

Corporate Governance Guidelines of Hess Corporation

I. Introduction

The Board of Directors of Hess Corporation is responsible for oversight of the business and affairs of the Company in the best interest of its stockholders, with due regard for its customers, the communities in which it operates and its employees.

Based on the recommendation of its Corporate Governance and Nominating Committee, the Board has adopted this set of corporate governance principles to provide guidance to the Board and management in carrying out their responsibilities, promoting the effective functioning of the Board and its committees and setting out a common set of expectations as to how the Board should perform its functions.

The Corporate Governance and Nominating Committee will review these guidelines annually and make recommendations to the Board to amend them, if appropriate. Implementation of these guidelines should at all times be consistent with the Certificate of Incorporation and By-Laws of the Company, its Code of Business Conduct and Ethics and applicable law.

II. Board Composition

The composition of the Board should reflect the following goals:

- Its size should facilitate substantive discussions in which each director can participate meaningfully;
- The members of the Board collectively should encompass a broad range of skills, expertise, general industry knowledge, and diversity of opinion, backgrounds and experiences; and
- A majority of the Board shall consist of directors who the Board has determined have no material relationship with the Company and who are otherwise “independent” under the rules of the New York Stock Exchange, Inc. (NYSE). In making the foregoing determination, the Board may consider, among other factors, any material relationships between directors and executive officers of the Company.

While the Board is not limited to a fixed number of directors, the Board has determined that 10 to 14 members is a reasonable size that balances the goals of providing a broad range of expertise and opinion with the need for meaningful interaction among directors.

The Corporate Governance and Nominating Committee shall review the composition of the Board at least annually and report any recommended changes to the Board.

III. Selection of Chairman of the Board

The Board will appoint or reappoint annually a Chairman who will be an independent member of the Board who has not previously served as an executive officer of the Company.

The Chairman is responsible for the proper functioning of the Board and has no executive responsibilities within the Company. Specifically, he shall have the following duties:

- Preside over the annual shareholders meeting;
- Act as chair of regular and special meetings of the Board;
- Determine if special meetings of the Board should be called (but without prejudice to any rights of others to call special Board meetings);
- Act as chair of executive sessions or other meetings of the independent directors and lead such executive sessions and meetings;
- Act as a liaison between the Chief Executive Officer and the Board and facilitate communication between meetings, including discussing action items with the Chief Executive Officer following executive sessions;
- Consult with the Chief Executive Officer regarding agenda items and appropriate materials for Board meetings, and the allocation of time to each discussion topic on the agenda, and coordinate with committee chairpersons to facilitate their meetings;
- Be available to participate in or facilitate appropriate meetings with shareholders; and
- Partner with the chairman of the Compensation and Management Development Committee to provide annual performance evaluation feedback to the Chief Executive Officer.

Nothing in these responsibilities shall be interpreted as limiting, in any way, the free and open discussion between the Chief Executive Officer and other members of the board.

The Chairman is appointed to and may be removed from, such position by the Board at any time.

IV. Selection of Directors

Nominations. The Board is responsible for selecting the nominees for election to the Company's Board of Directors. The Company's Corporate Governance and Nominating Committee is responsible for recommending to the Board in advance of each annual shareholders meeting a slate of directors to stand for election in accordance with the Certificate of Incorporation and By-Laws of the Company, including one or more nominees to fill vacancies, if any.

Criteria. Nominees for director should be recommended and selected consistent with the goals of board composition and the following individual criteria should be considered, as applicable:

- Personal qualities and characteristics, educational background, accomplishments, and reputation in the business community;
- Contributions to the overall mix of the Board’s current knowledge of the Company’s industry or industries relevant to the Company’s business and relationships with individuals or organizations in or affecting the domestic and international areas in which the Company does business;
- Ability and willingness to commit adequate time to Board and committee matters;
- Fit of the individual’s skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company;
- Contribution to the Board’s diversity of viewpoints, background and experience; and
- Compatibility with applicable independence and other qualifications established by applicable law and rules of the Securities and Exchange Commission and NYSE.

Other Directorships. The Board does not set a limit on the number of other boards of directors on which a director may serve, or the breadth of other activities by directors, but the Corporate Governance and Nominating Committee, in making its recommendations, will consider carefully how such other directorships as well as other business and professional commitments may affect a nominee’s ability to commit adequate time to Board and committee matters.

Share Ownership. Each director is expected to own and hold, directly or indirectly, shares of the Company’s common stock having a value equal to at least five times the annual cash retainer paid to such director within six years of such director’s first election to the Board or within two years of adoption of this guideline, whichever is later.

Diversity. The Board desires a diverse membership, including with respect to race, gender, nationality, ethnicity, and sexual orientation as well as professional background and industry experience. To further this goal, the Board is committed to seeking out qualified diverse candidates who meet the applicable search criteria, including women and minority candidates, to include in the pools from which potential nominees for the Board are considered. In the event a third-party search firm is engaged for a particular director search, the Board would expect, and would plan to instruct, such firm to work to include diverse individuals, including as to gender, race and ethnicity, meeting search criteria in the initial “pool” or lists of potential director candidates submitted to the Board for consideration.

Invitation. The invitation to join the Board will be extended by the Board itself via the Chairman of the Board and/or the Chairman of the Corporate Governance and Nominating Committee or another independent director, when appropriate.

Orientation and Continuing Education. Management, working with the Board, will provide an orientation process for new directors regarding the Company, its strategic direction, its operations, its capital structure, historical financial statements, accounting practices and policies, business plans, risk profile, core values and ethics, and competition and regulatory environment, using appropriate written materials and meetings with senior management. Periodically, management should prepare ongoing educational sessions for directors on matters and developments affecting, or other matters relevant to, the Company as suggested by management, the Chairman or individual directors.

V. Retirement of Directors

The Corporate Governance and Nominating Committee will review formally the performance of each Board member pursuant to processes developed by the Committee and make recommendations to the Board as to each director's continuation on the Board prior to his re-nomination as a director for each succeeding term and will develop processes to provide feedback to each director on their performance.

VI. Board Meetings and Procedures

The Board currently has eight regularly scheduled meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board. The Corporate Secretary shall keep minutes of each meeting, which will be circulated to all directors and approved by the Board. The duration of meetings will be as circumstances require.

The agenda for each Board meeting will be prepared by the Corporate Secretary under the direction of the Chairman working with the Chief Executive Officer. Each director may suggest to the Chairman or the Corporate Secretary the inclusion of additional items on the agenda for any meeting. Management will seek to provide to all directors an agenda and appropriate materials in advance of meetings, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be possible. A schedule of regular Board meetings will be prepared annually prior to the beginning of the fiscal year and distributed to each director.

Materials presented to the Board or its committees should be as concise as possible, while still providing the desired information needed for the directors to make an informed judgment.

The Corporate Governance and Nominating Committee will periodically review and make recommendations to the Board of Directors regarding meeting schedule, meeting materials and appropriate Board practices.

VII. Director Responsibilities

The business and affairs of the Company shall be overseen by or be under the direction of the Board in accordance with Delaware law. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. *Commitment and Attendance.* All independent and management directors should make every effort to attend, in person, meetings of the Board and meetings of committees of which they are members in order to facilitate a full and frank discussion and exchange of ideas. In the event directors are unable to attend meetings in person because of unavoidable conflicts or other pressing circumstances, members may attend by telephone or video conference in order to permit directors to speak to and hear each other.

2. *Participation in Meetings.* Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces in order to facilitate active and effective participation in the deliberations of the Board and of each committee on which he serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should be reasonably prepared to discuss the issues presented.

3. *Loyalty and Ethics.* In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interests possessed by a director.

The Company has adopted a Code of Business Conduct and Ethics, including a compliance program to enforce the Code, certain portions of which deal with activities of directors. Directors should be familiar with the Code's provisions in these areas and should consult with the Company's counsel in the event of any issues.

4. *Other Directorships and Employment.* The Company values the experience directors bring from other employment and other boards on which they serve, but it recognizes that such employment and other directorships may also present demands on a director's time and availability and may present conflicts or legal issues. Directors shall advise the Chairman, the Chairperson of the Corporate Governance and Nominating Committee and the Chief Executive Officer before changing their principal employment or accepting membership on other boards of directors, which employment or membership requires significant commitments or involves affiliation with other businesses or governmental units, and the Corporate Governance and Nominating Committee must affirmatively approve such new or additional employment or board membership.

