

VAN BOERUM ROBERT
Form 4
July 06, 2018

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
VAN BOERUM ROBERT

(Last) (First) (Middle)
C/O TRUE DRINKS, 2 PARK
PLAZA, SUITE 1200

(Street)

IRVINE, CA 9264

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
True Drinks Holdings, Inc. [TRUU]

3. Date of Earliest Transaction
(Month/Day/Year)
07/05/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
____ Officer (give title below) _____ Other (specify below)
CEO AND CFO

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title a Underlyi (Instr. 3
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	(Instr. 3, 4, and 5) V (A) (D)	Date Exercisable	Expiration Date	Title
Stock Option	\$ 0.07	07/05/2018	D ⁽¹⁾		09/29/2017	09/29/2022 ⁽¹⁾	Comm Stock
Stock Option	\$ 0.025	07/05/2018	A ⁽¹⁾	3,937,706	07/05/2018	01/30/2023 ⁽¹⁾	Comm Stock
Stock Option	\$ 0.015	07/05/2018	A	3,172,294	07/05/2018	01/30/2028	Comm Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VAN BOERUM ROBERT C/O TRUE DRINKS 2 PARK PLAZA, SUITE 1200 IRVINE, CA 9264			CEO AND CFO	

Signatures

/s/ July 7, 2018 On Behalf of Self
07/06/2018
**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The reported transaction involved the modification of certain outstanding options, resulting in the deemed cancellation of the "old" options and the grant of replacement options with a reduced exercise price of \$0.025 per share and extended expiration date, which modifications were approved in advance by the Issuer's Board of Directors on January 30, 2018. The cancellation and subsequent grant were both exempt from Section 16(b) pursuant to Rule 16b-3(e) and Rule 16b-3(d), respectively.
- Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. > Primary output of E&P investments

Results in sales to customers
377 /392/ 407 381 Controllable Operated Cash Costs (\$MM)
Management of business expenses to maximize profitability
\$2,770 /\$2,700/ \$2,570 \$2,414 Capital and Exploratory Spend (\$MM)²
Maximize effective use of E&P investments
\$6,700 /\$6,600/ \$6,400 \$6,203 Leadership Site Visits

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Demonstrates leadership commitment to safety performance

80% /90%/ 100% 98% Contractor Performance Management

Engages external contractors and aligns their performance with Hess safety expectations

80% /90%/ 100% 95% Timely HiPo Actions Closure

Management of corrective and preventive actions associated with High Potential (HiPo) Severity Incidents

85% /90%/ 95% 93% Process Safety Health Checks

Establish current state of process safety management

Reduce major process risks

90% /95%/ 100% 100% **Individual** Objectives set at beginning of year

Permits ability to establish annual goals that are specific to an individual

Refer to Discussion on Page []

- (1) For the corporate goal, threshold was set at 74% of target and maximum was set at 126% of target. Refer to the table on page [] for the calculation of the Corporate Net Income amount for 2013.
- (2) Adjusted for impact of civil unrest in Libya and for timing of asset sales (earlier than anticipated exit) related to strategic transformation. Actual production in 2013 was 336 Mboe/d. Actual E&P capital and exploratory spend was \$6,151MM.

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Assessment of Individual Performance. Normally, we assess individual performance based on goals set at the beginning of each year, specific to each NEO. Following year-end, achievement of these pre-defined individual goals is assessed. The CEO conducts performance reviews for the other NEOs and makes compensation recommendations to the committee based on these reviews, with the committee making the final determination. The committee reviews the CEO's attainment of his individual performance objectives. This individual performance assessment for each NEO influences the individual performance component of his or her annual cash bonus payout, and can also influence the grant-date value of LTI compensation and base salary adjustments for the subsequent year. The target LTI value for any NEO can be adjusted down to zero or increased by up to 25%, aligned with the result of each individual performance assessment.

For 2013, in order to further focus NEOs on achievement of the strategic plan, the committee determined to base the individual component of the CBP on shared goals for all the NEOs. How successfully the strategic plan was executed during 2013. Detail regarding the factors that were considered as part of this performance assessment is reflected below. The company's progress in achieving these goals is highlighted in the table on page [].

Goals**Strategic Initiatives****Become Focused Pure Play E&P Company****Exit Downstream****Maximize Hess Asset Sales Proceeds****Increase Current Returns to Stockholders****Strengthen Financial Flexibility****Committee Assessment Performance vs. Goals****Exceeded Expectations**

Given the significant transformational objectives set for 2013, and in view of the substantial accomplishments against these objectives, the committee determined that the individual component of the 2013 CBP would pay out at 140% of target for all ongoing NEOs. For Mr. Walker, who retired from Hess effective January 1, 2014, the committee determined to fix his total 2013 bonus payment at 100% of target. The committee also decided to pay Mr. Rielly a bonus of \$200,000 in addition to a \$583,833 payout pursuant to the 2013 CBP, in recognition of his work and leadership with respect to asset divestures, as well as increased responsibilities he assumed in 2013.

LTI Program Structure. The company believes that LTI compensation is an important incentive and retention tool. Therefore, it is the largest portion of each executive officer's total compensation package. For the past two years, the

committee has awarded 50% in value of LTI shares in the form of performance share units (PSUs) and 50% in the form of restricted stock. Payout of PSUs is dependent on the company's relative TSR compared with that of our peer companies, identified below, over a three-year period. In addition, our TSR must be positive during the three-year performance period for payout to exceed target, even if Hess outperforms peers.

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For 2014 LTI awards, we modified our approach for NEOs by decreasing the weighting on time-based restricted stock, increasing the weighting on PSUs, and re-introducing stock options. This change increased the performance-based component of our LTI awards from 50% to 80% in value, which the committee believed would further reinforce the alignment of interests of our senior-most management and stockholders.

2013		2014	
LTI Vehicle	Weighting	LTI Vehicle	Weighting
PSUs	50%	PSUs	60%
Stock Options	0%	Stock Options	20%
Restricted Stock	50%	Restricted Stock	20%
50% Performance-contingent LTI		80% Performance-contingent LTI	

In making this change, the committee also considered stockholder feedback, the typical time horizons of investment decisions for Hess business and industry, the current performance metric for PSUs, and market practice. During our recent extensive shareholder outreach, described above, we listened to our shareholders. We learned that an emphasis on performance-based LTI is preferred. While, in general, restricted stock is not viewed as performance-based, investors understood and supported its use for NEOs in moderation. Some investors noted their support for the use of stock options with NEOs, and that they view stock options as performance-based LTI.

Re-introduction of stock options, which remain exercisable for 10 years, was also supported by Hess capital intensive industry, where the time horizon for investment decisions often extends over a number of years. Stock options, which only provide value upon absolute stock price appreciation, also reinforce a balance between relative and absolute stock price performance goals, given PSU payout is primarily based on relative TSR.

Finally, the LTI mix change for 2014 is further supported by competitive practice. The most common LTI mix for 2012 grants among 2014 peers is three vehicles: long-term performance plan (stock or cash-based), stock options, and restricted stock/units. This aligns with Hess 2014 approach for LTI awards. Moreover, approximately 75% of current peers use stock options as part of their LTI program, and over 75% of companies in both the 2013 peer group (n=15) and the 2014 peer group (n=11) reported using performance shares/units in 2012. Of these companies (in both peer groups), all but three reported using relative TSR for at least one performance metric, making relative TSR by far the most common performance metric used among peers in a long-term performance plan. This aligns with Hess 2012, 2013, and 2014 approach to PSU awards. However, our relative TSR payout schedule requires a higher level of performance to receive a target payment than a majority of peers. Among peers that reported their relative TSR payout schedule, a majority pay target when relative TSR equals median performance; as described below, our PSU awards require greater than median performance to receive a target payout.

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As Hess has been undergoing a strategic transformation, the committee determined it was appropriate to re-evaluate our peer group to provide an increased focus on pure play E&P companies and to consider Hess' size after transformation to a pure play E&P company. As described in greater detail below, there are fewer companies in the 2014 peer group than the 2013 peer group (11 vs. 15 companies). This resulted in a change to the relative TSR payout matrix for our PSU awards granted in early 2014. The first chart below reflects the payout matrix for our 2012 and 2013 PSU awards, and the second chart below reflects the revised payout matrix for 2014 PSU awards. For 2014 PSU awards, the new payout matrix increased the level of relative performance required for target and maximum payout, with target payout increasing from the 53rd to 55th percentile and maximum payout from 80th to 91st percentile. In addition, as described above, no matter the payout these relative performance matrices may imply, payout may not exceed target if our TSR during the performance measurement period is not positive.

Prior to implementing the design used for the 2012 PSU awards, the committee requested that its independent consultant at the time, Pay Governance, back-test what payouts would have been over the past 10 years assuming this design (matrix) had been in place. The compensation consultant reported that actual payouts would have been below target for 6 of the 10 years, and above target for the other 4 years. The average payout over the 10 year period would have been 106% of target, and ranged from 0% to 200% of target.

Timing of LTI Awards. Awards of restricted stock and payouts of cash bonuses to the NEOs are made in early March after our financial statements have been audited by our independent public accountants, as required by our performance incentive plan for senior officers approved by stockholders in 2011. However, the committee retains discretion to vary the timing of awards as it deems appropriate. LTI awards to newly-hired employees and

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special merit awards to existing employees are made on the date of the next regularly scheduled Board meeting following commencement of employment or the date management recommends a special award. Option exercise prices are set at the closing market price on the date of grant and the option may not be repriced or adjusted, except to reflect customary anti-dilution adjustments, such as for a stock split or stock dividend. The committee has never opportunistically selected grant dates to achieve more favorable option exercise prices, nor have options ever been repriced to increase the value of an award.

Terms of LTI Awards. Restricted stock awards and PSUs, if earned, generally vest 100% three years from the date of grant and stock options vest ratably over a three-year period, generally subject to continued employment, and remain exercisable until 10 years after the date of grant. We believe these vesting periods promote retention and are consistent with market practices.

Shares of restricted stock are issued and outstanding from the date of grant, but are held in escrow until the vesting date. Restricted shares are therefore entitled to dividends if and when paid on shares of common stock. Dividends accrued on shares of restricted stock, together with interest on these dividends at short-term market rates, are paid upon vesting. To the extent earned, performance shares will be paid in shares of Hess common stock which will vest and be issued following the end of the performance period. Dividend equivalents for the performance period will only be paid out on earned shares after the performance period.

Value of LTI Awards. Historically, we structured LTI awards to deliver value through a mix of restricted stock and stock options, with approximately one-half of the value delivered in the form of restricted stock and one-half in the form of stock options, based on grant date valuations. We believed this approach balanced the goals of retention and motivating performance and also reflected our desired level of annual share utilization. However, for 2012 and 2013 awards, the committee determined to eliminate stock option awards and instead make annual awards one-half in the form of PSUs and one-half in the form of restricted stock. Annual grant levels depend on the company's performance as well as comparative market data. We aim to provide long-term awards such that together with cash compensation, total direct compensation is within a competitive range of market median with that of our peers if specified performance criteria and individual performance objectives are met. The committee bases individual award levels on comparative market data for the executive's position, award levels of comparably-situated executives, and an assessment of individual potential and performance. In making awards to any individual, the committee does not consider his or her gains made, or failure to achieve gains, on prior restricted stock or option awards.

2013 LTI Awards. In 2013, the committee granted PSUs and restricted stock in an aggregate amount of approximately 1.47 million shares to 758 eligible participants. These awards, including those shown for the NEOs in the summary compensation table, were made in early 2013, and reflect 2012, not 2013, performance, with additional prospective performance requirements for the PSUs. The restricted stock and PSU awards to the NEOs and others in 2013 were consistent with the company's objectives for long-term compensation discussed previously. There was no increase in grant date values of restricted stock and PSUs for the NEOs in 2013 from 2012 levels.

Peer Group

In order to ensure that our compensation and benefit programs are competitive within our industry, the committee reviews data from a comparative group of oil and gas companies. For 2013, we used a peer group consisting of 15 companies, primarily E&P companies but also including certain large integrated companies as Hess competes with these companies in its E&P business and in recruiting and retaining talent. We revised our peer group, as shown below, to better reflect Hess' size and business strategy after transformation to a pure play E&P company.

Table of Contents**2013 Peer Group 15 Companies**

FY 2013 Revenue: Hess \$22.3B (\$11.9B E&P Unit), Peer Median \$24.5B

12/31/13 Market Cap: Hess \$27B, Peer Median \$76.7B

Anadarko Petroleum Corporation	Devon Energy Corporation	Occidental Petroleum Corporation
Apache Corporation	EOG Resources, Inc.	Royal Dutch Shell plc
BP plc	Exxon Mobil Corporation	Statoil ASA
Chevron Corporation	Marathon Oil Corporation	Talisman Energy Inc.
ConocoPhillips	Murphy Oil Corporation	Total S.A.

2014 Peer Group 11 Companies

FY 2013 Revenue: Hess \$22.3B (\$11.9B E&P Segment), Peer Median \$14.6B

12/31/13 Market Cap: Hess \$27B, Peer Median \$25.1B

Anadarko Petroleum Corporation	Devon Energy Corporation	Noble Energy, Inc.
Apache Corporation	EOG Resources, Inc.	Occidental Petroleum Corporation
Chesapeake Energy Corporation	Marathon Oil Corporation	Talisman Energy Inc.
ConocoPhillips	Murphy Oil Corporation	

Note: From time to time, the Committee will continue to review data from large integrated oil companies for reference purposes only.

Additional Information

Other Benefits. We have adopted certain broad-based employee benefits plans in which executive officers are permitted to participate on the same terms as other eligible employees of the company, subject to applicable limits imposed on contributions and benefits under applicable law. We believe it is necessary to maintain these plans to remain competitive with the overall compensation packages offered by other companies in the oil and gas industry. Our objective is that the value of these benefits be competitive with that offered by companies in our peer group. We consider the value of benefits to an employee of the company to be competitive if the value approximates that of employees in comparable positions at a majority of our peer companies. In addition to group life insurance and health and welfare plans, we have a savings plan under which participants can elect to invest (subject to contribution limits imposed by law) up to 25% of pre-tax salary in a variety of funds, one of which invests in our common stock, and the company provides matching contributions up to approximately 8% of pre-tax salary for each participant, which are invested at the discretion of the participant.

Pension Benefits. As explained later in this proxy statement, we have a qualified defined benefit pension plan, and a non-qualified supplemental plan (the restoration plan referred to in the Pension Benefits table) that provides only the benefits that would otherwise be paid to participants under the qualified pension plan but for limitations imposed by the Internal Revenue Code. As previously disclosed, prior to 2010 the committee granted additional years of credited service under our pension restoration plan to Messrs. Hill, Walker and Rielly as part of the compensation packages necessary to recruit them. In 2009, the committee gave Mr. Hill credit for 10 years of service with his prior employer, upon completion of five years of service with the company. Mr. Hill, worked for over 25 years with Royal Dutch Shell plc and its affiliates, most recently in senior executive positions. This agreement was intended to compensate Mr. Hill for the difference between the pension benefits he would have received from his prior employer had he retired from his prior employment at age 60 and the pension benefits he would have received, absent such credited service, under the company's pension plans for his retirement at the same age. The additional years of service for

Messrs. Walker and Rielly are equal to their service with their prior

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employers and their supplemental benefits are offset by their pension benefits from their prior employers. Messrs. Walker and Rielly had more than 19 and 16 years of experience with Mobil Oil Corporation and Ernst & Young, LLP, respectively. Each of these executives had successful careers at their prior employers and would have continued to accrue years of service under the pension plans of their prior employers. Again, the committee believed that awards of credited service were necessary to compensate these executives for the loss of pension benefits and to induce them to join the company.

Perquisites. The company did not provide perquisites or personal benefits valued at \$10,000 or more to any NEOs in 2013.

Management Stock Ownership Guidelines. In order to further align the interests of management and stockholders, we maintain stock ownership guidelines for executive officers. The guidelines require that each executive officer attain a specified level of ownership of shares of the company's common stock equal in value to a multiple of the officer's base salary within five years of the later of the date of adoption of the guidelines and the officer's first election to his or her office:

Role	Requirement (multiple of base salary)
Chief Executive Officer	6.0x
Executive Vice Presidents	4.0x
Senior Vice Presidents	3.0x
Vice Presidents	1.0x

Our NEOs maintain significant ownership in Hess stock. As of the end of 2013, each of the NEOs had attained their required level of ownership. Mr. Hess, our CEO, currently beneficially owns approximately 11% of our outstanding shares, and among the other NEOs, on average, ownership exceeds 10x base salary. This reflects significant alignment between our NEOs and our stockholders. Currently, shares owned outright by an executive, restricted stock and stock held in an executive's savings plan account are counted for purposes of determining stock ownership levels. Stock options, however, are not counted.

Anti-hedging and Anti-pledging Policies. We do not permit directors or executive officers to trade in equity derivative instruments in order to hedge the economic risks of holding the company's stock. The purpose of these guidelines is to align the interests, including the economic risk of ownership, of directors, management and stockholders. In addition, we do not permit our executives to pledge shares of company stock in which they have a financial interest.

Accounting and Tax Treatment. The Compensation and Management Development committee considers the tax and accounting implications of compensation program design, but they are not the only factors considered. In some cases, other important considerations outweigh tax or accounting considerations.

Shares of restricted stock are issued and outstanding from the date of grant, but are held in escrow until the vesting date. Restricted shares are therefore entitled to dividends if and when paid on shares of common stock. Dividends accrued on shares of restricted stock, together with interest on these dividends at short-term market rates, are paid upon vesting. To the extent earned, performance shares will be paid in shares of Hess common stock which will vest

and be issued following the end of the performance period. Dividend equivalents for the performance period will only be paid out on earned shares after the performance period. For accounting purposes, in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation Stock Compensation (ASC 718) the expense associated with a restricted stock award is the fair value of the award on the date of grant and this expense is amortized over the vesting period. Expense associated with a stock option award is the grant date fair value determined using a Black-Scholes valuation model, and this expense is also

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amortized over its vesting period, also in accordance with ASC 718. Expense associated with a PSU award is the fair market value of the award on the date of grant and this expense is also amortized over the vesting period in accordance with ASC 718.

Generally, we deduct compensation expense on our federal corporate income tax return. However, Section 162(m) of the Internal Revenue Code disallows deductions by corporations for certain non-performance based compensation expense to the CEO and the three other most highly paid executive officers, other than the chief financial officer in excess of \$1 million in any year. In 2006, stockholders approved and in 2011 reapproved a performance incentive plan for senior officers designed to permit the company to award deductible compensation in the form of restricted stock and cash bonuses. The plan limits awards of incentive cash compensation and restricted and deferred stock granted in any year to each participant to 1%, and to all participants in the aggregate to 5%, of adjusted net cash flow from operations for the prior year minus a specified amount of not less than \$1,750 million. The plan is not intended to increase award levels beyond those that the Committee would otherwise approve consistent with its compensation policies described previously. Participants in the plan include the NEOs and any other senior officers that the committee may designate. For 2013, the aggregate value of cash bonus and restricted stock awards for each of the NEOs was substantially less than the maximum amount permitted for each of those individuals. The committee exercises discretion to award aggregate amounts of cash bonus and restricted stock less than that amount for each of the NEOs consistent with its policies as previously explained. In addition, compensation paid in respect of PSUs awarded under the company's LTI plan (last approved by stockholders in 2012), the payout of which is based on the relative TSR of the company versus its peer group, is designed to be exempt from the deduction limitation of Section 162(m). Cash salary in excess of \$1 million to any NEO in any year is not exempt from that limitation, and therefore is not deductible. The committee reserves the right to establish compensation levels for executive officers that may exceed the limits on tax deductibility or not satisfy the performance-based award exception under Section 162(m), and therefore would not be deductible. We believe it is important for the committee to retain discretion to pay types and amounts of compensation even if it is not deductible, as it deems appropriate.

Recoupment (Clawback) Policy. If the company were required to prepare an accounting restatement due to the material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws, the chief executive officer and chief financial officer are required by law to reimburse the company for (i) any bonus or other incentive-based or equity-based compensation received by that person from the company during the 12-month period following the first public issuance or filing of the financial document embodying such financial reporting requirement; and (ii) any profits realized from the sale of securities during that 12-month period. In addition, in the event of any such misconduct by an officer or employee that results in material noncompliance with financial reporting requirements, we reserve the right to take all appropriate action to remedy the misconduct, discipline such officer or employee and prevent its recurrence, including (i) termination of employment of such officer or employee and forfeiture of outstanding equity awards, (ii) commencing an action for breach of fiduciary duty, and/or (iii) seeking reimbursement of any compensation paid in excess of that which would have been paid in the absence of such noncompliance, either by legal action or by offsetting other amounts owed by the company to such officer or employee to the extent permissible.

Post-employment Compensation

Retirement Mr. Walker. As noted above, Mr. Walker's employment with the company ended effective January 1, 2014, upon his retirement. During 2013, he served as Executive Vice President & President, Marketing and Refining. The committee determined to fix Mr. Walker's total 2013 cash bonus payment at 100% of target (\$800,000). In connection with his retirement, the committee also agreed to make a cash payment of \$2,333,429 representing the value of the pro-rata portion of his unvested restricted stock based on the number of days elapsed in the vesting periods as of the date of his retirement. His unvested PSUs and stock options were forfeited.

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Change in Control Agreements. As explained in greater detail later in this proxy statement, we have change in control agreements with certain executives, including the NEOs, that provide for a lump sum cash payment equal to a multiple of the executive's compensation, as well as other benefits, if (1) there is a change in control, as defined in the agreements, and (2) the executive is actually or constructively terminated within 24 months following a change in control. In view of continuing consolidation within the oil and gas industry, we believe these agreements are necessary to remain competitive with the overall compensation packages afforded by companies in our peer group. We also believe these agreements work to provide security to our executives, many of whom would have key roles in negotiating and implementing a potential change in control transaction, and motivate them to act in the best long-term interests of all stockholders. However, the committee decided in 2010 to eliminate golden parachute excise tax gross-up provisions from any such agreements entered into in the future.

Compensation Committee Report

The compensation and management development committee of the board of directors of the company has reviewed and discussed the Compensation Discussion and Analysis section with management, and based on this review and discussion, the compensation and management development committee recommended to the board of directors that the Compensation Discussion and Analysis section be included in this proxy statement and incorporated by reference into the 2013 annual report on Form 10-K.

Robert N. Wilson, Chairman

John Krenicki, Jr.

Dr. Risa Lavizzo-Mourey

David McManus

James H. Quigley

Dr. Mark R. Williams

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The following table sets forth information regarding compensation paid or accrued for the last three fiscal years to the CEO, the chief financial officer and the three other most highly compensated executive officers, for services in all capacities to the company and its subsidiaries.

Name & Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus(1) (\$) (d)	Stock Awards(2) (\$) (e)	Option Awards(3) (\$) (f)	Non-Equity Incentive Plan Compensation(1) (\$) (g)	Change in Pension Value & Nonqualified Deferred Compensation(4)	All Other Compensation(5) (\$) (i)	Total (\$) (j)
							Earnings(\$) (h)		
Hess, John B Chief Executive Officer	2013	1,500,000	1,516,667	8,511,308		2,278,250	2,327,085	20,349	16,153,659
	2012	1,500,000		8,514,673			3,106,643	19,950	13,141,266
	2011	1,500,000	1,307,583	4,219,584	4,280,375	1,942,417	4,210,185	14,700	17,474,844
Hill, Gregory P President & COO of Exploration and Production	2013	1,000,000	443,333	3,504,678		665,950	189,621	20,349	5,823,931
	2012	975,000		3,506,131		582,983	817,745	19,950	5,901,809
	2011	940,000	373,883	1,737,526	1,762,432	536,117	857,097	14,700	6,221,755
Walker, F. Borden (6) Executive Vice President & President, Marketing & Refining	2013	965,000	296,800	2,503,316		503,200	1,135,057	20,349	5,423,722
	2012	950,000		2,504,340		490,933	1,377,597	19,950	5,342,820
	2011	935,000	230,200	1,241,452	1,258,759	584,800	1,723,973	14,700	5,988,884
Goodell, Timothy B. Senior Vice President & General Counsel	2013	750,000	326,667	2,002,724		490,700	255,118	20,349	3,845,558
	2012	725,000		2,003,444		429,567	348,230	19,950	3,526,191
	2011	700,000	281,633	992,993	1,006,922	418,367	322,128	14,700	3,736,743
Rielly, John P Senior Vice President & Chief Financial Officer	2013	775,000	433,333	2,002,724		350,500	(145,012)	20,349	3,436,894
	2012	750,000		2,003,444		306,833	876,670	19,950	3,956,897
	2011	725,000	126,167	992,993	1,006,922	298,833	918,719	14,700	4,083,334

- (1) The amounts shown in column (d) represent the individual performance component of the cash bonuses and the amounts shown in column (g) represent the components of the cash bonuses relating to the attainment of corporate and business unit performance metrics, paid to the named executive officers under our CBP, as discussed more fully in Compensation Discussion and Analysis. Amounts shown in column (d) for Mr. Rielly include \$233,333 in respect of the individual performance component of the CBP and an additional bonus of \$200,000 in recognition of his work and leadership with respect to asset divestures, as well as the increased responsibilities he assumed in 2013. Mr. Hess did not receive the non-discretionary portion of his bonus in respect of 2012 that would otherwise have been shown in column (g).
- (2) Consists of the aggregate grant date fair value of performance share units and restricted stock for 2013 and 2012 and only restricted stock for 2011 computed in accordance with ASC 718. A discussion of the valuation assumptions is in *Note 13, Share-Based Compensation*, to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2013.
- (3) Consists of the aggregate grant date fair value of stock options granted in 2011 computed in accordance with ASC 718. A discussion of the valuation assumptions is in *Note 13, Share-Based Compensation*, to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2013. No option awards were granted to NEOs in 2012 or 2013.
- (4) Consists of the aggregate change in 2013 in actuarial present value of the accumulated benefits of the named executive officers under the company's pension plan. The lower change in value in 2013 as compared to 2012 is primarily due to increased interest rate assumptions for all named executive officers and, for Mr. Hill and Mr. Rielly, the discounting impact of a longer time horizon to retirement age. The amount for Mr. Walker includes aggregate earnings on his Nonqualified Deferred Compensation Plan.

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(5) Consists of matching contributions by the company credited to the named executive officers under the company's employees' savings plan.

(6) Mr. Walker retired effective January 1, 2014.

Table of Contents**Grants of Plan-Based Awards**

On March 6, 2013, the compensation and management development committee established target bonuses and approved awards of performance shares and restricted stock to the NEOs. The following table sets forth information concerning possible payouts under the annual CBP and possible payouts under the performance share program made under the incentive plan for 2013 and individual grants of restricted stock made under the incentive plan for 2013 to each of the NEOs:

Name (a)	Award Type (b)	Grant Date (c)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units (j)	Grant Date Fair Value of Stock & Option Awards (3) (\$) (k)
			Threshold (\$) (d)	Target (\$) (e)	Maximum (\$) (f)	Threshold (#) (g)	Target (#) (h)	Maximum (#) (i)		
Hess, John B	Performance Shares	06-Mar-13				23,515	47,029	94,058		5,243,263
	Restricted Stock	06-Mar-13							47,029	3,268,045
	Cash Bonus Plan	06-Mar-13	1,083,333	2,166,667	3,250,000					
Hill, Gregory P	Performance Shares	06-Mar-13				9,683	19,365	38,730		2,159,004
	Restricted Stock	06-Mar-13							19,365	1,345,674
	Cash Bonus Plan	06-Mar-13	316,667	633,333	950,000					
Walker, F. Borden	Performance Shares	06-Mar-13				6,916	13,832	27,664		1,542,130
	Restricted Stock	06-Mar-13							13,832	961,186
	Cash Bonus Plan	06-Mar-13	266,667	533,333	800,000					
Goodell, Timothy B	Performance Shares	06-Mar-13				5,533	11,066	22,132		1,233,748
	Restricted Stock	06-Mar-13							11,066	768,976
	Cash Bonus Plan	06-Mar-13	233,333	466,667	700,000					
Rielly, John P	Performance Shares	06-Mar-13				5,533	11,066	22,132		1,233,748
	Restricted Stock	06-Mar-13							11,066	768,976
	Cash Bonus Plan	06-Mar-13	166,667	333,333	500,000					

(1) The amount shown in columns (d), (e) and (f) above represent the threshold, target and maximum payouts for the components of the 2013 cash bonuses relating to the attainment of corporate and business unit performance metrics. The actual amounts paid for 2013 relating to these components are shown in column (g) of the Summary Compensation Table and footnote (1) thereto.

(2) Relates to PSU awards issued under the 2008 LTIP. Actual payout of shares earned will range from zero to 200 percent of the units granted and will occur following the three-year performance period ending December 31, 2015. Target is the number of PSUs awarded in 2013. Threshold represents the lowest possible payout if a payout is made (50 percent of the units granted).

(3) No option awards were granted in 2013. The grant date fair value of restricted stock awards is determined by multiplying the number of shares of stock awarded as shown in column (j) by the closing price of the company's common stock on the date of grant. A discussion of the valuation assumptions is in Note 13, Share-Based Compensation, to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2013. The grant date fair value of PSUs granted is determined by multiplying the number of units granted as shown in column (h) by the fair value of the award as determined by a Monte Carlo valuation model (\$111.49).

