

**HESS CORPORATION**

**COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE**  
**CHARTER**

**A. ORGANIZATION**

1. The Compensation and Management Development Committee (the “Committee”) shall be appointed by the Board of Directors (the “Board”) and shall consist of not less than three directors, each of whom shall have no material relationship with the Corporation and each of whom shall be “independent” under the rules of the Securities and Exchange Commission (“SEC”) and applicable rules of the New York Stock Exchange, as determined by the Board in its business judgment. At least two members of the Committee shall qualify as “Non-Employee Directors” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 and as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code.
2. Members shall be appointed by the Board based on nominations recommended by the Corporation’s Corporate Governance and Nominating Committee, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.
3. The Board shall designate one member of the Committee as its chairperson.
4. The Committee shall meet at least twice per year.
5. The Board may, at any time, amend or alter the charter of the Committee.
6. The Committee may form and delegate authority to subcommittees as it deems appropriate.

**B. STATEMENT OF PURPOSE**

The Committee shall discharge the Board’s responsibilities relating to compensation of the Corporation’s Chief Executive Officer (“CEO”) and other senior executives and produce an annual report on executive compensation for inclusion in the Corporation’s Proxy Statement in accordance with the rules and regulations of the Securities and Exchange Commission. The Committee shall monitor the Corporation’s compensation and benefits programs to assure that they are sufficient to attract, retain and develop management and other personnel deemed necessary by the Committee to meet the Corporation’s long-term financial return and growth targets and to serve the long-term interests of the stockholders of the Corporation. The Committee also shall review management development programs and results.

## C. RESPONSIBILITIES AND PROCESSES

The Committee shall:

1. In consultation with senior management, establish the Corporation's general compensation philosophy and oversee and make recommendations to the Board with respect to the development and implementation of compensation programs, including incentive compensation and equity based plans, applicable to executive officers.
2. Review and approve corporate goals and objectives relevant to the compensation of the CEO of the Corporation, evaluate the performance of the CEO in light of those goals and objectives, either as committee or together with the other independent directors (as directed by the Board) and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Corporation's performance and relative shareholder returns, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in the past years.
3. Approve the compensation of the Chief Executive Officer and the other executive officers whose compensation is reported in the Corporation's Proxy Statement.
4. Review and discuss the Compensation Discussion and Analysis (the "CD&A") required to be included in the Corporation's proxy statement and annual report on Form 10-K by the rules and regulations of the SEC with management, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included. Produce the Compensation Committee Report on executive compensation as required to be included in the Corporation's annual proxy statement in accordance with applicable SEC rules.
5. Administer the Corporation's compensation policy for all executive officers.
6. Make awards of options, restricted stock and other stock-based and cash compensation under any plan that has been approved by the stockholders of the Corporation.
7. Review management development programs and results, including job succession issues and the relationship of compensation to management development. In particular, the Committee shall review, revise as necessary and recommend to the Board a succession plan, developed by management, addressing the policies and principles for electing a successor to the CEO, both in an emergency situation and in the ordinary course of business.

8. Provide oversight for the Corporation's Employees' Pension Plan and other pension plans sponsored by the Corporation, its subsidiaries or affiliates ("Pension Plans"). The Committee shall:
  - a) Approve any changes in benefits which, in the opinion of senior management, will increase the Corporation's pension expense by an amount in excess of \$5 million in any fiscal year, it being understood that changes in benefits which, in the opinion of senior management, will increase such expense by an amount equal to or less than \$5 million in any fiscal year may be approved by senior management of the Corporation.
  - b) Monitor the CEO's appointment of a committee of members of senior management of the Corporation and designation to such committee the responsibility to perform the following functions with respect to the Pension Plans:
    - (i) Adopt general asset allocation and investment strategy policies.
    - (ii) Approve the appointment and termination of investment managers.
    - (iii) Review investment performance of the Pension Plans' assets and the performance of investment managers with the Committee.
    - (iv) Take any other actions consistent with the authorities provided in the governing document of a Pension Plan relating to the management of investment of Pension Plan assets which such committee may reasonably deem necessary or appropriate.
9. Approve any change in the Corporation's Employees' Savings and Stock Bonus Plan and other similar plans which, in the opinion of senior management, will cost the Corporation in excess of \$5 million in any fiscal year.
10. Discuss with senior management in general terms other benefit plans including, without limitation, medical insurance and other health and welfare plans.
11. Have the authority appropriate to discharge its duties and responsibilities, including the authority to, in its sole discretion and without seeking approval of the Board or management, select, retain, terminate and obtain the advice of a compensation or investment consultant, legal counsel, other expert or adviser (each, an "Adviser"), and be directly responsible for the appointment, compensation and oversight of the work of any Adviser retained by the Committee. With respect to compensation consultants retained to assist the

Committee in the evaluation of CEO or senior executive compensation, this authority shall be vested solely in the Committee.

12. Have the resources appropriate to discharge its duties and responsibilities, including appropriate funding from the Corporation, as determined by the Committee, for payment of reasonable compensation to any Adviser retained by the Committee.
13. Before selecting any Adviser, take into consideration all factors relevant to that person's independence from management, including the factors specified in Section 303A.05(c) of the New York Stock Exchange Listed Company Manual, unless such independence assessment is not required by such Section 303A.05(c).

#### **D. REPORTS TO BOARD OF DIRECTORS**

1. As required by the By-Laws of the Corporation, the Committee shall report to the Board after each of its meetings either at the Board meeting which immediately follows the meeting of the Committee or at the next succeeding Board meeting. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.
2. The Committee shall also produce and provide to the Board an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this charter. The performance evaluation should also recommend to the Board any improvements to this charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate.