above Second Amended and Restated Confidentiality, Non-Solicitation and Non-Competition Agreement. I hereby agree to execute an Executive Alternative Work Arrangement Employment Agreement in a form substantially similar to the one attached hereto as Exhibit A, within ninety (90) days prior to my relinquishment of full-time status, which agreement will become effective automatically on the day following my Eligible Termination. I understand that I will not be eligible for the Executive Alternative Work Arrangement, including the post-employment benefits described therein if my termination from employment is not an Eligible Termination.

☐ I hereby decline to participate in the Executive Alternative Work Arrangement Classification as described in Section 9 of the above Second Amended and Restated Confidentiality, Non-Solicitation and Non-Competition Agreement.

Jimmi Sue Smith
Employee Name Printed

/s/ Jimmi Sue Smith
Employee Signature

November 12, 2018
Date

EXHIBIT A
EXECUTIVE ALTERNATIVE WORK ARRANGEMENT EMPLOYMENT AGREEMENT

This **EXECUTIVE ALTERNATIVE WORK ARRANGEMENT EMPLOYMENT AGREEMENT** (this “Agreement”) is entered into and effective as of _____, by and between EQT Corporation, a Pennsylvania corporation (together with its subsidiaries, “EQT” or the “Company”) and Jimmi Sue Smith (“Employee”).

WITNESSETH:

WHEREAS, Employee is an executive officer of EQT who desires to relinquish that status and discontinue full-time employment with EQT but continue employment with EQT on a part-time basis;

WHEREAS, EQT is interested in continuing to retain the services of Employee on a part-time basis for at least one hundred (100) (but no more than four hundred (400)) hours per year; and

WHEREAS, Employee has elected to modify his/her employment status to Executive Alternative Work Arrangement.

NOW, THEREFORE, in consideration of the respective representations, acknowledgements, and agreements of the parties set forth herein, and intending to be legally bound, the parties hereto agree as follows:

1. The term of this Agreement is for the one (1)-year period commencing on the day after Employee’s full-time status with EQT ceases. During that period, Employee will hold the position of an Executive Alternative Work Arrangement employee of EQT. Employee’s status as Executive Alternative Work Arrangement (and this one (1)-year Agreement) will automatically renew annually unless either party terminates this Agreement by written notice to the other not less than thirty (30) days prior to the renewal date. The automatic annual renewals of this Agreement will cease, however, at the end of five (5) years of Executive Alternative Work Arrangement employment status.

2. During each one (1)-year period in Executive Alternative Work Arrangement employment status, Employee is required to provide no less than one hundred (100) hours of service to EQT. During each one (1)-year period, Employee will also make himself/herself available for up to three hundred (300) additional hours of service upon request of the Company. All such hours of service will occur during the Company’s regularly scheduled business hours (unless otherwise agreed by the parties), and no more than fifty (50) hours will be scheduled per month (unless otherwise agreed by the parties).

3. Employee shall be paid an hourly rate for Employee’s actual services provided under this Agreement. The hourly rate shall be Employee’s annual base salary in effect

immediately prior to Employee's change in employee classification to Executive Alternative Work Arrangement employment status divided by 2080. Employee shall submit monthly time sheets in a form agreed upon by the parties, and Employee will be paid on regularly scheduled payroll dates in accordance with the Company's standard payroll practices following submission of his/her time sheets. Notwithstanding the foregoing, in the event that during any one (1)-year period in Executive Alternative Work Arrangement employment status, EQT requests Employee to provide less than one hundred (100) hours of service, EQT shall pay Employee for a minimum of one hundred (100) hours of service (regardless of the actual number of hours of service), with any remaining amount owed payable on the next regularly scheduled payroll date following the end of the applicable one (1)-year period. If either party terminates the Executive Alternative Work Arrangement prior to the fifth (5th) anniversary hereof, no additional compensation will be paid to Employee pursuant to this Section 3.

4. Employee shall be eligible to continue to participate in the group medical (including prescription drug), dental and vision programs in which Employee participated immediately before the classification change to Executive Alternative Work Arrangement (as such plans might be modified by the Company from time to time), but Employee will be required to pay 100% of the Company's premium (or premium equivalent) rates to the carriers (the full active employee premium rates – both the employee portion and the employer portion – as adjusted year to year) for participation in such group insurance programs. If Employee completes five (5) years of Executive Alternative Work Arrangement employment status or if the Company terminates the Executive Alternative Work Arrangement prior to the fifth (5th) anniversary hereof other than pursuant to Section 17 hereof, Employee will be allowed to participate in such group insurance programs at 102% of the then-applicable full active employee premium rates (both the employee portion and the employer portion) until the earlier of: (i) Employee becomes eligible to receive Medicare benefits and (ii) Employee reaches age seventy (70), even though Employee is no longer employed by EQT. Employee acknowledges that, to the extent, if at all, the Company's cost to include Employee in the group insurance programs pursuant to this Section 4 exceeds the cost paid by the Employee, the benefits provided hereunder may result in taxable income to the Employee. All amounts required to be paid by Employee pursuant to this Section 4 shall be due not later than thirty (30) days after written notice thereof is sent by the Company. The Company may terminate the benefits provided under this Agreement upon thirty (30) days' written notice of any failure by Employee to timely perform his/her payment obligation hereunder, unless such failure is earlier cured.

5. During the term of this Agreement, Employee will continue to receive service credit for purposes of calculating the value of the Medical Spending Account.

6. Employee shall not be eligible to participate in the Company's life insurance and disability insurance programs, 401(k) Plan, ESPP, or any other retirement or welfare benefit programs or perquisites of the Company. Likewise, Employee shall not receive any paid vacation, paid holidays or car allowance.

7. Employee is not eligible to receive bonus payments under any short-term incentive plans of EQT, and is not eligible to receive any new grants under EQT's long-term incentive plans, programs or arrangements.

8. Effective not later than the commencement of this Executive Alternative Work Arrangement, Employee shall be deemed to have retired for purposes of measuring vesting and/or post-termination exercise periods of all forms of long-term incentive awards. The timing of any payments for such awards will be as provided in the underlying plans, programs or arrangements and is subject to any required six (6)-month delay in payment if Employee is a "specified employee" under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), at the time of Employee's separation from service, with respect to payments made by reason of Employee's separation from service. Nothing in this Section 8, or in Section 7, shall prevent (a) the continued vesting of previously granted long-term incentive awards to the extent the applicable award agreement or other applicable agreement between Employee and the Company expressly contemplates continued vesting while the recipient serves as a member of the Board of Directors of the Company or an affiliate or otherwise or (b) grants of non-employee director awards to an individual solely because such individual serves on the Board of Directors of the Company or an affiliate. Notwithstanding anything contained herein to the contrary, any special vesting and/or payment provisions applicable to Employee's long-term incentive awards pursuant to that certain Second Amended and Restated Confidentiality, Non-Solicitation and Non-Competition Agreement between EQT and Employee dated November 13, 2018 (as amended from time to time, the "Non-Competition Agreement") shall apply and be given effect.

9. The Company shall either pay on behalf of Employee or reimburse Employee for the cost of (i) monthly dues for one (1) country club and one (1) dining club (such clubs to be approved by the Company's Chief Executive Officer), and (ii) executive-level physicals (currently "gold" level) and related health and wellness services for Employee and Employee's spouse (up to a maximum annual benefit of \$15,000), in each case during the term of this Agreement or, if the Company terminates the Executive Alternative Work Arrangement prior to the fifth (5th) anniversary hereof other than pursuant to Section 17 hereof, through the fifth (5th) anniversary hereof in accordance with and on the dates specified in the Company's policies; provided, however, that no such payments or reimbursements shall be made until the first (1st) day following the six (6)-month anniversary of Employee's separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of the Code; provided, further, that to the extent reimbursed or paid, all reimbursements and payments with respect to expenses incurred within a particular year shall be made no later than the end of Employee's taxable year following the taxable year in which the expense was incurred. The amount of payments or reimbursable expenses incurred in one (1) taxable year of Employee shall not affect the amount of reimbursable expenses in a different taxable year, and such payments or reimbursement shall not be subject to liquidation or exchange for another benefit.

10. Employee shall continue to have mobile telephone service and reasonable access to the Company's Help Desk during the term of this Agreement or, if the Company terminates

the Executive Alternative Work Arrangement prior to the fifth (5th) anniversary hereof other than pursuant to Section 17 hereof, through the fifth (5th) anniversary hereof; provided, however, if the provision of such service will result in taxable income to Employee, then no such taxable service shall be provided until the first (1st) day following the six (6)-month anniversary of Employee's separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of the Code.

11. Employee shall receive tax, estate and financial planning services from providers approved in advance by the Company during the term of this Agreement or, if the Company terminates the Executive Alternative Work Arrangement prior to the fifth (5th) anniversary hereof other than pursuant to Section 17 hereof, through the fifth (5th) anniversary hereof, in an amount not to exceed \$15,000 per calendar year, to be paid directly by the Company in accordance with and on the dates specified in the Company's policies; provided, however, that no such payments or reimbursements shall be made until the first (1st) day following the six (6)-month anniversary of Employee's separation from service if Employee is a specified employee at the time of separation from service, all within the meaning of Section 409A of Code; provided, further, that to the extent reimbursed or paid, all reimbursements and payments with respect to expenses incurred within a particular year shall be made no later than the end of Employee's taxable year following the taxable year in which the expense was incurred. The amount of payments or reimbursable expenses incurred in one (1) taxable year of Employee shall not affect the amount of payments or reimbursable expenses in a different taxable year, and such payments or reimbursement shall not be subject to liquidation or exchange for another benefit.

12. During the term of this Agreement, Employee shall maintain an ownership level of Company stock equal to not less than one-half (1/2) of the value last required as a full-time Employee. In the event that at any time during the term of this Agreement Employee does not maintain the required ownership level, Employee shall promptly notify the Company and increase his or her ownership to at least the required level. Any failure of Employee to maintain at least the required ownership level for more than three (3) months during the term of this Agreement shall constitute and be deemed to be an immediate termination by Employee of his or her Executive Alternative Work Arrangement.

13. This Agreement sets forth all of the payments, benefits, perquisites and entitlements to which Employee shall be entitled upon assuming Executive Alternative Work Arrangement employment status. Employee shall not be entitled to receive any gross-up payments for any taxes or other amounts with respect to amounts payable under this Agreement.

14. Nothing in this Agreement shall prevent or prohibit the Company from modifying any of its employee benefits plans, programs, or policies.

15. The covenants as to non-competition and non-solicitation contained in Section 1, and as to notification of subsequent employment in Section 12, in each case of the Non-Competition Agreement shall remain in effect throughout Employee's employment with EQT in Executive Alternative Work Arrangement employment status and for a period of twenty-four (24) months, in the case of non-competition covenants; twenty-four (24) months, in the case of non-

solicitation covenants relating to customers and prospective customers; and thirty-six (36) months, in the case of non-solicitation covenants relating to employees, consultants, vendors or independent contractors, in each case after the termination of Employee's employment as an Executive Alternative Work Arrangement employee. It is understood and agreed that if Employee's employment as an Executive Alternative Work Arrangement employee terminates for any reason in the midst of any one (1)-year term period as provided under this Agreement (including, without limitation, a termination pursuant to Section 4, 12 or 17 of this Agreement), the covenants as to non-competition and non-solicitation contained in the Non-Competition Agreement shall remain in effect throughout the remainder of that one (1)-year term and for a period of twenty-four (24) months thereafter, in the case of non-competition covenants, and thirty-six (36) months thereafter, in the case of non-solicitation covenants.

16. Employee acknowledges and agrees that Employee's employment by the Company necessarily involves Employee's knowledge of and access to confidential and proprietary information pertaining to the business of the Company. Accordingly, Employee agrees that at all times during the term of this Agreement and for as long as the information remains confidential after the termination of Employee's employment, Employee will not, directly or indirectly, without the express written authority of the Company, unless directed by applicable legal authority having jurisdiction over Employee, disclose to or use, or knowingly permit to be so disclosed or used, for the benefit of Employee, any person, corporation or other entity other than the Company, (a) any information concerning any financial matters, employees of the Company, customer relationships, competitive status, supplier matters, internal organizational matters, current or future plans, or other business affairs of or relating to the Company, (b) any management, operational, trade, technical or other secrets or any other proprietary information or other data of the Company, or (c) any other information related to the Company that has not been published and is not generally known outside of the Company. Employee acknowledges that all of the foregoing constitutes confidential and proprietary information, which is the exclusive property of the Company. Nothing in this Section 16 prohibits Employee from reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation.

17. EQT may terminate this Agreement and Employee's employment at any time for Cause. Solely for purposes of this Agreement, "Cause" shall mean:

- (a) Employee's conviction of a felony, a crime of moral turpitude or fraud or Employee having committed fraud, misappropriation or embezzlement in connection with the performance of his/her duties;
- (b) Employee's willful and repeated failures to substantially perform such assigned duties; or
- (c) Employee's violation of any provision of this Agreement or express significant policies of the Company. If the Company terminates Employee's employment for Cause, the Company shall give Employee written notice setting forth the reason for his/her termination not later than thirty (30) days after such termination.

18. Except as otherwise provided herein, in the event of any controversy, dispute or claim arising out of, or relating to this Agreement, or the breach thereof, or arising out of any other matter relating to the Employee's employment with EQT or the termination of such employment, EQT may seek recourse for injunctive relief to the courts having jurisdiction thereof and if any relief other than injunctive relief is sought, EQT and the Employee agree that such underlying controversy, dispute or claim shall be settled by arbitration conducted in Pittsburgh, Pennsylvania in accordance with this Section 18 and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The matter shall be heard and decided, and awards, if any, rendered by a panel of three (3) arbitrators (the "Arbitration Panel"). EQT and the Employee shall each select one (1) arbitrator from the AAA National Panel of Commercial Arbitrators (the "Commercial Panel") and AAA shall select a third (3rd) arbitrator from the Commercial Panel. Any award rendered by the Arbitration Panel shall be final, binding and confidential as between the parties hereto and their heirs, executors, administrators, successors and assigns, and judgment on the award may be entered by any court having jurisdiction thereof.

19. EQT shall have the authority and the right to deduct or withhold, or require Employee to remit to EQT, an amount sufficient to satisfy federal, state, and local taxes (including Employee's FICA obligation) required by law to be withheld with respect to any payment or benefit provided pursuant to this Agreement. The obligations of EQT under this Agreement will be conditioned on such payment or arrangements and EQT will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Employee.

20. It is understood and agreed that upon Employee's discontinuation of full-time employment and transition to Executive Alternative Work Arrangement employment status hereunder, Employee has no continuing rights under Section 3 of the Non-Competition Agreement and such section shall have no further force or effect.

21. The provisions of this Agreement are severable. To the extent that any provision of this Agreement is deemed unenforceable in any court of law, the parties intend that such provision be construed by such court in a manner to make it enforceable.

22. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

23. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

24. This Agreement supersedes all prior agreements and understandings between EQT and Employee with respect to the subject matter hereof (oral or written), including but not limited to Section 3 of the Non-Competition Agreement. It is understood and agreed, however, that the covenants as to non-competition, non-solicitation, confidentiality and nondisclosure contained in Sections 1 and 2 of the Non-Competition Agreement remain in effect as modified herein, along with the provisions set forth in Sections 4, 5, 6, 7, 8, 11, 12, 13, 14 and 16 of the Non-Competition Agreement.

25. This Agreement may not be changed, amended, or modified, except by a written instrument signed by both parties; provided that the Company may amend this Agreement from time to time without Employee's consent to the extent deemed necessary or appropriate, in its sole discretion, to effect compliance with Section 409A of the Code, including regulations and interpretations thereunder, which amendments may result in a reduction of benefits provided hereunder and/or other unfavorable changes to Employee.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

EQT CORPORATION

By:_____

Name:

Title:

EMPLOYEE

Name: Jimmi Sue Smith

Date

**AMENDMENT OF
AMENDED AND RESTATED CONFIDENTIALITY, NON-SOLICITATION
AND NON-COMPETITION AGREEMENT**

This AMENDMENT (this “**Amendment**”) to the Amended and Restated Confidentiality, Non-Solicitation and Non-Competition Agreement, dated as of November 13, 2018 (the “**Covenant Agreement**”), by and between EQT Corporation, a Pennsylvania Corporation (the “**Company**”) and Jimmi Sue Smith (“**Employee**”), is dated as of February 20, 2019 (the “**Effective Date**”).

1. **Effectiveness.** This Amendment shall become effective upon the Effective Date. Except as expressly set forth herein, the Covenant Agreement shall remain in full force and effect in accordance with its terms.

2. **Amendment to Section 9 of the Covenant Agreement.** Section 9 of the Covenant Agreement is hereby amended and restated in its entirety as follows:

9. **Executive Alternative Work Arrangement Employment Status.** As a board-designated executive officer of the Company, Employee has the opportunity to participate in the Executive Alternative Work Arrangement upon discontinuing full-time status. The terms and conditions of Executive Alternative Work Arrangement Employment Status are described in the form of Executive Alternative Work Arrangement Employment Agreement attached hereto as Exhibit A. Set forth below the signature lines to this Agreement is an election form regarding participation in the Executive Alternative Work Arrangement. Employee must complete and sign such form indicating whether or not he desires to participate in Executive Alternative Work Arrangement Status. Any failure to make an election at the time of execution of this Agreement shall be deemed to be an election not to participate. If Employee elects to participate, the Executive Alternative Work Arrangement classification will be automatically assigned to Employee if and when Employee incurs a termination of employment that meets each of the following conditions (an “Eligible Termination”): (a) Employee’s employment is terminated by the Company for any reason other than Cause *or* Employee gives the Company (delivered to the Vice President and Chief Human Resources Officer) at least 90 days’ advance written notice of Employee’s intention to discontinue employment, (b) Employee is a board-designated executive officer in good standing with EQT Corporation as of the time of his/her termination of employment, and (c) Employee’s employment shall not have been terminated by Employee for Good Reason. By electing to participate in the Executive Alternative Work Arrangement, Employee hereby agrees to execute an Executive Alternative Work Arrangement Employment Agreement, in a form substantially similar to the one attached hereto as Exhibit A, within 90 days prior to Employee’s relinquishment of full-time status, which agreement will become effective automatically on the day following Employee’s Eligible Termination. Without limiting the foregoing, Employee agrees that he/she will not be eligible for the Executive Alternative Work Arrangement, including the post-employment benefits described therein, if Employee’s termination of employment is not an Eligible Termination. Notwithstanding the

foregoing, within 30 days following an Eligible Termination, Employee may provide written notice to the Company of Employee's election to waive the Executive Alternative Work Arrangement Employment Agreement, in which case (x) the Executive Alternative Work Arrangement Employment Agreement shall be of no force or effect, and neither the Company nor the Employee shall have any obligations thereunder, and (y) in consideration for such election, Employee agrees that the restricted period contemplated by the first paragraph of Section 1 shall be extended for a period of three additional months beyond the period specified therein.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

EQT CORPORATION

EMPLOYEE

By: /s/ David J. Smith
David J. Smith
Senior Vice President,
Human Resources

/s/ Jimmi Sue Smith
Jimmi Sue Smith

[Signature Page to Amendment Agreement]

EXHIBIT C

EMPLOYEE'S TIME-VESTING EQUITY AWARDS

Grant Date	Grant Type	Target Grant
01/01/2019	2019 EQT Restricted Awards	26,470.000
01/01/2018	2018 EQT Restricted Awards	2,030.000
01/01/2017	2017 EQT Restricted Stock Unit	1,440.000
09/14/2016	2016 EQT Restricted Stock Unit	2,500.000
03/15/2018	2018 EQT SIA	675.000
01/01/2019	2019 EQT Stock Options	88,100.000
01/01/2018	2018 EQT Stock Options	6,729.000
01/01/2018	2018 ETRN Restricted Awards	1,624.000
01/01/2017	2017 ETRN Restricted Stock Unit	1,152.000
09/14/2016	2016 ETRN Restricted Stock Unit	2,000.000
03/15/2018	2018 ETRN SIA	540.000
01/01/2018	2018 ETRN Stock Options	5,383.000

EXHIBIT D

EMPLOYEE'S PERFORMANCE-VESTING EQUITY AWARDS

Grant Date	Grant Type	Target Grant
01/01/2019	2019 EQT IPSUP	52,940.000
01/01/2018	2018 EQT IPSUP	4,060.000
01/01/2017	2017 EQT IPSUP	1,440.000
01/01/2018	2018 ETRN IPSUP	3,248.000
01/01/2017	2017 ETRN IPSUP	1,152.000

EXHIBIT E

EAWA WAIVER FORM

**ELECTION TO WAIVE PARTICIPATION IN
EXECUTIVE ALTERNATIVE WORK ARRANGEMENT CLASSIFICATION**

You are receiving this election form because you previously elected to participate in the Executive Alternative Work Arrangement Classification described in Section 9 of the Confidentiality, Non-Solicitation and Non-Competition Agreement between you and EQT Corporation (the “Confidentiality, Non-Solicitation and Non-Competition Agreement”).