The PSUs shown in the Estimated Future Payouts Under Equity Incentive Plan Awards column of the Grants of Plan-Based Awards table vest, to the extent earned, following the three-year performance cycle applicable to such performance shares based on the relative performance of the company's TSR over the performance cycle compared

with that of fifteen peer companies in the company's peer group on page []. Payouts range from 0% to 200% of the target award based on the company's TSR ranking within the peer group. If a participant's employment with the company terminates prior to the regularly scheduled vesting date by reason of the participant's death, permanent total disability or normal retirement and, at the time of such termination due to normal retirement, the participant has completed at least five years of continuous service with the company, the participant will be entitled to receive the same payment, if any (without pro-ration), in respect of the PSUs as would have been payable, and at the time and subject to the same conditions, had the participant's employment continued until such vesting date. If the participant's employment with the company terminates prior to the regularly scheduled vesting date by reason of the participant's early retirement, and at the time of such termination, the participant has completed at least five years of continuous service with the company, the committee, in its sole discretion, may (but is not obligated to) determine that the participant will be entitled to receive the same payment, if any, in respect of the performance shares as would have been payable, and at the same time and subject to the

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same conditions, had the participant's employment continued until such vesting date, provided that such payment will be pro-rated based on the number of calendar days of the performance cycle elapsed through the date of such early retirement. If the participant's employment with the company terminates prior to the vesting date for any reason other than the participant's death, permanent total disability or normal or early retirement, all of the performance shares and the participant's rights with respect thereto will be immediately forfeited.

The shares of restricted stock shown in the "All Other Stock Awards" column of the Grants of Plan-Based Awards table vest on the third anniversary of the grant date, except that they may vest earlier upon retirement, death, disability or a change in control (with proportional vesting of restricted stock in the case of early retirement at the discretion of the committee) and dividends on the shares are accrued and held in escrow until the vesting date, at which time they are paid with interest at short-term market rates (the dividends are forfeited if the shares of restricted stock are forfeited).

Non-equity incentive plan awards are discussed in the "Compensation Discussion and Analysis" under the heading "Annual Cash Bonus."

Outstanding Equity Awards at Fiscal Year-End

The following table shows outstanding equity awards held by the NEOs at the end of the last fiscal year. The market value of shares of unvested restricted stock shown in column (g) is determined by multiplying the number of shares shown in column (f) by the closing price of the company's common stock at the end of the last fiscal year.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options		Option Exercise Price (\$)	Option Expiration Date	Restricted Stock		Performance Share Units	
	Exercisable	Unexercisable(2)			Number of Shares or Units of Stock That Have Not Vested (f)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(7)	Number of Shares or Units of Stock That Have Not Vested (h)	Market Value of Unearned Shares or Units of Stock That Have Not Vested (\$)(9)
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Hess, John B	288,000		\$ 49.55	01-Feb-16	158,597(3)	13,163,551	217,334	18,038,722
	255,000		\$ 53.20	07-Feb-17				
	186,000		\$ 81.85	06-Feb-18				
	225,450		\$ 56.43	04-Feb-19				
	208,890		\$ 60.07	03-Feb-20				
Hill, Gregory P	100,620	50,310(1)	\$ 83.88	02-Feb-21	65,306(4)	5,420,398	89,492	7,427,836
	12,125		\$ 56.43	04-Feb-19				
	37,305		\$ 60.07	03-Feb-20				
	41,430	20,715(1)	\$ 83.88	02-Feb-21				
	75,000		\$ 24.14	02-Jun-14				
Walker, F. Borden	112,500		\$ 29.96	02-Feb-15	46,651(5)	3,872,033	63,922	5,305,526
	90,000		\$ 49.55	01-Feb-16				
	75,000		\$ 53.20	07-Feb-17				
	54,000		\$ 81.85	06-Feb-18				
	65,550		\$ 56.43	04-Feb-19				
	62,175		\$ 60.07	03-Feb-20				
	29,590	14,795(1)	\$ 83.88	02-Feb-21				
	66,000		\$ 56.43	04-Feb-19				
49,740		\$ 60.07	03-Feb-20					
Goodell, Timothy B	23,670	11,835(1)	\$ 83.88	02-Feb-21	37,319(6)	3,097,477	51,138	4,244,454
	63,000		\$ 49.55	01-Feb-16				
	57,000		\$ 53.20	07-Feb-17				
Rielly, John P	45,000		\$ 81.85	06-Feb-18	37,319(6)	3,097,477	51,138	4,244,454

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54,600		\$ 56.43	04-Feb-19
49,740		\$ 60.07	03-Feb-20
23,670	11,835(1)	\$ 83.88	02-Feb-21

(1) Options became vested and exercisable on February 2, 2014.

(2) Options may become exercisable earlier in full upon death, disability, normal retirement or a change in control. At the discretion of the compensation and management development committee, upon early retirement of an awardee, options not then exercisable may become exercisable in proportion to the calendar days elapsed in the vesting period up to the early retirement date. The options remain exercisable until the tenth anniversary of the date of grant, except in cases of termination of employment for reasons other than death, disability or normal retirement, in which case options remain exercisable only for specified periods. If a grantee's employment terminates (other than by reason of death, disability or retirement) before these options become exercisable, they will be forfeited.

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- (3) Shares of restricted stock vest provided the named executive officer continues to be employed as follows: 49,930 on March 2, 2014, 61,638 on March 7, 2015 and 47,029 on March 6, 2016.
- (4) Shares of restricted stock vest provided the named executive officer continues to be employed as follows: 20,560 on March 2, 2014, 25,381 on March 7, 2015 and 19,365 on March 6, 2016.
- (5) Shares of restricted stock vest provided the named executive officer continues to be employed as follows: 14,690 on March 2, 2014, 18,129 on March 7, 2015 and 13,832 on March 6, 2016.
- (6) Shares of restricted stock vest provided the named executive officer continues to be employed as follows: 11,750 on March 2, 2014, 14,503 on March 7, 2015 and 11,066 on March 6, 2016. Mr. Walker retired on January 1, 2014 and these shares will not vest.
- (7) Market Value of restricted stock based on the closing price of \$83.00 on December 31, 2013.
- (8) Performance share units based on achieving maximum performance goals. Actual payout of shares earned will range from zero to 200 percent of the units granted and will occur following the three-year performance periods ending December 31, 2014 and December 31, 2015.
- (9) Value of performance share units reflects maximum performance level based on the closing price of \$83.00 on December 31, 2013 as required by SEC disclosure requirements. Performance attained as of December 31, 2013 was at maximum, but actual payments at vesting could be lower based on final performance results.

Option Exercises and Stock Vested

The following table sets forth information as to the NEOs regarding the exercise of stock options and the vesting of restricted stock under the incentive plan during the last fiscal year:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) (e)(1)
Hess, John B			69,630	4,793,329
Hill, Gregory P		2,544,972	24,870	1,712,051
Walker, F. Borden			20,725	1,426,709
Goodell, Timothy B			16,580	1,141,367
Rielly, John P		3,644,189	16,580	1,141,367

- (1) Represents the aggregate dollar amount realized upon vesting computed by multiplying the number of shares of stock by the closing market value of the underlying share of \$68.84 on the vesting date of March 4, 2013.

Pension Benefits

The following table sets forth information as to the NEOs regarding payments or other benefits at, following or in connection with retirement:

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Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Hess, John B	Employees Pension Plan	36.58	1,810,282	
	Restoration Plan	36.58	44,729,184	
Hill, Gregory P	Employees Pension Plan	5.00	180,027	
	Restoration Plan	15.00	5,320,156(1)	
Walker, F. Borden	Employees Pension Plan	17.50	856,722	
	Restoration Plan	36.50	14,254,302(2)	
Goodell, Timothy B	Employees Pension Plan	5.00	186,424	
	Restoration Plan	5.00	1,190,996	
Rielly, John P	Employees Pension Plan	12.75	419,434	
	Restoration Plan	29.25	5,458,723(3)	

- (1) Credited years of service include 10 years for service with prior employer. Additional years of credited service result in an increase of \$3,688,656 under the restoration plan.
- (2) Credited years of service include 19 years for service with prior employer. Benefits shown are net amounts offset by amounts due from prior employer. Additional years of credited service result in an increase of \$7,496,421 under the restoration plan.
- (3) Credited years of service include 16.5 years for service with prior employer. Benefits shown are net amounts offset by amounts due from prior employer. Additional years of credited service result in an increase of \$3,277,896 under the restoration plan.

We maintain an employees pension plan, a qualified defined benefit plan under the Internal Revenue Code, and a non-qualified supplemental plan, called the pension restoration plan, that provides benefits that would otherwise be payable to participants under the employees pension plan but for limitations imposed by the Internal Revenue Code, with certain modifications discussed below. Employees participate after one year of service in the

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employees' pension plan and vest in a retirement benefit after five years of service. Annual retirement benefits for a participant at normal retirement age are determined by multiplying 1.6% of the participant's final average compensation by his or her years of service and are then reduced by an offset for social security benefits. Under the employees' pension plan, final average compensation is the average of any three years of highest annual compensation (consisting of salary and cash bonus as shown in columns (c), (d) and (g) of the Summary Compensation Table) paid to the participant during the 10 years immediately preceding his or her retirement date. Under the restoration plan, final average compensation is the average of any three years of highest annual salary (as shown in column (c) of the Summary Compensation Table) plus the average of any three years of highest cash bonus (as shown in columns (d) and (g) of the Summary Compensation Table) paid to the participant during the 10 years immediately preceding his or her retirement date.

Normal retirement under the plans means retirement at age 65, but a participant retiring from active service is entitled to an unreduced benefit at age 60. A participant may elect early retirement if the participant is at least 55 years old and has 10 years of service. Messrs. Hess and Walker were the only NEOs eligible for early retirement under the employees' pension plan and restoration plan at December 31, 2013. Mr. Walker retired from the company effective January 1, 2014. The company awarded credited service for prior employment under the restoration plan for Messrs. Hill, Walker and Rielly for the reasons discussed in Compensation Discussion and Analysis. Under both plans, retirement benefits paid upon early retirement from active service at the age of 55 are reduced by 25% of the retirement benefit otherwise payable, with proportionately lower reductions for early retirement between ages 55 and 60. Early retirement reductions are greater if employment terminates prior to age 55. Retirement benefits under the employees' pension plan are payable as a straight life annuity or in other forms of annuities actuarially equivalent to a straight life annuity. Retirement benefits under the restoration plan are payable as a lump sum 6 months after retirement. A participant's right to payment under the restoration plan constitutes a general unsecured claim against the company.

The valuation method and material assumptions used in quantifying the present value of the accumulated benefit shown in the table are explained in *Note 15, Retirement Plans*, to our consolidated financial statements in our annual report on Form 10-K for the year ended December 31, 2013. Retirement benefits payable to Messrs. Walker and Rielly under the restoration plan are offset by retirement benefits payable by their prior employers.

Nonqualified Deferred Compensation

Name	Nonqualified Deferred Compensation				
	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals / Distributions(\$)	Aggregate Balance at Last FYE (\$)
Hess, John B					
Hill, Gregory P					
Walker, F. Borden			290,798		2,586,279
Goodell, Timothy B					
Rielly, John P					

We maintain a deferred compensation plan for certain highly-paid employees selected by us as eligible to participate under which a participant may elect in advance of any year to defer payment of up to 50% of salary and 100% of cash bonus payable for that year to a date no earlier than three years from the date of election, except that payments may be made earlier in the case of termination, death, disability, retirement or a change of control. Amounts deferred are deemed invested in investment vehicles identical to those offered under our qualified employees' savings and stock

bonus plan as the participant elects, except that the deferred compensation plan does not offer a fund for investing in the company's stock, and earnings thereon are payable together with the deferred compensation. Payments may be made in a lump sum or in annual installments over a five year period, as the participant elects. The right of any participant to receive a payment constitutes a general unsecured claim against the company.

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Employment Agreements and Termination Agreements

We have no employment agreements with our NEOs other than agreements relating to credited service discussed under Pension Benefits and change of control agreements discussed under Potential Payments upon Termination or Change in Control and the initial terms of employment described below for Mr. Hill.

Under the terms of employment negotiated with Mr. Hill upon joining the company in 2009, the company agreed that if the company terminates Mr. Hill's employment without cause, he will be entitled to severance benefits equal to two times his annual base salary and target bonus for the year in which the termination occurs. The company also agreed to award credited service to Mr. Hill under the company's pension restoration plan for the reasons described under Compensation Discussion and Analysis, provided Mr. Hill remains employed by the company for five years.

In connection with his retirement for the Company effective January 1, 2014, the Company agreed to make a cash payment of \$2,333,429 to Mr. Walker equal to the value of a pro rata portion of his unvested restricted stock based on the number of calendar days elapsed in the vesting periods as of the date of this retirement.

Potential Payments upon Termination or Change in Control

Termination

In the event any of the NEOs' employment terminated at the end of the last fiscal year, the officer would be entitled to the officer's accumulated retirement benefits in accordance with the provisions of our retirement plans as described under Pension Benefits on page []. Retirement benefits under the employees' pension plan are payable solely in the form of an annuity. Retirement benefits under the restoration plan are payable only in the form of a lump sum.

In addition, because Messrs. Hess and Walker were eligible for early retirement under the employees' pension plan at December 31, 2013, a pro rata portion of their unvested equity awards would become vested at the discretion of the compensation and management development committee based on the number of calendar days elapsed in the applicable vesting period and they would be entitled to exercise all vested stock options until the option expiration date shown in the Outstanding Equity Awards at Fiscal Year-End table on page [].

Each NEO other than Messrs. Hess and Walker would also be entitled to exercise the stock options shown in the Option Awards Exercisable column of the Outstanding Equity Awards at Fiscal Year-End table on page [] for a period of 60 days from the date of termination. If any of the NEOs' employment terminated due to death or disability (i) stock options in the Option Awards Unexercisable column of the Outstanding Equity Awards at Fiscal Year-End table would have become fully exercisable, (ii) all stock options in the Option Awards columns of that table would remain exercisable until the option expiration date shown in the table, and (iii) all restricted stock awards listed in that table would have become fully vested. See that table for the market value of the unvested shares of restricted stock at the end of the last fiscal year.

In the event the company had terminated the employment of Mr. Hill without cause at the end of the last fiscal year, Mr. Hill would have been entitled to receive a cash severance payment of \$5,060,000.

Change in Control

Equity Awards. In the event of a change in control of the company, pursuant to the incentive plan, all unexercisable stock options and all nonvested shares of restricted stock awarded to the NEOs would immediately become fully exercisable and vested. In the event of change of control, PSUs will be paid out with respect to a pro-rated portion of

PSUs awarded representing the number of days lapsed in the performance cycle through the date immediately prior to the change in control based on the company's TSR and TSR ranking through such date and will be paid at target with respect to a pro-rata portion of the PSUs representing the number of days lapsed from the

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change in control through the end of the performance cycle. See the Outstanding Equity Awards at Fiscal Year-End table on page [] for the number of unexercisable options and unvested shares of restricted stock held by each NEO at the end of the last fiscal year. The NEOs would also be able to exercise the stock options shown in the Option Awards Exercisable column of that table.

For purposes of the incentive plan, change in control means (i) acquisition by a person or group of 20% or more of the company's common stock or voting securities, (ii) the persons serving as directors of the company as of the effective date of the 2008 Incentive Plan, and those replacements or additions subsequently approved by a majority vote of the board, ceasing to make up at least a majority of the board; (iii) consummation (or, for awards made prior to February 1, 2010, stockholder approval) of a reorganization, merger or consolidation in which the owners of the company's common stock and voting securities immediately prior to the transaction do not own more than 51%, respectively, of the common stock and voting securities of the surviving entity, or (iv) consummation (or, for awards made prior to February 1, 2010, stockholder approval) of a liquidation, dissolution or sale of all or substantially all of the company's assets in which the owners of the company's common stock and voting securities immediately prior to the transaction do not own more than 51%, respectively, of the common stock and voting securities of the surviving entity.

Severance Payments. The company has entered into change in control termination benefit agreements with the NEOs and certain other officers of the company. These agreements provide for lump sum cash payments equal to a multiple of an executive's annual compensation if within 24 months following a change in control the employment of the executive is terminated by the executive for good reason or by the company without cause. For these purposes, annual compensation consists of the executive's base pay at the date of his termination or immediately before the change in control, whichever is higher, plus the greater of his or her target bonus for the year in which the change in control occurs or the highest bonus earned in the three fiscal years preceding the change in control. The multiple of annual compensation received is three times for Messrs. Hess and Walker and two times for Messrs. Hill, Goodell and Rielly and all other officers with whom such agreements were made.

In addition, the executive is entitled to receive a pro rata portion of his or her target bonus for the fiscal year in which termination occurs, and continuation of medical, dental and other welfare benefits. The benefits continuation period is 36 months following termination for Messrs. Hess and Walker and 24 months following termination for the other NEOs and all other officers with whom such agreements were entered into. The agreements provide for immediate vesting of retirement benefits upon termination, deemed age and service credit in determining retirement benefits for the number of years equal to the severance multiple, and deemed compensation in determining retirement benefits equal to the salary and bonus taken into account in determining the lump sum severance payment. The NEOs are also entitled to a gross-up payment from the company for any excise tax imposed by the Internal Revenue Code on excess parachute payments resulting from a change in control. However, the compensation and management development committee decided in 2010 to eliminate tax gross up provisions in any change in control termination benefit agreements to be entered into thereafter.

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Potential Change in Control Payments and Benefits. Set forth below is the total estimated value, assuming that a change in control occurred on December 31, 2013 and the employment of each NEO terminated on that date under circumstances entitling them to severance payments and benefits under the change in control termination benefit agreements, as well as the value of their unvested equity awards as of December 31, 2013.

Named Executive Officer	Cash		Restricted Stock	Performance Share Units	Welfare Benefits	Outplacement Benefits	Additional Pension Benefits	Excise Tax Gross-Up	Total
	Severance Payment	Stock Options							
	(\$)	(\$)	(\$)	(\$)(1)	(\$)	(\$)	(\$)(2)	(\$)	(\$)
Hess, John B	15,750,000		13,163,551	13,731,133	51,244	30,000	4,012,552		46,738,480
Hill, Gregory P	4,150,000		5,420,398	5,654,098	24,205	30,000	1,392,700	7,866,136	24,537,537
Walker, F. Borden	5,670,000		3,872,033	4,038,586	51,244	30,000	1,921,046		15,582,909
Goodell, Timothy B	3,100,000		3,097,477	3,230,886	39,046	30,000	746,982	4,037,081	14,281,472
Rielly, John P	2,550,000		3,097,477	3,230,886	4,154	30,000	872,129		9,784,646

(1) Value of performance share units reflects maximum performance level based on the closing price of \$83.00 on December 31, 2013 as required by SEC disclosure requirements. Performance attained as of December 31, 2013 was at maximum, but actual payments at vesting could be lower based on final performance results.

(2) Each NEO would also be entitled to his accumulated retirement benefits in accordance with the provisions of the employees' pension plan and pension restoration plan described under Pension Benefits on page [].

The amounts in the table above were calculated: assuming a change in control occurred on December 31, 2013; using the closing price of our common stock on December 31, 2013 (the last trading day of our fiscal year) of \$83.00 per share; using the intrinsic value of stock options (i.e., the result of multiplying the number of unvested options by the difference between the December 31, 2013 closing price of our common stock and the exercise price) and for the purpose of determining any potential excise tax gross-up (i) assuming each of the NEOs is subject to the maximum federal and state income tax rates, (ii) using the applicable federal rates for December 2013 to calculate the present values of accelerated payments and (iii) assuming that the five-year period for determining the average total compensation of each NEO (i.e., the base amount under the golden parachute rules) ended on December 31, 2012.

The definition of "change in control" under the termination benefits agreements is substantially similar to the definition of change in control in the incentive plan, except that (i) the change in a majority of board of directors must occur within a 24-month period, (ii) the applicable event for reorganization, merger or consolidation is consummation rather than stockholder approval, and (iii) the exception for reorganization, merger, consolidation, liquidation, dissolution and asset sale is 60% rather than 51%.

For purposes of these agreements, "good reason" is defined as a failure to maintain the executive in the office or position held immediately prior to the change in control (or a substantially equivalent position), the removal of the executive as a director if the executive was a director immediately prior to the change in control, a material adverse change in the nature or scope of the executive's authorities, responsibilities or duties, a reduction in base salary or target annual bonus, termination of the ability of the executive to participate in the company's welfare benefit plans or retirement plans as in effect immediately prior to the change in control or a material reduction in the scope or value of those welfare or retirement benefits, a relocation of the executive's principal work location of more than 30 miles from the executive's location immediately prior to the change in control, or an increase in the executive's required business travel of more than 20% (based on days in any calendar quarter or year) than required in any of the three full years immediately prior to the change in control. "Cause" for purposes of these agreements is defined as conviction of a felony, gross and willful misconduct by the executive in performing the executive's duties, or willful and continued failure of the executive to substantially perform the executive's duties after written demand.

Compensation and Risk

The company performed a risk assessment to determine whether the amount and composition of compensation for the company's employees and the design of compensation programs may create incentives for excessive risk-taking by its employees. The results of this risk assessment were reviewed with and approved by the company's chief risk officer.

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The risk assessment placed particular emphasis on identifying employees who have both significant compensation risk in the variability of their compensation and also the ability to expose the company to significant business risk. The company concluded that for the substantial majority of its employees, their compensation risk and their ability to take business risks is low, because their compensation consists largely of fixed cash salary and a cash bonus that has a capped payout, and they do not have the authority to take action on behalf of the company that could expose the company to significant business risks. The company focused on the compensation programs for its senior executives, as these are the employees whose actions may expose the company to significant business risk. The company reviewed the cash and equity incentive programs for these executives and concluded that the following factors tend to mitigate the likelihood of excessive risk taking:

the compensation mix for these executives is designed to deliver a substantial portion of compensation in the form of long-term equity awards, and in the case of senior executives, such awards constitute the majority of their compensation;

payouts on annual cash bonuses are capped, reducing the incentive to take excessive risk for short-term gains;

LTI awards are made at the discretion of the compensation and management development committee with the goal of creating incentives for these employees to work for growth in the long-term profitability of the company;

the compensation and management development committee has the discretion to reduce the discretionary portion of cash bonuses as well as LTI awards as it deems appropriate;

senior executives are subject to stock ownership guidelines requiring them to hold specified levels of the company's stock during the term of their employment, the economic risk of which may not be hedged by equity derivative instruments, in order to align their interests with the long-term interests of all stockholders;

certain compensation of the chief executive officer and chief financial officer may be subject to recoupment in certain circumstances involving misconduct;

compliance with the company's code of business conduct and ethics is considered in compensation determinations;

the company has an environmental, health and safety function which oversees and monitors compliance in these areas for the company;

the company's variable compensation programs include a variety of environmental, health and safety performance metrics; and

the compensation and management development committee continually monitors the company's compensation programs and practices to assure that they appropriately balance the interests of employees and stockholders. Employees engaged in certain trading activities have compensation risk higher than that of the overall employee population in that a part of their compensation is linked to the profitability of these activities. However, the company concluded the business risk to the company from these activities is not significant because:

these trading activities do not constitute a material portion of the overall business of the company;

these activities are subject to risk controls to limit excessive risk-taking, such as volume and value-at-risk limits that are monitored and enforced on a daily basis by the company's chief risk officer; and

these trading activities will be divested in 2014.

For these reasons, we do not believe that our compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the company.

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**PROPOSAL 2: ADVISORY VOTE TO APPROVE THE COMPENSATION OF
THE NAMED EXECUTIVE OFFICERS**

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) enacted in 2010 and pursuant to Section 14A of the Exchange Act, an advisory vote on the frequency of stockholder votes on executive compensation was conducted in connection with the 2011 annual meeting of stockholders. At that meeting our stockholders agreed, and the board subsequently approved, that the advisory vote on executive compensation be held on an annual basis.

Accordingly, and pursuant to Section 14A of the Exchange Act, we are asking stockholders for an advisory approval of the compensation of our named executive officers as described in the Compensation Discussion and Analysis, the compensation tables and related narrative discussion included in this proxy statement. This proposal, commonly known as a say on pay proposal, gives stockholders an opportunity to approve, reject or abstain from voting with respect to our overall fiscal 2013 executive compensation programs and policies and the compensation paid to our named executive officers. Unless the board determines otherwise, the next such vote will be held at the company s 2015 annual meeting of stockholders.

Please read the Compensation Discussion and Analysis section beginning on page [] for additional details about our executive compensation program, including information about the fiscal year 2013 compensation of our named executive officers, our outreach to stockholders following last year s say on pay vote and the enhancements made to our 2014 compensation to further align pay and performance.

This proposal allows our stockholders to express their opinions regarding the decisions of the compensation and management development committee on the prior year s annual compensation to the named executive officers. Because your vote on this proposal is advisory, it will not affect, limit or augment existing compensation or awards or be binding on the company, the board or the compensation and management development committee. However, the board and the committee will carefully consider the voting results on this proposal in future decisions on executive compensation. Your advisory vote will serve as an additional tool to guide the board and the compensation and management development committee in continuing to improve the alignment of the company s executive compensation programs with the long-term interests of Hess and its stockholders, and is consistent with our commitment to high standards of corporate governance.

Hess s 2013 advisory vote on executive compensation received the approval of 70% of votes cast (76% including shares that were cast for but were received after closing of the polls). These results were below the level that we deem satisfactory. Following the 2013 vote, we undertook a multi-pronged effort to review our executive compensation programs, which included an enhanced outreach program with our institutional stockholders. Our CEO and other members of senior management, often accompanied by our non-executive Chairman, conducted a broad outreach effort which included nearly 150 institutional stockholders representing in the aggregate over 50% of our outstanding shares. In addition, in January 2014 legal and human resource executives conducted a focused outreach to several of our top institutional stockholders representing in the aggregate about 22% of our outstanding shares. As a result of those discussions, we have made certain compensation decisions and provided additional information in this proxy statement, as more particularly described in 2013 Say on Pay Vote and Changes for 2014 on page []. As discussed in Compensation Discussion and Analysis above, in determining 2014 compensation and assessing our compensation policies, the compensation and management development committee and the board of directors considered the views of stockholders, including the results of the 2013 advisory vote.

For the reasons stated in the Executive Summary and elsewhere in Compensation Discussion and Analysis starting at page [], we believe that our executive compensation program is well-designed, appropriately aligns executive pay with company performance and incentivizes management to work for the long-term growth of stockholder value.

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Accordingly, the board of directors recommends that stockholders endorse our executive compensation program by voting **FOR** the following resolution:

RESOLVED, that the compensation paid to the company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.

Adoption of the resolution requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the 2014 annual meeting. Abstentions will be counted as present for the purposes of this vote, and therefore will have the same effect as a vote against this proposal. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

Table of Contents**PROPOSAL 3: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

The audit committee has selected the firm of Ernst & Young LLP as the independent registered public accountants of the company for the fiscal year ending December 31, 2014. Ernst & Young LLP has acted for the company in this capacity for many years. The board proposes that the stockholders ratify this selection at the annual meeting. Ratification of the appointment of Ernst & Young LLP as the independent registered public accountants of the company for the fiscal year ending December 31, 2014 requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting. Abstentions and broker non-votes will be counted as present for purposes of this vote and will have the effect of a vote against the proposal.

If the stockholders do not ratify the selection of Ernst & Young LLP, the selection of independent registered public accountants will be reconsidered by the audit committee.

Representatives of Ernst & Young LLP are expected to be present at the annual meeting and will be afforded the opportunity to make a statement if they desire and will be available to respond to appropriate questions.

Independent Registered Public Accountants Fee Information

Ernst & Young LLP's fees, by category of professional service for each of the last two fiscal years, were (in thousands):

	2013	2012
Audit Fees	\$ 9,941	\$ 10,626
Audit-Related Fees	15,881	1,341
Tax Fees	2,584	3,059
All Other Fees	0	14
Total	\$ 28,406	\$ 15,040

Ernst & Young LLP audit fees include fees associated with the last annual audit, the reviews of the company's quarterly reports on Form 10-Q, reporting on the effectiveness of internal controls over financial reporting, SEC registration statements, and statutory audits required internationally.

Ernst & Young LLP's fees for audit-related services include pension and savings plan audits, attest services not required by statute or regulation, accounting consultations, acquisition and disposition reviews and consultations on internal accounting controls. The increase in audit-related fees in 2013 was due principally to carve-out audits required for sales of the company's marketing and refining businesses.

Tax fees include tax compliance services and United States and international tax advice and planning.

All other fees in 2012 relate to services rendered in connection with a pension study.

As part of its responsibility for oversight of the independent registered public accountants, the audit committee has established a pre-approval policy for the provision of audit and permitted non-audit services provided by the company's independent registered public accountants. In accordance with this policy, each type of audit, audit-related, tax and other permitted service to be provided by the independent registered public accountants is specifically

described and each such service, together with a fee level or budgeted amount for such service, is pre-approved annually by the audit committee. Each such service and budgeted amount is thereafter updated quarterly. Any type of permitted service not previously approved by the audit committee must be specifically pre-approved before the service can be provided. For each fiscal year, the audit committee may determine appropriate ratios between categories of services and the total fees paid to the independent registered public accountants. The audit committee has delegated authority to the chairman of the audit committee to approve additional services or an increase in fees for a previously approved service in excess of the budgeted amount for that service. However, any increased fees or additional services so approved must be reported to the audit committee at its next scheduled

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meeting. In 2013 and 2012, all audit, audit-related, tax and other fees were pre-approved by the audit committee or the chairman of the audit committee. The audit committee has determined that the provision of all services approved in accordance with this policy is not incompatible with the independence of the independent registered public accountants.

The board of directors recommends that stockholders vote **FOR** the ratification of Ernst & Young LLP as independent registered public accountants.

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PROPOSALS 4A AND 4B: ELIMINATION OF SUPERMAJORITY VOTING REQUIREMENTS IN THE COMPANY'S RESTATED CERTIFICATE OF INCORPORATION AND BY-LAWS

General

The Board of Directors has unanimously approved and is recommending that the stockholders approve amendments to the company's Restated Certificate of Incorporation and By-Laws to amend the supermajority voting requirements. These amendments would affect different provisions of the Restated Certificate of Incorporation and By-Laws, and therefore two separate proposals are submitted: the amendments addressed by proposal 4A require the affirmative vote of the holders of at least 80% of the company's outstanding shares to be adopted, and the amendments addressed by proposal 4B require the affirmative vote of the holders of at least two-thirds of the company's outstanding shares to be adopted. Abstentions and broker non-votes will have the effect of a vote against these proposals. The supermajority voting requirements in the Restated Certificate of Incorporation that pertain to the company's preferred stock are addressed separately in Proposal 5.

Background

At the 2013 Annual Meeting, approximately 68.7% of the outstanding shares (or approximately 82.2% of shares present in person or represented by proxy and entitled to vote) approved the following stockholder resolution:

RESOLVED, Stockholders request that our board take the steps necessary so that each voting requirement in our charter and by-laws that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

Supermajority vote requirements are designed to provide protection for all stockholders by protecting them against self-interested action by one or a few large stockholders, and to encourage a person seeking control of a company to negotiate with its board of directors to reach terms that are fair and provide the best results for all stockholders. However, as corporate governance standards have evolved, some investors and commentators now view these provisions as limiting the ability of stockholders to effectively participate in corporate governance.

The Board of Directors considered the arguments in favor of and against removing the supermajority voting requirements from the Restated Certificate of Incorporation and the By-Laws, including the views of stockholders who approved the stockholder proposal last year, and determined that it is in the best interests of the company and its stockholders to remove the supermajority voting requirements pursuant to the amendments to the Restated Certificate of Incorporation and the By-Laws presented in the following proposals 4A and 4B.

The proposed amendments would remove all supermajority voting requirements from the Restated Certificate of Incorporation and the By-Laws. Annex A to this Proxy Statement shows the changes to the relevant sections of the Restated Certificate of Incorporation and the By-laws that would result from the elimination of requirements for 80% supermajority vote if approved by stockholders, and Annex B shows the changes to the relevant section of the Restated Certificate of Incorporation that would result from the elimination of requirements for two-thirds supermajority vote if approved by stockholders. Deletions are indicated by strikeouts and additions are indicated by underlining.

The approval of Proposals 4A and 4B are independent of each other. If either or both of Proposals 4A or 4B are adopted, the Restated Certificate of Incorporation will be amended and a Certificate of Amendment will be filed with

the Secretary of State of the State of Delaware, and the By-Laws will be amended and restated in their entirety, as applicable.

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PROPOSAL 4A: ELIMINATION OF REQUIREMENTS FOR 80% SUPERMAJORITY VOTE IN THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION AND BY-LAWS

Currently, the Restated Certificate of Incorporation and the By-Laws require the affirmative vote of the holders of at least 80% of the company s outstanding shares for the following actions:

The removal of directors;

Amendments to certain sections of the By-Laws; and

Amendments to certain sections of the Restated Certificate of Incorporation.

The company proposes to reduce the vote required for each of the above actions from 80% of the outstanding shares to a majority of the outstanding shares by amending Article Fourth, Section 9 of the By-Laws and Sections 5, 7 and 8 of Article Fifth of the Restated Certificate of Incorporation. The text of the company s proposed amendments to the Restated Certificate of Incorporation and the By-Laws under this proposal 4A is attached to this Proxy Statement as Annex A.

The affirmative vote of the holders of at least 80% of the outstanding shares of the company s outstanding shares will be required for approval of Proposal 4A. As a result, an abstention or failure to vote with regard to this proposal will have the same effect as a vote against it. If approved, the Certificate of Amendment to the Restated Certificate of Incorporation will become effective upon filing with the Secretary of State of the State of Delaware, which the company intends to do promptly following the Annual Meeting.

The board of directors recommends that stockholders vote **FOR** Proposal 4A.

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PROPOSAL 4B: ELIMINATION OF REQUIREMENTS FOR TWO-THIRDS SUPERMAJORITY VOTE IN THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION

Currently, the Restated Certificate of Incorporation requires the affirmative vote of the holders of at least two-thirds of the company s outstanding shares for the following actions:

The sale, lease or exchange of all or substantially all of the company s assets; and

The approval of certain business combinations with stockholders owning 20% or more of the company s outstanding voting stock.

The company proposes to reduce the vote required to approve the sale, lease or exchange of all or substantially all of the company s assets from two-thirds of the outstanding shares to a simple majority of outstanding shares by amending Article Seventh of the Restated Certificate of Incorporation.

With respect to the vote required for the approval of certain business combinations with significant stockholders, the company proposes to delete Article Ninth in its entirety and to re-number Article Tenth accordingly. Article Ninth requires two-thirds of the disinterested stockholders to approve certain business combinations with any stockholder owning 20% or more of the company s outstanding voting stock unless certain fair price requirements are met. Following the deletion of Article Ninth, the company will continue to be subject to 8 Del. C. § 203, Delaware s statutory business combination freezeout provision. The text of the company s proposed changes to the Restated Certificate of Incorporation under this Proposal 4B is attached to this Proxy Statement as Annex B.

The affirmative vote of the holders of at least two-thirds of the company s outstanding shares will be required for approval of Proposal 4B. As a result, an abstention or failure to vote with regard to this proposal will have the same effect as a vote against it. If approved, the Certificate of Amendment to the Restated Certificate of Incorporation will become effective upon filing with the Secretary of State of the State of Delaware, which the company intends to do promptly following the Annual Meeting.

The board of directors recommends that stockholders vote **FOR** Proposal 4B.

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PROPOSAL 5: ELIMINATION OF PROVISIONS IN THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION CONCERNING \$3.50 CUMULATIVE CONVERTIBLE PREFERRED STOCK

The Board of Directors has unanimously approved and is recommending that the stockholders approve an amendment to the company s Restated Certificate of Incorporation to remove references to the company s series of \$3.50 Cumulative Convertible Preferred Stock. There are no shares of \$3.50 Cumulative Convertible Preferred Stock currently outstanding.

The Board of Directors has determined that the amendment of our Restated Certificate of Incorporation to remove these unnecessary and outdated provisions by (i) deleting in its entirety Article Fourth, Section I, Subsection B and (ii) renumbering the subsequent sections and subsections of Article Fourth accordingly, is in the best interests of the company and its stockholders. The proposed amendment will also have the effect of removing from the Restated Certificate of Incorporation all of the supermajority voting requirements that are not addressed by Proposals 4A and 4B. The proposed amendment will not result in any change in the rights of the company s holders of shares of common stock. The text of the company s proposed changes to the Restated Certificate of Incorporation under this Proposal 5 is attached to this Proxy Statement as Annex C.

This Proposal 5 is submitted for stockholder approval separately from Proposals 4A and 4B. If this Proposal 5 is approved by the stockholders at the Annual Meeting, but Proposals 4A or 4B are not approved, then the Certificate of Amendment to the Restated Certificate of Incorporation submitted for filing with the Secretary of State of the State of Delaware will only contain those amendments contemplated by this Proposal 5. If all or any combination of Proposals 4A, 4B, or this Proposal 5 are approved by stockholders, then the Certificate of Amendment to the Restated Certificate of Incorporation submitted for filing with the Secretary of State of the State of Delaware will contain the amendments contemplated by each of the approved proposals.

Because no shares of the \$3.50 Cumulative Convertible Preferred Stock are currently outstanding, the affirmative vote of the holders of at least a majority of the outstanding shares of the company s common stock will be required for approval of Proposal 5. Abstentions and broker non-votes will have the effect of a vote against this proposal. If approved, the Certificate of Amendment to the Restated Certificate of Incorporation will become effective upon filing with the Secretary of State of the State of Delaware, which the company intends to do promptly following the Annual Meeting.

The board of directors recommends a vote **FOR** Proposal 5.

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PROPOSAL 6: STOCKHOLDER PROPOSAL ON POLITICAL DISCLOSURE AND ACCOUNTABILITY

The company has received notice from Paul and Eileen LeFort, represented by Trillium Asset Management LLC, 711 Atlantic Avenue, Boston, MA 02111, as co-filers with the Congregation of the Sisters of Charity of the Incarnate Word (San Antonio), 4503 Broadway, San Antonio, TX 78209, the Benedictine Women of Madison, Inc., 4200 County Road M, Middleton, WI 53562, the Benedictine Sisters of Mount St. Scholastica, 801 South 8th Street, Atchison, KS 66002 and Providence Trust, P.O. Box 37345, San Antonio, TX 78237, each of which has continuously held more than \$2,000 of the company's common stock since November 2012, of their intention to present the following resolution for action at the annual meeting. The proponents also furnished the supporting statement immediately following the resolution. Adoption of this proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy. Abstentions will be counted as present for purposes of this vote and therefore will have the same effect as a vote against this stockholder proposal. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

PROPOSAL ON POLITICAL DISCLOSURE AND ACCOUNTABILITY

RESOLVED, the shareholders of Hess Corporation (the Company) hereby request the Company prepare and semiannually update a report, which shall be presented to the pertinent board of directors committee and posted on its website, that discloses Hess's

- (a) Policies and procedures for making political contributions and expenditures (both direct and indirect) with corporate funds, including the board's role (if any) in that process, and
- (b) Monetary and non-monetary political contributions or expenditures that could not be deducted as an ordinary and necessary business expense under section 162(e) of the Internal Revenue Code; this would include (but not be limited to) contributions to or expenditures on behalf of political candidates, political parties, political committees and other entities organized and operating under sections 501(c)(4) of the Internal Revenue Code, as well as the portion of any dues or payments that are made to any tax-exempt organization (such as a trade association) and that are used for an expenditure or contribution that, if made directly by the Company, would not be deductible under section 162(e) of the Internal Revenue Code.

The report shall identify all recipients and the amount paid to each recipient from Company funds.

SUPPORTING STATEMENT FROM STOCKHOLDER PROPONENT

As long-term Hess shareholders, we support transparency and accountability in corporate spending on political activities. Disclosure is in the best interest of the company and its shareholders. Indeed, the Supreme Court's 2010 *Citizens United* recognized the importance of disclosure when it said: "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.

We acknowledge that Hess prohibits political contributions to candidates, parties, committees, and 527 organizations. We also applaud management's efforts to ensure internal compliance after it was discovered last year, in receipt of this resolution, some employees had in fact used corporate funds to make political contributions in 2012. However, we believe company disclosures are still deficient because the company will not disclose the following expenditures made for political purposes:

A list of trade associations to which it belongs and how much it gave to each;

Payments to any other third-party organization, including those organized under the section 501(c)(4) of the Internal Revenue Service codes; and

Any independent expenditure made directly by the company.

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Information on indirect political engagement through trade associations and 501(c)4 groups cannot be obtained by shareholders unless the company discloses it. This proposal asks Hess to disclose all of its political spending, direct and indirect. This would bring our company in line with a growing number of leading companies, including **Noble Energy, ConocoPhillips, and Exelon**, which support political disclosure and accountability and present this information on their websites.

The company's Board and its shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

BOARD OF DIRECTORS STATEMENT

For the reasons discussed below the board of directors recommends a vote AGAINST the stockholder proposal.

While the company supports transparency and accountability in political spending, the board believes that the disclosures recommended by the proponent are unnecessary in view of the company's limited political activities and policy against corporate political contributions, the potentially misleading implications of such disclosures, and the current public availability of much of the information requested by the proponent.

The company's policy relating to political contributions is set forth in its code of business conduct and ethics and its annual corporate sustainability report, both of which are available on the company's website at www.hess.com. The company has a policy that it does not use corporate funds to make contributions to political candidates, political parties, political committees or other political entities organized and operating under Section 527 of the Internal Revenue Code. In February 2014, the company formed a political action committee for employee contributions. All contributions to this political action committee will be entirely voluntary. This political action committee currently intends to make donations only in connection with elections to Federal office and all donations made by this committee will be publicly disclosed semiannually to the Federal Election Commission.

The company belongs to a number of trade associations, primarily to give the company access to the business, technical and industry standard-setting expertise of these associations. The company discloses its key memberships and associations as part of its annual corporate sustainability report. The company has no control over, and does not necessarily agree with, the political positions taken by these trade associations and, as stated by the company in its 2012 corporate sustainability report, the company does not earmark its funding to trade associations for lobbying. Requiring the company to disclose payments made to these associations, presumably as an indication of political spending, is potentially misleading because it is not necessarily indicative of the company's position on any particular issue. Moreover, under the Internal Revenue Code, the extent to which trade associations engage in political activities is already required to be disclosed by the associations, although disclosure of memberships or of dues paid by members is not required to be disclosed.

In light of the company's limited political activities and policy against corporate political contributions, as well as the potentially misleading implications of the requested disclosures and existing public availability of much of this information, the board believes the proposal is unnecessary and would not provide any meaningful benefit to stockholders.

For these reasons, the board urges stockholders to vote **AGAINST** this proposal.

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PROPOSAL 7: STOCKHOLDER PROPOSAL FOR A REPORT REGARDING CARBON ASSET RISK

The company has received notice from the Park Foundation, represented by As You Sow, 1611 Telegraph Avenue, Suite 1450, Oakland, CA 94612, the Connecticut Retirement Plans and Trust Funds, 55 Elm Street, Hartford, CT 06106-1773, and the Allen Hancock Revocable Living Trust, represented by the First Affirmative Financial Network, LLC, 5475 Mark Dabling Boulevard, Suite 108, Colorado Springs, Colorado 80918, each of which has continuously held more than \$2,000 of the company's common stock since November 2012, of their intention to present the following resolution for action at the annual meeting. The proponents also furnished the supporting statement immediately following the resolution. Adoption of this proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy. Abstentions will be counted as present for purposes of this vote and therefore will have the same effect as a vote against this stockholder proposal. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

PROPOSAL FOR CARBON ASSET RISK REPORT

WHEREAS,

Hess Corporation is a publicly owned energy company engaged in the exploration and production of crude oil and natural gas.

In recognition of the need to address climate change and minimize global temperature rise, nearly every national government has agreed that deep cuts in greenhouse gas emissions are required; and that the increase in global temperature should be below 2 degrees Celsius.

The International Energy Agency (IEA) states that No more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 if the world is to achieve the 2° C goal, unless carbon capture and storage technology is widely deployed.

To achieve a 66 percent probability of not exceeding a global temperature rise above 2° C, the Intergovernmental Panel on Climate Change estimates that approximately 987 gigatons of carbon dioxide can be emitted through 2100. The IEA states that total proven reserves of coal, oil, and natural gas, represent approximately 2,860 gigatons of potential CO2 emissions.

Several analysts indicate that companies may not be adequately accounting for or disclosing the downside risks that could result from lower-than-expected demand or prices for oil.

A March 2013 research paper by Citi stated that market forces could put in a plateau for global oil demand by the end of this decade.

HSBC reports that the equity valuation of oil producers could drop by 40 to 60 percent under a low emissions scenario.

Given the growing public concern about climate change, investors are concerned that actions to significantly reduce greenhouse gas emissions could reduce the value of Hess' oil and gas reserves and/or related infrastructure before the end of their expected useful life.

Investors require additional information on how Hess is preparing for potential scenarios in which demand for oil and gas is greatly reduced due to regulation or other climate-associated drivers. Without additional disclosure, shareholders are unable to determine whether Hess is adequately managing these risks or seizing related opportunities.