5. *Contact with Management.* All directors are invited to contact the Chief Executive Officer at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that

there will be frequent opportunities for directors to meet with the Chief Executive Officer and other members of management in Board and committee meetings and in other formal or informal settings.

Further, the Board encourages management to bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

6. *Confidentiality.* The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his service as a director.

7. *Notification of Certain Matters Impacting Independence Assessment.* Directors shall notify the Chairman, the Chairperson of the Corporate Governance and Nominating Committee and the Chief Executive Officer of any material relationships they have with the Company or executive officers of the Company.

VIII. Executive Sessions

To ensure free and open discussion and communication among the non-management directors of the Board, the non-management directors will meet in executive sessions with no members of management present. These meetings shall take place immediately following each regularly scheduled board meeting and at any other time as requested by the Chairman. The other directors may request the Chairman to schedule an executive session. The Chairman shall preside at these meetings.

IX. The Committees of the Board

The Company shall have at least the committees required by the rules of the NYSE. Currently, these are the Audit Committee, the Compensation and Management Development Committee and the Corporate Governance and Nominating Committee. The Company also currently has an Executive Committee, which meets when it is not feasible to hold a full board meeting or when delegated authority of the board, and an Environmental, Health and Safety Committee. Each of these committees (other than the Executive Committee and the Environmental, Health and Safety Committee) must have a written charter satisfying the rules of the NYSE, and the Executive Committee and the Environmental, Health and Safety Committee must have a written charter for board purposes.

Each committee chair will give a periodic report of his committee's activities to the Board as set forth in the committee's charter, and the Executive Committee will report to the Board on its activities as soon as reasonably practicable after each of its meetings.

The Corporate Governance and Nominating Committee, the Audit Committee and the Compensation and Management Development Committee shall each be composed of at least three directors who the Board has determined have no material relationship with the Company and who are otherwise "independent" under the rules of the NYSE, these

guidelines and any other applicable laws, rules and regulations specific to mandatory independence requirements as they are in effect from time to time. The required qualifications for the members of each committee shall be set out in the respective committees' charters. A director may serve on more than one committee for which he is qualified.

The Corporate Governance and Nominating Committee shall review and make recommendations to the Board of Directors regarding the establishment of committees, the composition and functions of committees, committee meeting schedules and appropriate committee practices.

X. Management Succession

The Board shall annually review and concur in a succession plan, developed by management and reviewed and recommended by the Compensation and Management Development Committee, addressing the policies and principles for selecting a successor to the Chief Executive Officer, both in an emergency situation and in the ordinary course. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the Chief Executive Officer and other senior positions.

XI. Executive Compensation

1. The Board, acting through the Compensation and Management Development Committee, will evaluate annually the performance of the Chief Executive Officer against the Company's goals, objectives, competition and other factors it deems relevant, and approves the compensation of the Chief Executive Officer.

2. The Board, acting through the Compensation and Management Development Committee, will evaluate and approve any proposals for overall compensation policies applicable to executive officers and may delegate to management the authority to approve the compensation of non-executive officers.

XII. Board Compensation

The Board, acting through the Corporate Governance and Nominating Committee, shall conduct a review at least once every three years of the components and amount of Board and committee compensation in relation to other similarly situated companies. Board and committee compensation should be broadly consistent with market practices but should not be set at a level that would call into question the Board's objectivity. Any Director who is an employee of the Company shall not receive any compensation for the service as a director.

XIII. Evaluating Board and Committee Performance

The Board, acting through the Corporate Governance and Nominating Committee, should conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Corporate Governance and Nominating Committee should periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Each committee of the Board should conduct an annual self-evaluation, using procedures approved by the Corporate Governance and Nominating Committee, and report the results to the Board. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter, if any.

XIV. Reliance on Management and Outside Advice

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors except to the extent that sole authority to retain certain advisors has been delegated to committees in accordance with their respective charters.

XV. Loans to Directors and Executive Officers

It is the Company's policy not to make personal loans to its directors and executive officers.