Notwithstanding your prior election to participate in the Executive Alternative Work Arrangement Classification, you may waive such participation by providing written notice to EQT Corporation within 30 days following an Eligible Termination (as defined in the Confidentiality, Non-Solicitation and Non-Competition Agreement). You may provide EQT Corporation with written notice of such waiver by marking the box below indicating that you wish to waive participation in the Executive Alternative Work Arrangement Classification and returning the form to EQT’s Chief Human Resources Officer within 30 days following your Eligible Termination. If you mark the box below indicating that you are not waiving participation in the Executive Alternative Work Arrangement Classification or if you do not return this form to EQT’s Chief Human Resources Officer within 30 days following your Eligible Termination, you will be deemed **NOT** to have waived your participation in the Executive Alternative Work Arrangement Classification.

If you waive participation in the Executive Alternative Work Arrangement Classification (x) the Executive Alternative Work Arrangement Employment Agreement referenced in the Confidentiality, Non-Solicitation and Non-Competition Agreement shall be of no force or effect, and neither EQT Corporation nor you shall have any obligations thereunder, and (y) in consideration for such waiver, you agree that the restricted period contemplated by the first paragraph of Section 1 of the Confidentiality, Non-Solicitation and Non-Competition Agreement shall be extended for a period of three additional months beyond the period specified therein.

- I hereby **WAIVE** participation in the Executive Alternative Work Arrangement Classification as described in Section 9 of the Confidentiality, Non-Solicitation and Non-Competition Agreement. Further, I acknowledge and agree that, as a result of such waiver, (x) the Executive Alternative Work Arrangement Employment Agreement referenced in the Confidentiality, Non-Solicitation and Non-Competition Agreement shall be of no force or effect, and neither EQT Corporation nor I shall have any obligations thereunder, and (y) in consideration for such waiver, the restricted period contemplated by the first paragraph of Section 1 of the Confidentiality, Non-Solicitation and Non-Competition Agreement shall be extended for a period of three additional months beyond the period specified therein.
-

- I hereby **DECLINE TO WAIVE** to participation in the Executive Alternative Work Arrangement Classification as described in Section 9 of the Confidentiality, Non-Solicitation and Non-Competition Agreement.

Jimmi Sue Smith

Employee Name Printed

/s/ Jimmi Sue Smith

Employee Signature

9-9-19

Date

EXHIBIT F

OWBPA DISCLOSURE

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated effective August 29, 2019 as part of a change of control.

Job Title	Age as of August 29, 2019
Senior Vice President and Chief Financial Officer	47

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated effective August 7, 2019 as part of a change of control.

Job Title	Age as of August 7, 2019
Executive Vice President & Chief Operating Officer	54

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated effective July 21, 2019 as part of a change of control.

Job Title	Age as of July 21, 2019
Senior Vice President, Human Resources	60

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment terminated effective July 10, 2019 as part of a change of control.

Job Title	Age as of July 10, 2019
President & Chief Executive Officer	48
General Counsel & Senior Vice President, Government Affairs	43

Set forth below is a list of the job titles and ages of the Section 16 officers of EQT as of July 9, 2019 whose employment was not terminated effective July 10 or July 21, 2019 or August 7, 2019.

Job Title	Age as of August 29, 2019
Executive Vice President, Commercial, Business Development, Information Technology & Safety	46
Vice President & Principal Accounting Officer	47

Exhibit 31.01

CERTIFICATION

I, Toby Z. Rice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EQT Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditor and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2019

/s/ Toby Z. Rice

Toby Z. Rice
President and Chief Executive Officer

Exhibit 31.02

CERTIFICATION

I, Kyle Derham, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EQT Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditor and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2019

/s/ Kyle Derham

Kyle Derham

Interim Chief Financial Officer

CERTIFICATION

In connection with the Quarterly Report of EQT Corporation (“EQT”) on Form 10-Q for the period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned certify pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of EQT.

/s/ Toby Z. Rice

October 31, 2019

Toby Z. Rice

President and Chief Executive Officer

/s/ Kyle Derham

October 31, 2019

Kyle Derham

Interim Chief Financial Officer