RESOLVED, the shareholders request Hess to prepare a report by September 2014, omitting proprietary information and prepared at reasonable cost, on the company's goals and plans to address global concerns regarding fossil fuels and their contribution to climate change, including analysis of long and short term financial and operational risks to the company.

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SUPPORTING STATEMENT FROM STOCKHOLDER PROPONENT

We recommend the report include:

The risks and opportunities associated with various low-carbon scenarios, including reducing GHG emissions by 80 percent by 2050, as well as a scenario in which global oil demand declines due to evolving policy, technology, or consumer responses to address climate change;

Whether and how the company's capital allocation plans account for the risks and opportunities in these scenarios;

How the company will manage these risks, such as reducing the carbon intensity of its assets, diversifying its business by investing in lower-carbon energy sources, or returning capital to shareholders;

The Board of Directors' role in overseeing capital allocation and climate risk reduction strategies.

BOARD OF DIRECTORS STATEMENT

For the reasons discussed below the board of directors recommends a vote AGAINST the stockholder proposal.

The board has carefully considered this proposal and believes that approval of the proposed resolution is not in the best interest of the company or its stockholders. The company recognizes the importance, as both an ethical and a business responsibility, of addressing the environmental, social and business impacts of carbon emissions and climate change. To that end, the company publishes an annual sustainability report that details the company's policies and strategy relating to corporate sustainability, including detailed discussion of the company's policies and goals in addressing the risks and opportunities for the company presented by climate change and the changing market for energy products and services. The company's most recent annual sustainability report for 2013 is available on the company's website at www.hess.com. The company's sustainability report has received an A+ rating in conformance with the GRI Sustainability Reporting Guidelines and has received numerous awards and widespread recognition for its breadth and quality. In fact, eight pages of the 2013 sustainability report are devoted to explaining the company's climate change strategy and initiatives to implement that strategy. In addition, in order to further underscore its commitment to addressing the environmental challenges the company and the energy industry faces, in 2013 the board of directors established an environmental, health and safety subcommittee of its audit committee to focus and strengthen the board's oversight of these matters.

Preparing an additional report on carbon asset risk like the one described by the proponents would require a significant amount of time and effort on behalf of the company in a relatively brief period of time, without providing our stockholders with commensurate value. Analysis of short-term and long-term financial and operational risks to the company based on the parameters set forth by the proponents, including the assumption that greenhouse gas emissions will be reduced by 80% by 2050, would be extremely speculative and risks confusing and misleading investors about the company's actual performance. To the extent that drastic reductions in greenhouse gas emissions and other environmental trends become material risks to the financial and operational performance of the company, those risks will be addressed in the ordinary course through the company's annual reports on Form 10-K and/or other public filings.

Because the company has already proactively taken the steps to disclose to its stockholders through its sustainability report its efforts to reduce its operational carbon footprint, as well as its strategy to address changes in the energy market relating to the reduction of carbon emissions and increased focus on renewable energy, the board does not believe it would be in the best interests of the company to expend significant time and corporate resources to provide the type of additional speculative analysis requested by the proponents.

For these reasons, the board urges stockholders to vote **AGAINST** this proposal.

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OTHER MATTERS

The board of directors knows of no other matters to come before the meeting. Should any unanticipated business properly come before the meeting, the persons named in the enclosed proxy will vote in accordance with their best judgment. The accompanying proxy confers discretionary authority to such persons to vote on any unanticipated matters.

It is important that proxies be returned promptly. Stockholders are urged to date and sign the proxy and return it promptly in the accompanying envelope, or to vote via the internet or by calling the toll-free number as instructed on the proxy card.

By order of the Board of Directors,

George C. Barry

Secretary

New York, New York

March [], 2014

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ANNEX A

**PROPOSED AMENDMENTS TO THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION
AND BY-LAWS ELIMINATING REQUIREMENTS FOR 80% SUPERMAJORITY VOTE**

Text of proposed amendments to the company s Restated Certificate of Incorporation (changes are indicated in blacklining):

1. Amend Article FIFTH, Section 5 as follows:

Removal of Directors. Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office, with or without cause, but only by the affirmative vote of the holders of at least 80%a majority of the combined voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class

2. Amend Article FIFTH, Section 7 as follows:

By-Law Amendments. The Board of Directors shall have power to make, alter, amend and repeal the By-Laws (except so far as the By-Laws adopted by the Stockholders shall otherwise provide). Any By-Laws made by the directors under the powers conferred hereby may be altered, amended or repealed by the directors or by the stockholders. Notwithstanding the foregoing and anything contained in this Restated Certificate of Incorporation to the contrary, Sections 7 and 10 of Article III, Sections 1, 6, 8 and 9 of Article IV and Article XIV of the By-Laws shall not be altered, amended or repealed and any provision inconsistent therewith shall be adopted without the affirmative vote of the holders of at least 80%a majority of the combined voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

3. Amend Article FIFTH, Section 8 as follows:

Amendment, Repeal, etc. Notwithstanding anything contained in this Restated Certificate of Incorporation to the contrary, the affirmative vote, of the holders of at least 80%a majority of the combined voting power of all the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class shall be required to alter, amend adopt any provision inconsistent with or repeal this Article FIFTH or any provision hereof.

Text of proposed amendments to the company s By-laws (changes are indicated in blacklining):

1. Amend Article IV, Section 9 as follows:

Removal of Directors. Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office, with or without cause, but only by the affirmative vote of the holder of at least 80%a majority of the combined voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

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ANNEX B

**PROPOSED AMENDMENTS TO THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION
ELIMINATING OF REQUIREMENTS FOR TWO-THIRDS SUPERMAJORITY VOTE**

Text of proposed amendments to the company s Restated Certificate of Incorporation (changes are indicated in blacklining):

1. Amend Article SEVENTH as follows:

A sale, lease or exchange of all or substantially all of the property and assets of the Corporation shall require the authorization thereof by the affirmative vote of the holders of ~~two-thirds~~ a majority of the stock issued and outstanding having voting power at a stockholders meeting duly called upon at least 20 days notice containing notice of the proposed sale, lease or exchange.

2. Delete Article NINTH in its entirety:

~~NINTH: The following provisions shall apply in addition to any other affirmative vote required by law or this Restated Certificate of Incorporation.~~

~~SECTION I~~

~~CERTAIN BUSINESS COMBINATIONS~~

~~The affirmative vote of the holders of not less than two-thirds of the outstanding shares of Voting Stock (as hereinafter defined) held by stockholders other than the Acquiring Person (as hereinafter defined) with which or by or on whose behalf, directly or indirectly, a Business Combination (as hereinafter defined) is proposed, voting as a single class, shall be required for the approval or authorization of such Business Combination. Notwithstanding the foregoing, the two-thirds voting requirement shall not be applicable if such Business Combination is approved by the Corporation s Board of Directors prior to the Acquiring Person becoming such or if the cash or fair market value of the property, securities or other consideration to be received per share by holders of shares of each class of Voting Stock in such Business Combination as of the date of consummation thereof is an amount not less than the higher of (a) the Highest Per Share Price or the Highest Equivalent Price (as these terms are hereinafter defined) paid by such Acquiring Person in acquiring any of its holdings of Voting Stock, and (b) the Fair Market Price (as hereinafter defined) of such class of Voting Stock determined on the date the proposal for such Business Combination was first publicly announced, and such consideration shall be in the same form and of the same kind as the consideration paid by such Acquiring Person in acquiring the shares of Voting Stock already acquired by it. If the Acquiring Person has paid for shares of Voting Stock with varying forms of consideration, the form of consideration to be received by the holders of Voting Stock shall be the form used to acquire the largest number of shares of Voting Stock acquired by such Acquiring Person.~~

~~SECTION II~~

~~DEFINITIONS, ETC.~~

~~For purposes of this Article NINTH:~~

~~1. Business Combination. The term Business Combination shall mean (a) any merger or consolidation of the Corporation or a subsidiary of the Corporation with or into an Acquiring Person, (b) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or any other security device, in a single transaction or related series of transactions of all or any Substantial Part (as hereinafter defined) of the assets either of the Corporation (including, without limitation, any voting securities of a subsidiary) or of a subsidiary) or of a subsidiary of the Corporation to an Acquiring Person, (c) any merger or consolidation of an~~

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Acquiring Person with or into the Corporation or a subsidiary of the Corporation, (d) any sale, lease, exchange, transfer or other disposition, including, without limitation, a mortgage or other security device in a single transaction or related series of transactions, of all or any Substantial Part of the assets of an Acquiring Person to the Corporation or a subsidiary of the Corporation, (e) the issuance of any securities of the Corporation or a subsidiary of the Corporation to and Acquiring Person, (f) any recapitalization, merger or consolidation that would have the effect of increasing the voting power of an Acquiring Person, (g) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation, proposed directly or indirectly by or on behalf of an Acquiring Person, (h) any merger or consolidation of the Corporation with a subsidiary of the Corporation proposed by or on behalf of an Acquiring Person, unless the surviving or consolidated corporation, as the case may be, has a provision in its certificate of incorporation substantially identical to this Article NINTH, and (i) any agreement, contract or other arrangement providing for any of the transactions described in this definition of Business Combination. A person who is an Acquiring Person as of (x) the time any definitive agreement relating to a Business Combination is entered into, (y) the record date for the determination of stockholders entitled to notice of and to vote on a Business Combination, or (z) immediately prior to the consummation of a Business Combination shall be deemed an Acquiring Person for purposes of this definition.

2. ~~Acquiring Person. The term Acquiring Person shall mean, and include any individual corporation (other than the Corporation), partnership or other person or entity which, together with its Affiliates and Associates (as defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect at March 2, 1983 (collectively and as so in effect, the Exchange Act)), and with any other individual, corporation (other than the Corporation), partnership or other person or entity with which it or they have any agreement, arrangement or understanding with respect to acquiring, holding, voting or disposing of Voting Stock Beneficially Owns (as defined in Rule 13d-3 of the Exchange Act) in the aggregate 20% or more of the outstanding Voting Stock of the Corporation. A person or entity, its Affiliates and Associates and all such other persons or entities with whom they have any such agreement, arrangement or understanding shall be deemed a single Acquiring Person for purposes of this Article NINTH.~~

3. ~~Substantial Part. The term Substantial Part shall mean an amount (equal to more than 20% of the fair market value of the total consolidated assets of the Corporation and its subsidiaries taken as a whole as of the end of its most recent fiscal year ended prior to the time the determination is being made.~~

4. ~~Rights to Acquire. Without limitation, any share of Voting Stock of the Corporation that any Acquiring Person has the right to acquire at any time (notwithstanding that Rule 13d-3 of the Exchange Act deems such shares to be beneficially owned only if such right may be exercised within 60 days) pursuant to any agreement, or upon exercise of conversion, rights, warrants or options, or otherwise shall be deemed to be Beneficially Owned by the Acquiring Person and to be outstanding for purposes of Paragraph 2 of this Section II.~~

5. ~~Other Consideration to Be Received. For the purposes of Section 1 of this Article NINTH, the term other consideration to be received shall include, without limitation, Common Stock, Preferred Stock or other capital stock of the Corporation retained by its existing stockholders other than the Acquiring Person with which or by or on whose behalf, directly or indirectly, a Business Combination has been proposed or other parties to such Business Combination to the event of Business Combination in which the Corporation is the surviving corporation.~~

6. ~~Voting Stock. The term Voting Stock shall mean all of the outstanding shares of capital stock of the Corporation entitled to vote on each matter on which the holders of record of Common Stock of the Corporation shall be entitled to vote, and each reference to a percentage of shares of Voting Stock shall refer to such percentage of the votes entitled to be cast by such shares.~~

~~7. Time of Acquisition. An Acquiring Person shall be deemed to have acquired a share of the Voting Stock of the Corporation at the time when such Acquiring Person became the Beneficial Owner thereof. The price paid by an Acquiring Person for such shares held by a person or entity at the time it became part of such Acquiring~~

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Person shall be deemed to be the higher of (a) the price paid upon the acquisition thereof by such person or entity and (b) the market price of the shares in question at the time when such person or entity became part of such Acquiring Person.

8. ~~Highest Per Share Price; Highest Equivalent Price.~~ The terms ~~Highest Per Share Price~~ and ~~Highest Equivalent Price~~ as used in this Article NINTH shall mean the following: If there is only one class of capital stock of the Corporation issued and outstanding, the Highest Per Share Price shall mean the highest per share price that can be determined to have been paid at any time by the Acquiring Person by or on whose behalf, directly or indirectly, the Business Combination has been proposed for any share or shares of that class of capital stock. If there is more than one class of capital stock of the Corporation issued and outstanding, the Highest Equivalent Price shall mean, with respect to each class and series of capital stock of the Corporation, the highest per share price equivalent of the highest price that can be determined to have been paid at any time by such Acquiring Person for any share or shares of any class or series of capital stock of the Corporation. In determining the Highest Per Share Price and Highest Equivalent Price all purchases by an Acquiring Person shall be taken into account regardless of whether the shares were purchased before or after the Acquiring Person became an Acquiring Person. Also, the Highest Per Share and the Highest Equivalent Price shall include any brokerage commissions, transfer taxes and soliciting dealers fees paid by the Acquiring Person with respect to the shares of capital stock of the Corporation acquired by the Acquiring Person. The Highest Per Share Price and the Highest Equivalent Price shall be appropriately adjusted to take into account stock dividends, subdivisions, combinations and reclassifications.

9. ~~Fair Market Price.~~ The term ~~Fair Market Price~~ shall mean for any class of Voting Stock the highest closing sale price during the 30 day period immediately preceding the date in question of a share of such class of Voting Stock on the Composite Tape for New York Stock Exchange listed stocks, or, if such class of Voting Stock is not quoted on the Composite Tape on the New York Stock Exchange, or, if such class of Voting Stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such class of Voting Stock is listed, or, if such class of Voting Stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such class of Voting Stock during the 30 day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock.

SECTION III

AMENDMENT

The provisions set forth in this Article NINTH may not be amended, altered, changed or repealed in any respect unless such action is approved by the affirmative vote of the holders of not less than two thirds of the outstanding shares of Voting Stock of the Corporation at a meeting of the stockholders duly called the consideration of such amendment, alteration, change or repeal, provided, however, that if such action has been proposed directly or indirectly on behalf of an Acquiring Person, it must also be approved by the affirmative vote of the holders of not less than two thirds of the outstanding shares of Voting Stock held by the stockholders other than such Acquiring Person.

9. Amend Article TENTH as follows:

~~TENTH~~NINTH: A director of the Corporation shall not be personally liable to the Corporation of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability which would otherwise exist under applicable law (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders (ii) for acts or

omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of or

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adoption of any provision of this Restated Certificate of Incorporation inconsistent with this Article ~~TENTH~~NINTH by the stockholder of the Corporation or in any other manner may be permitted by law shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal, modification or adoption.

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ANNEX C

**PROPOSED AMENDMENTS TO THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION
ELIMINATING PROVISIONS CONCERNING \$3.50 CUMULATIVE CONVERTIBLE PREFERRED
STOCK**

Text of proposed amendments to the company s Restated Certificate of Incorporation (changes are indicated in blacklining):

- 1. Delete Article FOURTH, Section I, Subsection B in its entirety:**
~~B. PREFERRED STOCK, \$3.50 CUMULATIVE CONVERTIBLE SERIES.~~

~~There is hereby created a series of the Preferred Stock the designation, the number of shares and the terms and provisions of which (except as heretofore set forth herein) are as follows:~~

~~1. Designation of Series and Number of Shares. This series of the Preferred Stock shall be designated Preferred Stock, \$3.50 Cumulative Convertible Series (the \$3.50 Cumulative Preferred), to consist of 12,000,000 shares. The Board of Directors is hereby authorized by resolution, to increase or decrease (but not below the number of shares thereof then outstanding) the number of shares of the \$3.50 Cumulative Preferred.~~

~~2. Dividends. The holders of shares of the \$3.50 Cumulative Preferred shall be entitled to receive cumulative dividends at the rate of \$3.50 per share per annum in cash, and no more except to the extent otherwise permitted by Paragraph 7 of this Subsection B, payable quarterly on the last days of January, April, July and October in each year. Such dividends shall accrue and become cumulative, whether or not earned or declared, as to all shares of the \$3.50 Cumulative Preferred issued on the date of the filing under the laws of Delaware of the Agreement and Plan of Merger dated as of January 15, 1969 between the Corporation and Hess Oil & Chemical Corporation, from June 20, 1969, and, as to each share of the \$3.50 Cumulative Preferred issued thereafter, from such date as shall make the dividend rights of such share the same as the dividend rights per share of the then outstanding shares of the \$3.50 Cumulative Preferred.~~

~~Except as to dividends permitted by Paragraph 7 of this Subsection B, in case dividends for any quarterly dividend period on all shares of the \$3.50 Cumulative Preferred and all shares of all other series of the Preferred Stock ranking on a parity with the \$3.50 Cumulative Preferred as to dividends are not paid in full, all shares of the \$3.50 Cumulative Preferred and of all such other series shall participate ratably in the payment of dividends for such period in proportion to the full amounts of dividends for such period to which they are respectively entitled, provided however, that no dividend shall be paid on any such other series for any dividend period until dividends payable on the \$3.50 Cumulative Preferred for all dividend periods prior to the first dividend period of any such other series shall have been paid, or declared and set apart for payment, in full.~~

~~So long as any shares of the \$3.50 Cumulative Preferred are outstanding, the Corporation shall not declare and pay or set apart for payment any dividends or make any other distribution on junior stock (being Common Stock or other stock of the Corporation ranking junior to the Preferred Stock as to dividends) and shall not redeem (whether through the operation of a sinking fund or otherwise), purchase or otherwise acquire, or permit any subsidiary to purchase or otherwise acquire, any shares of such junior stock, if at the time of making such declaration payment, distribution, redemption, purchase or acquisition the Corporation shall be in default with respect to any dividend payable on, or any obligation to retire shares of the \$3.50 Cumulative Preferred (provided, however, that, notwithstanding the foregoing,~~

~~the Corporation may at any time redeem, purchase or otherwise acquire shares of such junior stock in exchange for, or out of the net proceeds from the substantially concurrent sale or other issue of, other shares of such junior stock), and the Corporation shall not redeem (whether through the operation of a sinking fund or otherwise), purchase or otherwise acquire, or permit any subsidiary to purchase or otherwise acquire, any shares of any series of the Preferred Stock, or any other class of stock of the Corporation, ranking as to dividends on~~

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a parity with the \$3.50 Cumulative Preferred, if at the time of making such redemption, purchase or acquisition the Corporation shall be in default with respect to any dividend payable on, or any obligation to retire shares of the \$3.50 Cumulative Preferred (provided, however, that, notwithstanding the foregoing, the Corporation may at any time redeem, purchase or otherwise acquire shares of such series or class in exchange for, or out of the net proceeds from the substantially concurrent sale or other issue of, other shares of such series or class).

3. ~~Redemption. The shares of the \$3.50 Cumulative Preferred may not be, redeemed before June 20, 1974. On and after that date, such shares may be redeemed at \$150 per share plus an amount equal to all accrued and unpaid dividends thereon to and including the Redemption Date.~~

4. ~~Liquidation. In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and all amounts due in such event on any class or series of stock of the Corporation ranking prior to the \$3.50 Cumulative Preferred upon liquidation the holders of the \$3.50 Cumulative Preferred shall be entitled to receive, from the net assets of the Corporation (a) upon voluntary dissolution, liquidation or winding up of the affairs of the Corporation, \$150 per share; or (b) upon involuntary dissolution, liquidation or winding up of the affairs of the Corporation, \$100 per share, plus in either event an amount equal to all dividends accrued and unpaid on such share up to and including the date fixed for distribution, and no more, before any distribution shall be made to the holders of the Common Stock or other stock of the Corporation ranking junior to the Preferred Stock upon liquidation, provided that the right of the holders of the \$3.50 Cumulative Preferred so to receive such amounts in any such event shall not constitute any restriction on the right, power or authority of the Board of Directors of the Corporation to declare and pay dividends or make any other distribution on the shares of the capital stock of the Corporation.~~

~~If upon any such dissolution, liquidation or winding up of the affairs of the Corporation its net assets shall be insufficient to permit the payment in full of the respective amounts to which the holders of all outstanding shares of the \$3.50 Cumulative Preferred and all outstanding shares of stock of the Corporation ranking on a parity upon liquidation with the \$3.50 Cumulative Preferred upon such dissolution, liquidation or winding up are entitled in such event, the entire remaining net assets of the Corporation shall be distributed among the holders of the \$3.50 Cumulative Preferred and such other stock in amounts proportionate to the full amounts to which they are respectively so entitled.~~

~~Neither the merger nor consolidation of the Corporation, nor the sale, lease or conveyance of all or a part of its assets, shall be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Paragraph 4.~~

5. ~~Voting Rights.~~

(a) ~~General. The holders of shares of the \$3.50 Cumulative Preferred shall be entitled to one vote for each share of the \$3.50 Cumulative Preferred standing in their names on the books of the Corporation in the election of directors and on any question arising at any meeting of stockholders of the Corporation at which the holders of shares of the Common Stock or other stock of the Corporation into which shares of the \$3.50 Cumulative Preferred Stock are at the time convertible have the right to vote, except that, whenever the conversion ratio of the \$3.50 Cumulative Preferred is adjusted as hereinafter in Paragraph 6 provided, the number of votes per share of the \$3.50 Cumulative Preferred shall be increased or decreased by the proportion that the total number of votes to which the aggregate of the shares of Common Stock outstanding immediately prior to the event which caused such adjustment is entitled is increased or decreased by such event, provided that (i) the number of votes per share shall in no event be decreased to less than one, (ii) no fractional vote shall result from any such increase or decrease, (iii) if the number resulting from any such increase or decrease includes a fraction which is one half or more, the number of votes per share resulting from such~~

~~increase or decrease shall include one vote for such fraction, (iv) if the number resulting from any such increase or decrease includes a fraction which is less than one half, no vote shall be included for such fraction in the number of votes per share resulting from such increase or decrease (unless;~~

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~~the number of votes per share would be decreased to less than one), and (v) at the time of any adjustment in the conversion ratio, all previous increases and decreases in the number of votes per share effected pursuant to the foregoing shall be disregarded, and the increase or decrease, if any, to be effected as a result of such adjustment shall be calculated as if the events which caused all such previous increases and decreases occurred at the same time as the event which caused such adjustment. The holders of the \$3.50 Cumulative Preferred and the Common Stock shall at all times vote, except as otherwise provided herein or required by law, together as one class, together with the holders of any other series or class of stock of the Corporation accorded the right to vote with the Common Stock together as one class.~~

~~(b) — Special As Class. (i) So long as any shares of the \$3.50 Cumulative Preferred are outstanding, the Corporation shall not, without the affirmative vote at a duly authorized meeting or written consent of the holders of at least two-thirds of the aggregate number of shares at the time outstanding of the \$3.50 Cumulative Preferred and any other series of Preferred Stock accorded such class voting right, voting or consenting, as the case may be, separately as a class without regard to series.~~

~~(A) — create, or increase the authorized number of shares of, any class of stock ranking, either as to dividends or upon liquidation, prior to the Preferred Stock; or~~

~~(B) — alter or change any of the provisions common to the \$3.50 Cumulative Preferred and to one or more other outstanding series of Preferred Stock accorded such class voting right so as adversely to affect the preferences, special rights or powers given to the \$3.50 Cumulative Preferred and such other series of Preferred Stock, but nothing in this subdivision (B) contained shall require such a class vote or consent in connection with any increase in the total number of authorized shares of Preferred Stock or the authorization or increase of any class of stock ranking, either as to dividends or upon liquidation, on a parity with the preferred Stock; or~~

~~(C) — consolidate with or merge into, or sell or transfer all or substantially all its property and assets to, another corporation unless the corporation resulting from such consolidation or merger or to which such sale or transfer is made will have no authorized or outstanding stock ranking, either as to dividends or upon liquidation, prior to the stock which the holders of the Preferred Stock receive in such event.~~

~~(ii) — So long as any shares of the \$3.50 Cumulative Preferred are outstanding, the Corporation shall not, without the affirmative vote at a duly authorized meeting or written consent of the holders of at least a majority of the shares at the time outstanding of the \$3.50 Cumulative Preferred and any other series of Preferred Stock accorded such class voting right, voting or consenting, as the case may be, separately as a class without regard to series, create or increase the total number of authorized shares of, any class of stock ranking, either as to dividends or upon liquidation, on a parity with the Preferred Stock.~~

~~(e) — Special as Series. So long as any shares of the \$3.50 Cumulative Preferred are outstanding, the Corporation shall not, without the affirmative vote at a duly authorized meeting or written consent of the holders of at least two-thirds of the aggregate number of shares of the \$3.50 Cumulative Preferred at the time outstanding, voting or consenting, as the case may be, separately as a series, (i) create, or increase the authorized number of shares of, any series of the Preferred Stock ranking, either as to dividends or upon liquidation, prior to the \$3.50 Cumulative Preferred, (ii) alter or change any of the provisions of the \$3.50 Cumulative Preferred, or any of the provisions of any other series, so as materially and adversely to affect the preference, special rights or powers given to the \$3.50 Cumulative Preferred; provided, however, that were any such alteration or change affects one or more other series of Preferred Stock then outstanding in the same manner, the voting right shall be as set forth in subparagraph (b) of this Paragraph 5 or (iii) consolidate with or merge into, or sell or transfer all or substantially all its property and assets to, another corporation unless provision shall be made, as a part of the terms of such consolidation, merger, sale or~~

~~transfer, whereby the holders of shares of the \$3.50 Cumulative Preferred outstanding immediately prior to such event shall be entitled to receive, on the happening of such event, in~~

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exchange for each such share so held by them, a security of the corporation resulting from such consolidation or merger or to which such sale or transfer shall be made, having dividend, voting and conversion rights and rights upon liquidation and redemption substantially equivalent to such rights as provided herein for shares of the \$3.50 Cumulative Preferred.

(d) ~~Right to Elect Directors. If and whenever dividends payable on the Preferred Stock shall be in default in an aggregate amount equivalent to six, full quarterly dividends on all shares of the Preferred Stock at the time outstanding, the number of directors constituting the Board of Directors shall be increased by two and the holders of the Preferred Stock shall have, in addition to any other voting rights, the exclusive and special right, voting separately as a class without regard to series, to elect two persons to fill such directorships. Whenever such right shall have vested, it shall be exercised initially at the next following election of directors by the stockholders and shall continue until the dividends in default on the Preferred Stock shall have been paid in full or funds sufficient therefor set aside; and, when such dividends are paid or provided for, such right shall terminate, subject to revesting in the event of each and every subsequent default in an aggregate amount equivalent to six full quarterly dividends.~~

~~At any meeting held for the election of directors at which the holders of shares of Preferred Stock shall have the right, voting as a class, to elect directors as herein provided, the presence, in person or by proxy, of the holders of one third of the number of shares of Preferred Stock at the time outstanding shall be required to constitute a quorum of such class for the election of any director by the holders of such class. At any such meeting or adjournment thereof, (i) the absence of a quorum of Preferred Stock shall not prevent the election of directors other than those to be elected by the holders of shares of Preferred Stock voting as a class and the absence of a quorum for the election of such other directors shall not prevent the election of the directors to be elected by holders of shares of Preferred Stock voting as a class, and (ii) in the absence of either or both such quorums, a majority of the holders present in person or by proxy of the stock or stocks which lack a quorum shall have power to adjourn the meeting for the election of directors which they are entitled to elect from time to time, without notice other than amendment at the meeting, until a quorum shall be present. The directors elected pursuant to this subparagraph (d) shall serve until the next annual meeting or until their respective successors shall be elected and shall qualify, provided, however, that when the right of the holders of the Preferred Stock to elect directors as herein provided shall terminate, the terms of office of all persons so elected by the holders of the Preferred Stock shall terminate, and the number of directors of the Corporation shall thereupon be such number as may be provided for in the by laws of the Corporation irrespective of any increase made pursuant to this subparagraph (d). During any period in which the holders of shares of Preferred Stock have the right to elect directors as provided for herein, any vacancy in the directors elected by the holders of the Preferred Stock shall be filled by the vote of the remaining director theretofore elected by the holders of the Preferred Stock.~~

6. ~~Conversion Rights.~~

(a) ~~Original Conversion Price. Subject to the provisions for adjustments hereinafter set forth, shares of the \$3.50 Cumulative Preferred shall be convertible at the option of the holder thereof, at any time on or after June 20, 1970 upon surrender to any transfer agent for the \$3.50 Cumulative Preferred of the certificate or certificates evidencing the shares so to be converted, into fully paid and nonassessable shares of Common Stock of the Corporation at the rate of 2.2 shares of Common Stock for each share of the \$3.50 Cumulative Preferred so surrendered for conversion. The right to convert shares of the \$3.50 Cumulative Preferred called for redemption shall terminate at the close of business on the third business day prior to the Redemption Date. Upon conversion, no payment or adjustment shall be made for dividends on the shares of the \$3.50 Cumulative Preferred so converted.~~

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(b) ~~Adjustment of Conversion Ratio. The number of shares of Common Stock into which each share of the \$3.50 Cumulative Preferred is convertible shall be subject to adjustment from time to time only as follows:~~

(i) ~~In case the Corporation shall (A) take a record of the holders of the Common Stock for the purpose of entitling them to receive a dividend or other distribution payable in shares of stock of the Corporation of any class or series, (B) subdivide its outstanding shares of Common Stock, (C) combine its outstanding shares of Common Stock into a smaller number of shares or (D) issue by reclassification of its Common Stock any shares of the Corporation of any class or series, the holder of each share of the \$3.50 Cumulative Preferred shall thereafter be entitled to receive, upon the conversion of such share, the number of shares of stock of the Corporation which he would have owned or have been entitled to receive after the happening of any of the events described above had such share of the \$3.50 Cumulative Preferred held by him been converted immediately prior to the happening of such event, such adjustment to become effective immediately after the opening of business on the day following such record date or the day upon which such subdivision, combination or reclassification becomes effective, as the case may be; provided, however, that no such adjustment shall be made in case the Corporation shall (i) at any time during the period prior to the date set forth in subparagraph (a) of this Paragraph 6 (but not more than once in such period) or (ii) at any time in any calendar year (but not more than once in such calendar year) take a record of the holders of the Common Stock for the purpose of entitling them to receive a dividend payable in shares of Common Stock of the Corporation unless such dividend exceeds 2 1/2% of the number of shares of Common Stock outstanding on the date such record is taken, in which case such adjustment shall be made but only on the basis of the amount by which the dividend exceeds 2 1/2% of such number of shares of Common Stock outstanding.~~

~~When the Corporation takes a record of the holders of the Common Stock for the purpose of entitling them to receive a dividend or other distribution payable in shares of stock of the Corporation for which an adjustment is required pursuant to the preceding paragraph the Corporation may in the discretion of the Board of Directors at the same time take a record of the holders of the \$3.50 Cumulative Preferred for the purpose of entitling them to receive a dividend or other distribution payable in such shares of stock of the Corporation in an amount thereof per share equal to the amount thereof which the holder of a share of the \$3.50 Cumulative Preferred would have been entitled to receive had the share held by him been converted immediately prior to such taking of a record of the holders of the Common Stock, and, in such event, no adjustment shall be made in the conversion ratio of the \$3.50 Cumulative Preferred.~~

~~For the purposes of this subparagraph (b), the term Common Stock means the Common Stock and any other stock of the Corporation resulting from a reclassification of the Common Stock or any such other stock:~~

(ii) ~~No fractional share of stock of the Corporation shall be issued upon any conversion but, in lieu of the issuance of the fraction of a share to which the holder would otherwise have been entitled, there shall be paid to the holder of the shares of the \$3.50 Cumulative Preferred surrendered for conversion, as soon as practicable after the date such shares are surrendered for conversion, an amount in cash equal to the same fraction of the market value of a full share of the stock to be received upon the conversion, unless the Board of Directors shall determine to adjust fractional shares by the issue of fractional scrip certificates or in some other manner. For such purpose, the market value of the stock to be received upon the conversion shall be the last sales price thereof, regular way on the New York Stock Exchange on the business day immediately preceding the date upon which the shares of the \$3.50 Cumulative Preferred are surrendered for conversion, or, in case no such sale takes place on such day, the average of the closing bid and asked prices thereof, regular way on such Exchange on such day. If shares of the stock to be received upon conversion are not then listed on the New York Stock Exchange, such market value shall be determined in the manner fixed by the Board of Directors.~~

(iii) ~~No adjustment in the number of shares into which each share of the \$3.50 Cumulative Preferred is convertible shall be required unless such adjustment would require an increase or decrease of at least 1/100th of a~~

~~share in the number of shares into which such share is then convertible; provided, however, that any adjustments which by reason of this subdivision are not required to be made shall be carried forward and taken into account in any subsequent adjustment.~~

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(iv) — Whenever any adjustment is required in the shares into which each share of the \$3.50 Cumulative Preferred is convertible, the Corporation shall forthwith (A) file with the transfer agent or transfer agents for the shares of the \$3.50 Cumulative Preferred a statement describing in reasonable detail the adjustment and the method of calculation used and (B) cause a copy of such notice to be mailed to the holders of record of the shares of the \$3.50 Cumulative Preferred.

(e) — ~~Reservation of Stock for Conversions.~~ The Corporation shall at all times reserve and keep available out of its authorized but unissued shares the full number of shares into which all shares of the \$3.50 Cumulative Preferred from time to time outstanding are convertible, but shares held in the treasury of the Corporation may be delivered, in the Corporation's discretion, upon any conversion of shares of the \$3.50 Cumulative Preferred.

(d) — ~~Issue Taxes.~~ The Corporation will pay any and all issue and other taxes that may be payable in respect of any issue of shares on conversion of shares of the \$3.50 Cumulative Preferred pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in such issue of shares in a name other than that in which the shares so converted were registered, and no such issue shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established, to the satisfaction of the Corporation, that such tax has been paid.

7. — ~~Dividends in Securities or Other Property.~~ In the event the Corporation shall pay on any stock of the Corporation into which shares of the \$3.50 Cumulative Preferred are at the time convertible, any dividend or other distribution consisting of securities of any corporation other than the Corporation, any evidences of indebtedness of the Corporation or any other assets (other than dividends and distributions in cash or shares of stock of the Corporation), it shall on the same date pay, on the shares of the \$3.50 Cumulative Preferred, a dividend or distribution consisting of such securities, evidences of indebtedness or other assets in an amount per share equal to the amount thereof which the holder of a share of the \$3.50 Cumulative Preferred would have been entitled to receive had the share held by him been converted immediately prior to the taking of a record of the holders of such stock of the Corporation for the purpose of entitling them to receive such dividend or distribution, such dividend or distribution on the shares of the \$3.50 Cumulative Preferred to be payable to the holders of shares of the \$3.50 Cumulative Preferred who are holders of record on the books of the Corporation on the same date as is used for the taking of a record of the holders of such stock of the Corporation for such dividend or distribution.

8. — ~~Offers of Securities.~~ In the event the Corporation shall offer to sell (by issue of warrants, rights or options or otherwise) securities of the Corporation or of any other corporation to the holders of shares of any stock of the Corporation into which shares of the \$3.50 Cumulative Preferred are at the time convertible, the Corporation shall make the same offer to the holders of shares of the \$3.50 Cumulative Preferred, giving to each such holder of the \$3.50 Cumulative Preferred the right to purchase at the offer price the amount of such securities which such holder would have been entitled to purchase had he converted each share of the \$3.50 Cumulative Preferred held by him immediately prior to the taking of a record of the holders of such stock of the Corporation for the purpose of entitling them to receive such offer, such offer to the holders of shares of the \$3.50 Cumulative Preferred to be made to the holders of shares of the \$3.50 Cumulative Preferred who are holders of record on the books of the Corporation on the same date as is used for the taking of a record of the holders of such stock of the Corporation for such offer.

9. — ~~Restriction on and Notice of Dividends.~~ Until such time as shares of the \$3.50 Cumulative Preferred shall be convertible at the option of the holders thereof as herein provided, the Corporation shall pay no cash dividend nor make any other cash distribution on the Common Stock in excess of quarterly dividends at the quarterly rate of 7 1/2 cents per share, with the first such dividend to be paid after the date of the filing under the laws of Delaware of the Agreement and Plan of Merger dated as of January 15, 1969 between the Corporation and Hess Oil & Chemical Corporation to be calculated as to amount and date of payment from the last date prior to such date of filing on which

~~a dividend was paid on the Common Stock of Hess Oil & Chemical Corporation. After such~~

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~~time as shares of the \$3.50 Cumulative Preferred shall be convertible at the option of the holder thereof as herein provided, and so long as any such shares remain outstanding, in the event the Corporation shall declare (i) any dividend or other distribution payable in shares of stock of the Corporation or (ii) any cash dividend or other cash distribution per share on the Common Stock in excess of 120% of the average of the cash dividends and other cash distributions per share on the Common Stock for the four calendar quarters next preceding the calendar quarter in which such distribution occurs, then, and in any such event, the Corporation shall mail to each holder of the \$3.50 Cumulative Preferred at the address of each such holder shown in the stock records of the Corporation a notice stating the day on which the books of the Corporation shall close, or a record shall be taken for such dividend or distribution and the amount and character of such dividend or distribution. Such notice shall be mailed at least 20 days in advance of such day therein specified.~~

~~In applying the provisions of this Paragraph 9 at any time after the Common Stock shall have been split up or combined or after the Corporation shall have taken a record of the holders of the Common Stock for the purpose of entitling them to receive a dividend or other distribution payable in shares of stock of the Corporation of any class or series (other than a dividend payable in shares of Common Stock for which no adjustment is required to be made pursuant to subparagraph (b) of Paragraph 6 of this Subsection B), references of 7 1/2 cents per share and cash dividends and distributions shall be appropriately adjusted to reflect any such event and for purposes of this Paragraph 9, the term Common Stock means the Common Stock and any other stock of the Corporation resulting from a reclassification of the Common Stock or any such other stock.~~

2. Amend Article FOURTH, Section I, Subsection C to relabel the subsection heading to be Subsection B.

3. Amend the first sentence of Article FOURTH, Section III as follows:

~~Except as otherwise provided in Paragraph 8 of Subsection B of Section 1 hereof, n~~**No** holder of any of the shares of the Preferred Stock or of the Common Stock shall be entitled as of right as such holder to purchase or to subscribe for any shares of stock of the Corporation whether now or hereafter authorized, or bonds, certificates of indebtedness, debentures, or other securities convertible into or carrying any right to purchase stock of the Corporation of any class, and shares of any such stock, or such other securities convertible into or carrying any right to purchase stock, may be issued and disposed of to such persons and upon such terms and for such lawful consideration as may be deemed advisable by the Board of Directors.

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Important notice regarding the Internet availability of proxy materials

For the Annual Meeting of Stockholders.

The 2014 Proxy Statement and the 2013 Annual Report to Stockholders are available at:

www.envisionreports.com/HES

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

Proxy Hess Corporation

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Notice of 2014 Annual Meeting of Stockholders

1501 McKinney Street, Houston, TX 77010

Proxy Solicited by Board of Directors for Annual Meeting May 7, 2014 at 10:00 a.m.

The undersigned hereby appoints JOHN B. HESS, GREGORY P. HILL and TIMOTHY B. GOODELL, or any of them, proxies, each with power of substitution, to vote all shares the undersigned is entitled to vote at the Annual Meeting of Stockholders of Hess Corporation to be held at Hess Corporation, 1501 McKinney Street, Houston, Texas 77010, on May 7, 2014, at 10:00 a.m., local time, and all adjournments or postponements thereof, as directed on the reverse side of this card, and in their discretion, upon any other matters which may properly come before the Annual Meeting or any adjournment or postponements thereof.

The undersigned hereby revokes any proxy heretofore given to vote said shares, and hereby ratifies all that said proxies may do at the Annual Meeting or any adjournment or postponements thereof.

Please indicate on the reverse side of this card how your stock is to be voted.

If not otherwise specified, shares will be voted FOR all nominees in Proposal 1, FOR Proposals 2, 3, 4A, 4B and 5, and will be voted AGAINST Proposals 6 and 7, each as set forth on the reverse side of this card.

C Non-Voting Items

Change of Address Please print new address below.

Comments Please print your comments below.

Meeting Attendance
Mark box to the right if you plan to attend the Annual Meeting.

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+

¢ **IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.**

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PRELIMINARY COPY - SUBJECT TO COMPLETION

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 11:59 p.m., EST, on May 6, 2014.

Vote by Internet

Go to
www.envisionreports.com/HES

Or scan the QR code with your
smartphone

Follow the steps outlined on the
secure website

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone. There is **NO CHARGE** to you for the call.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

Follow the instructions provided by the recorded message

q **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

A Proposals The Board of Directors recommends a vote **FOR** all the nominees.

Election of Directors: **For Against Abstain** **For Against Abstain** **For Against Abstain**

01 - E.E. HOLIDAY " " " 02 - J.H. MULLIN " " " 03 - J.H. QUIGLEY " " "
 04 - R.N. WILSON " " "

The Board recommends a vote FOR Proposals 2, 3, 4A, 4B and 5.

	For Against Abstain	For Against Abstain
2. Advisory approval of the compensation of our named executive officers.	" " "	" " "
3. Ratification of the selection of Ernst & Young LLP as independent auditors for fiscal year ending December 31, 2014.		
4A. Elimination of 80% supermajority voting requirement in the company's restated certificate of incorporation and by-laws.	" " "	" " "
4B. Elimination of two-thirds supermajority voting requirement in the company's restated certificate of incorporation.		
5. Elimination of provisions in the company's restated certificate of incorporation concerning \$3.50	" " "	

cumulative convertible preferred stock.

The Board recommends a vote AGAINST Proposals 6 and 7.

	For	Against	Abstain		For	Against	Abstain
6. Stockholder proposal recommending a report regarding political contributions and expenditures.	"	"	"	7. Stockholder proposal recommending a report regarding carbon asset risk.	"	"	"

B Authorized Signatures This section must be completed for your vote to be counted. **Date and Sign Below**

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) date below.	Please print / /	Signature 1 Please keep signature within the box.	Signature 2 Please keep signature within the box.
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Proxy Hess Corporation

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Notice of 2014 Annual Meeting of Stockholders

1501 McKinney Street, Houston, TX 77010

Proxy Solicited by Board of Directors for Annual Meeting May 7, 2014 at 10:00 a.m.

The undersigned hereby appoints JOHN B. HESS, GREGORY P. HILL and TIMOTHY B. GOODELL, or any of them, proxies, each with power of substitution, to vote all shares the undersigned is entitled to vote at the Annual Meeting of Stockholders of Hess Corporation to be held at Hess Corporation, 1501 McKinney Street, Houston, Texas 77010, on May 7, 2014, at 10:00 a.m., local time, and all adjournments or postponements thereof, as directed on the reverse side of this card, and in their discretion, upon any other matters which may properly come before the Annual Meeting or any adjournment or postponements thereof.

The undersigned hereby revokes any proxy heretofore given to vote said shares, and hereby ratifies all that said proxies may do at the Annual Meeting or any adjournment or postponements thereof.

Please indicate on the reverse side of this card how your stock is to be voted.

If not otherwise specified, shares will be voted FOR all nominees in Proposal 1, FOR Proposals 2, 3, 4A, 4B and 5, and will be voted AGAINST Proposals 6 and 7, each as set forth on the reverse side of this card.

Additional instructions for Hess Corporation Savings Plan Participants: Participants and Beneficiaries who do not vote the stock in the Company Stock Fund attributable to their accounts shall be deemed to have directed J.P. Morgan as trustee to vote such stock on each proposal in the same proportion as other participants in the plan vote.

C Non-Voting Items

Change of Address Please print new address below.

Comments Please print your comments below.

Meeting Attendance Mark box to the right if you plan to attend the Annual Meeting. +

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04 - R.N. WILSON								

The Board recommends a vote FOR Proposals 2, 3, 4A, 4B and 5.

	For	Against	Abstain		For	Against	Abstain
2. Advisory approval of the compensation of our named executive officers.	3. Ratification of the selection of Ernst & Young LLP as independent auditors for fiscal year ending December 31, 2014.
4A. Elimination of 80% supermajority voting requirement in the company's restated certificate of incorporation and by-laws.	4B. Elimination of two-thirds supermajority voting requirement in the company's restated certificate of incorporation.
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The Board recommends a vote AGAINST Proposals 6 and 7.

	For	Against	Abstain		For	Against	Abstain
6. Stockholder proposal recommending a report regarding political contributions and expenditures.	"	"	"	7. Stockholder proposal recommending a report regarding carbon asset risk.	"	"	"

B Authorized Signatures Below This section must be completed for your vote to be counted. Date and Sign

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) date below.	Please print / /	Signature 1 within the box.	Please keep signature within the box.	Signature 2 within the box.	Please keep signature within the box.
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