

HESS CORP
Form PREC14A
March 07, 2013
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SCHEDULE 14A

(Rule 14a-101)

Information Required in Proxy Statement

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

Hess Corporation

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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- .. Fee paid previously with preliminary materials.

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

HESS CORPORATION

1185 AVENUE OF THE AMERICAS

NEW YORK, N.Y. 10036

[], 2013

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders, which will be held at [], on Thursday, May 16, 2013, at [], local time. The formal notice of annual meeting and proxy statement, which are contained in the following pages, outline the action to be taken by the stockholders at the meeting. You should also have received a **WHITE** proxy card and postage-paid return envelope. **WHITE** proxy cards are being solicited on behalf of our board of directors.

Your vote will be especially important at the meeting. As you may have heard, Elliott Associates, L.P. and Elliott International, L.P. (together with their affiliates and related parties, Elliott) has notified the company that Elliott intends to nominate a slate of five nominees for election as directors at the meeting in opposition to the nominees recommended by our board of directors and to present a proposal to repeal any by-laws adopted without stockholder approval since February 2, 2011 (the Elliott Proposal).

The board of directors does not endorse any Elliott nominees and unanimously recommends that you vote **FOR** the election of each of the nominees proposed by the board of directors and **AGAINST** the Elliott Proposal. The board of directors strongly urges you not to sign or return any proxy card sent to you by Elliott. If you have previously submitted a proxy card sent to you by Elliott, you can revoke that proxy and vote for our board of directors' nominees and on the other matters to be voted on at the meeting by using the enclosed **WHITE** proxy card.

It is important that your shares be represented at the meeting whether or not you are personally able to attend. Accordingly, after reading the attached Notice of Annual Meeting of Stockholders and Proxy Statement, please promptly submit your proxy by telephone,

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internet or mail as described in your **WHITE** proxy card. If you submit your proxy over the internet, you will have the opportunity to agree to receive future stockholder documents electronically via email, and we encourage you to do so. If you choose to submit your vote by traditional proxy or voting instruction card, please sign, date and mail the **WHITE** card in the enclosed pre-addressed reply envelope. Your cooperation will be appreciated.

Sincerely yours,

Chairman of the Board

and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulatory agency has passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The attached proxy statement is dated [], 2013 and is first being mailed to stockholders on or about [], 2013.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor at the contact listed below:

105 Madison Avenue

New York, New York 10016

(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

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HESS CORPORATION

1185 AVENUE OF THE AMERICAS

NEW YORK, N.Y. 10036

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Thursday, May 16, 2013, at []

To the Stockholders:

The annual meeting of stockholders of Hess Corporation will be held at [], on Thursday, May 16, 2013, at [], local time, for the following purposes:

1. To elect five directors for the ensuing three-year term (pages 1 to of the accompanying proxy statement);
2. To act upon the ratification of the selection by the audit committee of Ernst & Young LLP as independent auditors (pages and);
3. To conduct a non-binding advisory vote to approve the compensation of our named executive officers (pages to);
4. To act upon a proposal to amend the company's restated certificate of incorporation and by-laws to declassify the board of directors (pages to);
5. To act upon stockholder proposals described in the accompanying proxy statement if properly introduced at the meeting (pages to);
6. To act upon a stockholder proposal submitted by Elliott Associates, L.P. and Elliott International, L.P. (together with their affiliates and related parties, Elliott) to repeal provisions or amendments of the company's by-laws, if any, adopted without stockholder approval after February 2, 2011 and prior to the annual meeting (the Elliott Proposal) if properly introduced at the meeting (pages to); and
7. To transact any other business which properly may be brought before the meeting.

All stockholders are cordially invited to attend, although only stockholders of record at the close of business on April 8, 2013, the record date for the annual meeting, will be entitled to vote at the meeting.

Please note that Elliott has notified the company of its intent to nominate a slate of five nominees for election as directors at the meeting in opposition to the nominees by our board of directors and to present the Elliott Proposal. You may receive solicitation materials from Elliott, including proxy statements and proxy cards. We are not responsible for the accuracy of any information provided by or relating to Elliott or its nominees contained in solicitation materials filed or disseminated by or on behalf of Elliott or any other statements Elliott may make.

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The board of directors does not endorse any Elliott nominees and unanimously recommends that you vote FOR the election of each of the nominees proposed by the board of directors and AGAINST the Elliott Proposal. Our board of directors strongly urges you not to sign or return any proxy card sent to you by Elliott. If you have previously submitted a proxy card sent to you by Elliott, you can revoke that proxy and vote for our board of directors nominees and on the other matters to be voted on at the meeting by using the enclosed WHITE proxy card.

By order of the board of directors,

George C. Barry

Secretary

New York, New York

[], 2013

YOUR VOTE IS IMPORTANT

You are urged to date, sign and promptly return the WHITE proxy card in the envelope provided to you, or to use the telephone or internet method of voting described in your WHITE proxy card, so that if you are unable to attend the meeting your shares can be voted.

Hess Corporation s proxy statement and 2012 annual report are available at [http://\[\]](http://[])

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HESS CORPORATION

PROXY STATEMENT

The enclosed proxy is solicited by the board of directors of Hess Corporation for use at the annual meeting of stockholders to be held on Thursday, May 16, 2013, at [], local time. The company's principal executive office is located at 1185 Avenue of the Americas, New York, New York 10036. On or about [], 2013, we mailed this proxy statement, the notice of annual meeting and the accompanying **WHITE** proxy card to our stockholders.

Holders of record of common stock of the company at the close of business on April 8, 2013 will be entitled to vote at the annual meeting. Each share of common stock will be entitled to one vote. On April 8, 2013, the record date for the annual meeting, there were [] shares of common stock outstanding. There are no other voting securities of the company outstanding.

If you are a registered stockholder, you can simplify your voting by using the internet or calling a toll-free telephone number. Internet and telephone voting information is provided on the **WHITE** proxy card. If you vote via the internet or by telephone, there is no need to return a signed proxy card. However, you may still vote by proxy by using the **WHITE** proxy card.

Proxies will be voted at the annual meeting in accordance with the specifications you make on the proxy. If you sign the **WHITE** proxy card or submit a proxy by telephone or over the internet and do not specify how your shares are to be voted, your shares will be voted in accordance with the recommendations of the board of directors (See Questions and Answers about the Annual Meeting and Voting).

Brokers are not permitted to vote your shares with respect to any proposals at the annual meeting without your instructions as to how to vote. Please instruct your broker how to vote your shares using the voting instruction form provided by your broker. Please return your completed WHITE proxy card or voting instruction form to your broker and contact the person responsible for your account so that your vote can be counted.

Please note that Elliott has notified the company of its intent to nominate a slate of five nominees for election as directors at the meeting in opposition to the nominees by our board of directors and present the Elliott Proposal. You may receive solicitation materials from Elliott, including proxy statements and proxy cards. We are not responsible for the accuracy of any information provided by or relating to Elliott or its nominees contained in solicitation materials filed or disseminated by or on behalf of Elliott or any other statements Elliott may make.

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The board of directors does not endorse any Elliott nominees and unanimously recommends that you vote FOR the election of each of the nominees proposed by the board of directors and AGAINST the Elliott Proposal. Our board of directors strongly urges you not to sign or return any proxy card sent to you by Elliott. If you have previously submitted a proxy card sent to you by Elliott, you can revoke that proxy and vote for our board of directors nominees and on the other matters to be voted on at the meeting by using the enclosed WHITE proxy card.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor at the contact listed below:

105 Madison Avenue

New York, New York 10016

(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

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QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Why did I receive these proxy materials?

You have received these proxy materials because you are a Hess Corporation stockholder, and our board of directors is soliciting authority, or proxy, to vote your shares at the 2013 annual meeting of stockholders. The proxy materials include our notice of annual meeting of stockholders, proxy statement and 2012 annual report. These materials also include the **WHITE** proxy card and postage-paid return envelope or voting instruction form for the annual meeting. **WHITE** proxy cards are being solicited on behalf of our board of directors. The proxy materials include detailed information about the matters that will be discussed and voted on at the meeting, and provide updated information about our company that you should consider in order to make an informed decision when voting your shares. The proxy materials are first being furnished to stockholders on or about [], 2013.

There are eight proposals scheduled to be voted on at the annual meeting:

Proposal 1: Election of five director nominees;

Proposal 2: Ratification of the selection of Ernst & Young LLP as independent auditors for fiscal year ending December 31, 2013;

Proposal 3: Advisory approval of the compensation of our named executive officers;

Proposal 4: Approval of an amendment to the company's restated certificate of incorporation and by-laws to declassify the board of directors;

Proposal 5: Stockholder proposal recommending that the board of directors adopt a policy that requires an independent chairman;

Proposal 6: Stockholder proposal recommending that the board of directors take action to implement a simple majority vote standard;

Proposal 7: Stockholder proposal recommending that the company provide a report regarding political contributions; and

Proposal 8: Stockholder proposal submitted by Elliott recommending that the company repeal any provision or amendment of the by-laws adopted without stockholder approval after February 2, 2011 and prior to the annual meeting.

Have other candidates been nominated for election as directors at the annual meeting in opposition to the board of director's nominees?

Yes. Elliott, a stockholder of the company, has notified the company of its intent to nominate a slate of five nominees for election as directors at the annual meeting in opposition to the nominees recommended by our board of directors. Our board does not endorse any Elliott nominees and unanimously recommends that you vote **FOR** the election of each of the nominees proposed by the board of directors by using the **WHITE** proxy card accompanying this proxy statement. Our board strongly urges you not to sign or return any proxy card sent to you by Elliott.

Can I access the proxy materials on the internet?

Yes. The company's proxy statement and 2012 annual report are available at [http://\[\]](http://[]).

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How do I attend the annual meeting?

The annual meeting will be held at [] on Thursday, May 16, 2013 at [], local time. When you arrive, signs will direct you to the appropriate room. Please note that the doors to the meeting room will not be open until []. You should be prepared to present valid government-issued photo identification, such as a driver's license or passport, for admittance. In addition, if you are a stockholder of record, your name will be verified against the list of stockholders of record prior to admittance to the annual meeting. If you are a beneficial owner, you must provide proof of beneficial ownership on the record date, such as your account statement showing that you owned our stock as of April 8, 2013, a copy of the voting instruction form provided by your broker, trustee or nominee, or other similar evidence of ownership. If you do not provide valid government-issued photo identification and comply with the other procedures outlined above, you will not be admitted to the annual meeting. You do not need to attend the annual meeting to vote. Even if you plan to attend the annual meeting, please submit your vote in advance as instructed herein.

What is the quorum requirement for holding the 2013 annual meeting?

A majority of the outstanding shares of common stock, present in person or represented by proxy, will constitute a quorum at the annual meeting. Abstentions will be counted as shares present for purposes of determining the presence of a quorum for the transaction of business.

Who can vote?

Holders of record of common stock at the close of business on April 8, 2013 will be entitled to vote at the annual meeting. Each share of common stock will be entitled to one vote on all matters properly brought before the meeting. On April 8, 2013, the record date for the annual meeting, there were [] shares of common stock outstanding. There are no other voting securities of the company outstanding.

What is the difference between holding shares as a holder of record and as a beneficial owner?

If at the close of business on April 8, 2013, the record date for the annual meeting, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in [] street name and the proxy materials, as applicable, are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares in your account. If that organization is not given specific direction, shares held in the name of that organization may not be voted and will not be considered as present and entitled to vote on any matter to be considered at the annual meeting. **Brokers are not permitted to vote your shares with respect to any proposals at the annual meeting without your instructions as to how to vote. Please instruct your broker how to vote your shares using the voting instruction form provided by your broker. Please return your completed WHITE proxy card or voting instruction form to your broker and contact the person responsible for your account or vote by internet or telephone so that your vote can be counted.**

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How do I vote my shares?

You may vote your shares using one of the following methods:

Over the internet. If you have access to the internet, by submitting the proxy following the instructions included on your **WHITE** proxy card for voting over the internet.

By telephone. You can vote by calling a toll-free telephone number listed on the **WHITE** proxy card. Please refer to your **WHITE** proxy card for instructions on voting by phone.

By mail. You may vote your shares by completing, signing and mailing the **WHITE** proxy card included with your proxy materials. Please refer to your **WHITE** proxy card for instructions on voting by mail.

In person at the annual meeting. Stockholders are invited to attend the annual meeting and vote in person at the annual meeting. If you are a beneficial owner of shares you must obtain a legal proxy from the bank, broker or other holder of record of your shares to be entitled to vote those shares in person at the meeting. A control number, located on the instruction sheet attached to the **WHITE** proxy card, is designated to verify your identity and allow you to vote your shares and confirm that your voting instructions have been recorded properly. If you vote via the internet or by telephone, there is no need to return a signed **WHITE** proxy card. However, you may still vote by proxy by using the **WHITE** proxy card.

Can I change my vote?

Yes. You may revoke the proxy at any time prior to its use by:

delivering a written notice to the secretary of the company, mailed to the company's principal executive office at 1185 Avenue of the Americas, New York, New York 10036;

executing and submitting a later-dated proxy;

re-voting your shares by telephone or on the internet; or

attending the annual meeting and voting in person.

If you have previously signed a proxy card sent to you by Elliott, you may change your vote by marking, signing, dating and returning the enclosed **WHITE** proxy card in the accompanying post-paid envelope or by voting by telephone or via the Internet by following the instructions on your **WHITE** proxy card. Submitting a proxy card sent to you by Elliott will revoke votes you have previously made via the company's **WHITE** proxy card.

Only the latest validly executed proxy that you submit will be counted.

What vote is required to approve each of the proposals?

Proposal 1: Election of directors: Elliott has notified the board of directors of its intent to nominate a slate of five nominees for election as directors of the company at the 2013 annual meeting in opposition to the nominees recommended by the board. As a result, the election of directors is considered a contested election as defined in the company's by-laws. This means that, although the company does not know whether

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Elliott will, in fact, nominate any individuals for election as directors at the annual meeting, the five nominees receiving the highest number of FOR votes will be elected at the annual meeting. Withholdings will be counted as present for the purposes of this vote but are not counted as votes cast. Broker non-votes will not be counted as present and are not entitled to vote on the proposal. In the event that Elliott withdraws its nominees on or prior to the day before we mail this proxy statement to stockholders, our by-laws provide for majority voting in uncontested elections of directors. In such case, to be elected as a director of the company at the 2013 annual meeting, nominees must receive a majority of the votes cast. A majority of votes cast means that the number of shares voted FOR a director's election exceeds 50% of the number of votes cast with respect to that director's election.

Proposal 2: Ratification of selection of independent registered public accountants: Approval of this proposal 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 will be counted as present for purposes of this vote and will have the effect of a vote against the proposal. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

Proposal 3: Advisory vote to approve the compensation of the named executive officers: Approval of this proposal 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 will be counted as present for the purposes of this vote and will have the effect of a vote against the proposal. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

Proposal 4: Amend the company's restated certificate of incorporation and by-laws to declassify the board of directors: Approval of this proposal requires the affirmative vote of 80% of the outstanding shares of common stock. Therefore, abstentions and broker non-votes will have the effect of a vote against the proposal.

Proposals 5 - 8: Stockholder proposals: Approval of these proposals 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 will be counted as present for the purposes of this vote and will have the effect of a vote against these proposals. Broker non-votes will not be counted as present and are not entitled to vote on these proposals.

What are the recommendations of the board of directors?

The board of directors recommends that you vote your shares on your **WHITE** proxy card:

FOR the election of directors nominated herein,

FOR the proposal to ratify the selection of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 2013,

FOR the advisory approval of the compensation of our named executive officers,

FOR the proposal to amend our restated certificate of incorporation and by-laws to declassify the board of directors, and

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AGAINST the stockholder proposals recommending an independent chairman, a simple majority vote standard, a report regarding political contributions and **AGAINST** the Elliott Proposal.

The board strongly urges you not to sign or return any proxy card sent to you by Elliott.

What should I do with the proxy cards sent to me by Elliott?

Elliott has notified the company of its intent to propose its own director nominees for election at the annual meeting and to present the Elliott Proposal. The company does not know whether Elliott will in fact nominate individuals for election as directors at the annual meeting and present the Elliott Proposal or solicit proxies. The nominations and proposals made by Elliott have NOT been endorsed by the board. The company is not responsible for the accuracy of any information contained in any proxy solicitation materials used by Elliott or any other statements that they may otherwise make.

Our board does not endorse any Elliott nominees and opposes the Elliott Proposal and unanimously recommends that you disregard any proxy card that may be sent to you by Elliott. Voting to withhold with respect to any of Elliott's nominees on its proxy card is not the same as voting for our board's nominees, because a vote to withhold with respect to any of Elliott's nominees on its proxy card will revoke any previous proxy submitted by you. If you have already voted using a proxy card sent to you by Elliott, you have every right to change it and we urge you to revoke that proxy by voting in favor of our board's nominees by using the enclosed WHITE proxy card. Only the latest validly executed proxy that you submit will be counted any proxy may be revoked at any time prior to its exercise at the annual meeting by following the instructions under Can I change my vote? on page [5]. If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor, MacKenzie Partners Inc., toll free at (800) 322-2885 or directly at (212) 929-5500.

What does it mean if I receive more than one WHITE proxy card on or about the same time?

It generally means you hold shares registered in more than one account. In order to vote all of your shares, please sign and return each **WHITE** proxy card or, if you vote via the internet or telephone, vote once for each **WHITE** proxy card you receive.

If Elliott proceeds with its previously announced alternative director nominations, we will likely conduct multiple mailings prior to the annual meeting date so that stockholders have our latest proxy information and materials to vote. We will send you a new **WHITE** proxy card with each mailing, regardless of whether you have previously voted. The latest-dated proxy you submit will be counted, and, if you wish to vote as recommended by the board of directors then you should only submit **WHITE** proxy cards.

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What if I do not specify how I want my shares to be voted?

If you are the record holder of your shares and do not specify on your **WHITE** proxy card (or when giving your proxy by telephone or the internet) how you want to vote your shares, your shares will be voted:

FOR the election of directors nominated herein,

FOR the proposal to ratify the selection of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 2013,

FOR the advisory approval of the compensation of our named executive officers, and

FOR the proposal to amend our restated certificate of incorporation and by-laws to declassify the board,

AGAINST the stockholder proposals recommending an independent chairman, a simple majority vote standard, a report regarding political contributions and **AGAINST** the Elliott Proposal.

If you are a beneficial owner of shares and do not specify how you want to vote, your shares may not be voted by the record holder and will not be considered as present and entitled to vote on any matter to be considered at the annual meeting. If your shares are held of record by a bank, broker, or other nominee, we urge you to give instructions to your bank, broker, or other nominee as to how you wish your shares to be voted so you may participate in the stockholder voting on these important matters.

What is the effect of an ABSTAIN vote?

Abstentions are considered to be present and entitled to vote with respect to each relevant proposal, but will not be considered a vote cast with respect to that proposal. Therefore, an abstention will effectively be a vote against each of the proposals, except for the election of directors.

What is a broker non-vote ?

A broker non-vote occurs when a beneficial owner of shares held by a broker, bank or other nominee fails to provide the record holder with voting instructions on any non-routine matters brought to a vote at a stockholder meeting.

Under the rules of the New York Stock Exchange, non-routine matters include the election of directors, the advisory vote to approve the compensation of named executive officers, amendments to the company's charter to declassify the board of directors, the stockholder proposals and the Elliott Proposal described in this proxy statement. As such, a broker may not vote your shares with respect to such matters without your instructions. **Given the contested nature of the election, the rules of the New York Stock Exchange do not permit broker discretionary authority to vote on any proposals to be voted on at the meeting, whether routine or not.**

If your shares are held of record by a bank, broker, or other nominee, we urge you to give instructions to your bank, broker, or other nominee as to how you wish your shares to be voted so you may participate in the stockholder voting

on these important matters.

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What should I do if I have other questions?

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor, MacKenzie Partners Inc., toll free at (800) 322-2885 or directly at (212) 929-5500.

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Additional Information

Availability of additional materials

The company will provide to any person whose proxy is solicited by this proxy statement, without charge, upon written request to the company's corporate secretary at the company's principal executive office at 1185 Avenue of the Americas, New York, New York 10036, a copy of the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, or the company's proxy statement.

The information provided on the company's website (www.hess.com) is referenced in this proxy statement for information purposes only. Neither the information on the company's website, nor the information in the company's sustainability report, shall be deemed to be a part of or incorporated by reference into this proxy statement or any other filings we make with the Securities and Exchange Commission.

Proxy solicitation expenses

The cost of preparing and mailing the notice of annual meeting, this proxy statement and the accompanying proxy and the cost of solicitation of proxies on behalf of the board of directors will be borne by the company. Solicitations may be made by mail, internet, telephone, fax, town hall meetings, press releases, press interviews and/or through the use of the company's investor relations website. Some personal solicitation may be made by directors, officers and employees named in Annex B without special compensation, other than reimbursement for expenses. In addition, MacKenzie Partners Inc. has been retained to aid in the solicitation. Its fees for this solicitation are not expected to exceed \$[]. In addition, the company has agreed to reimburse MacKenzie Partners Inc. for its expenses. The company's aggregate expenses, including those of MacKenzie Partners Inc., related to the solicitation in excess of those normally spent for an annual meeting as a result of the potential proxy contest and excluding salaries and wages of our officers and regular employees, are expected to be approximately \$[], of which approximately \$[] has been spent to date. The company has agreed to indemnify MacKenzie Partners Inc. against certain liabilities relating to or arising out of their engagement. MacKenzie Partners Inc. estimates that approximately 50 of its employees will assist in this proxy solicitation, which they may conduct personally, by mail, internet, telephone, fax, email, town hall meetings, press releases, press interviews and/or through the use of the company's investor relations website. Additional information about persons who are participants in this proxy solicitation is set forth in Annex B. Brokers and other nominees will be requested to solicit proxies or authorizations from beneficial owners and will be reimbursed for their reasonable and documented expenses in connection therewith.

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Submission of stockholder proposals for the 2014 annual meeting

Proposals which stockholders wish to include in the company's proxy materials relating to the 2014 annual meeting of stockholders must be received by the corporate secretary at the address below no later than November [], 2013. Such proposals must meet the requirements of the Securities and Exchange Commission to be eligible for inclusion in the company's proxy materials. Proposals must be addressed to:

Hess Corporation

1185 Avenue of the Americas

New York, N.Y. 10036

Attn: Corporate Secretary

Any stockholder proposal for the 2014 annual meeting which the proponent does not wish to include in the company's proxy materials for that meeting will be subject to the discretionary authority of proxies solicited by the board of directors unless notice of the proposal is received by the company at the above address on or before [], 2014. Pursuant to the company's by-laws, stockholder nominations of candidates for election at the 2014 annual meeting must be received on or prior to February 14, 2014 together with the information required by such provision.

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BACKGROUND OF THE SOLICITATION

On January 25, 2013, Elliott notified the company by letter that it intended to file notices under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR") to enable Elliott to acquire more than \$800 million of the company's common stock, beyond those shares Elliott may already own. In a separate letter from Elliott's counsel, Elliott informed the company that it was considering nominating candidates for election to Hess's board of directors at Hess's upcoming 2013 annual meeting and asked the company to confirm whether a proposed form of representations that would be provided by Elliott nominees complied as to form. By written letter to Elliott's counsel that same day, the company provided the requested confirmation and advised Elliott of the nomination deadline.

On January 28, 2013, the company publicly confirmed that it had received the foregoing notices from Elliott.

On January 29, 2013, Elliott publicly filed various solicitation materials, including a presentation and press release concerning proposals for restructuring the company and identifying its proposed director candidates.

On January 30, 2013, Elliott delivered a notice to the company proposing to nominate a slate of five nominees to stand for election at the company's 2013 annual meeting. The notice also included a proposal to repeal any provisions or amendments of the company's by-laws adopted without stockholder approval after February 2, 2011 and prior to the company's 2013 annual meeting.

On February 5, 2013, Elliott submitted a request for certain stocklist materials pursuant to Section 220 of the Delaware General Corporation Law.

On February 13, 2013, the Federal Trade Commission granted Elliott early termination of the HSR waiting period.

On February 26, 2013, the company and Elliott executed a confidentiality agreement in connection with Elliott's request for certain stocklist materials.

On March 4, 2013, the company announced several initiatives representing the culmination of the company's multi-year transformation into a pure play E&P company and that it would be nominating five new independent director candidates for election at the 2013 annual meeting and had appointed a sixth additional new independent director to the board to fill a vacancy created by the resignation of an existing director. Later that day, Elliott publicly filed various solicitation materials responding to the company's announcements.

As of the date hereof, the company and Elliott have not had any other material contacts.

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PROPOSAL 1: ELECTION OF DIRECTORS

At the 2013 annual meeting, five directors are to be elected to serve for a term of three years and until their successors are elected and qualified.

The board recommends that you vote on the WHITE proxy card or voting instruction form FOR the election of each of Mr. John Krenicki, Jr., Dr. Kevin Meyers, Mr. Frederic Reynolds, Mr. William Schrader and Dr. Mark Williams to serve as directors of Hess until the 2016 annual meeting of stockholders, or until their successors are elected and qualified.

It is intended that WHITE proxies will be voted for the five nominees set forth herein. **The board unanimously recommends using the enclosed WHITE proxy card to vote FOR each of the board's five nominees for director. Elliott has notified the company of its intent to nominate a slate of five nominees for election as directors at the annual meeting. As a result, the election of directors is considered a contested election as defined in the company's by-laws, and the five nominees receiving the highest number of FOR votes will be elected.** Withholdings will be counted as present for the purposes of this vote but are not counted as votes cast. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

The board does not endorse any Elliott nominees and urges you not to sign or return, any proxy card that may be sent to you by Elliott. Withholdings with respect to any of Elliott's nominees on its proxy card is not the same as voting for our board's nominees, because a vote to withhold with respect to any of Elliott's nominees on its proxy card will revoke any previous proxy submitted by you. If you have already voted using a proxy card sent to you by Elliott, you have every right to change it and the board urges you to revoke that proxy and vote in favor of the board's nominees by using the enclosed WHITE proxy card. Only the latest validly executed proxy that you submit will be counted.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor at the contact listed below:

105 Madison Avenue

New York, New York 10016

(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

In the event that Elliott withdraws its nominees on or prior to the day before the company mails its initial proxy statement to stockholders, the company's by-laws provide for majority voting in uncontested elections of directors. In such case, to be elected as a director of the company at the 2013 annual meeting, nominees must receive a majority of the votes cast. A majority of votes cast means that the number of shares voted FOR a director's election exceeds 50% of the number of votes cast with respect to that director's election. If a nominee

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for director who is an incumbent director is not elected at the 2013 annual meeting and no successor has been elected at the annual meeting, the director is required to promptly tender his or her resignation to the board of directors. The corporate governance and nominating committee is then required to make a recommendation to the board of directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The board of directors will act on the tendered resignation and will publicly disclose its decision and rationale within 90 days following certification of the election results. These procedures are described in full in our by-laws, which may be found on the company's website at www.hess.com.

The persons named as proxies intend to vote the proxies **FOR** the election of each of these five nominees unless you indicate on the **WHITE** proxy card a vote to **WITHHOLD** your vote with respect to any of the nominees. It is expected that all candidates will be able to serve. However, if before the election one or more are unable to serve or for good cause will not serve, the proxy holders will vote the proxies for the remaining nominees and for substitute nominees chosen by the board of directors unless it reduces the number of directors to be elected. If any substitute nominees are designated, we will file an amended proxy statement that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected, and includes certain biographical and other information about such nominees required by the rules of the Securities and Exchange Commission.

The board recommends that you vote on the **WHITE** proxy card or voting instruction form **FOR** the election of each of Mr. John Krenicki, Jr., Dr. Kevin Meyers, Mr. Frederic Reynolds, Mr. William Schrader and Dr. Mark Williams to serve as directors of Hess until the 2016 annual meeting of stockholders, or until their successors are elected and qualified.

The following table presents information as of March 1, 2013 on the board's five nominees for election as directors of the company and the directors continuing in their respective terms of office, including the specific experience, qualifications, attributes or skills that led the board to conclude that such person should serve as a director. In addition to the information set forth below, Appendix B sets forth information relating to our directors, nominees for directors and certain of our officers and employees who are considered "participants" in our solicitation under the rules of the Securities and Exchange Commission by reason of their position as directors of the company, as nominees for directors or because they may be soliciting proxies on our behalf.

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Nominees for Director

Class I

Term expiring in 2016

Name	Age	Director since	Principal occupation, other directorships and skills and experience
John Krenicki, Jr.	50		<p>Principal Occupation: Partner, Clayton, Dubilier & Rice, LLC (investment firm), Former Vice Chairman, General Electric Company and former Chief Executive Officer, GE Energy.</p> <p>Skills and Experience: Mr. Krenicki is one of America's top corporate executives with a strong track record of success, experience and leadership in operations, oil and gas and energy. His experience leading large-scale initiatives and operations across a global energy portfolio, will add important perspective to the Hess board as the company completes its transformation to a pure play exploration and production (E&P) company.</p>
Kevin Meyers, Ph.D	59		<p>Principal Occupation: Former Senior Vice President of E&P for the Americas, ConocoPhillips.</p> <p>Other Directorships: Bill Barrett Corporation, Denbury Resources Inc., Hornbeck Offshore Services, Inc., and Precision Drilling Corporation. Former Director, LUKOIL.</p> <p>Skills and Experience: Dr. Meyers has over 30 years of experience in exploration and production, both domestic and international. Based on this experience, Dr. Meyers will bring to the Hess board decades of managing cost-efficient E&P operations in geographies directly relevant to Hess' focused E&P portfolio.</p>
Fredric G. Reynolds	62		<p>Principal Occupation: Former Executive Vice President and Chief Financial Officer (CFO), CBS Corporation.</p> <p>Other Directorships: AOL, Inc., Mondelez International Inc. Former Director, The Readers Digest Association, Blockbuster Inc., Sportsline.com, Inc.</p> <p>Skills and Experience: During his tenure as CFO of CBS Corporation, shareholders experienced substantial share appreciation and return of capital. Mr. Reynolds will bring to the Hess board his substantial experience as a CFO with a successful track record of financial oversight, leading a successful transformation, returning capital, and delivering long term returns.</p>
William G. Schrader	55		<p>Principal Occupation: Former Chief Operating Officer, TNK-BP Russia.</p>

Other Directorships: Ophir Energy (African oil and gas exploration company).

Skills and Experience: Mr. Schrader is an outstanding E&P executive responsible for transforming BP's best and most valued E&P assets, and will bring to the board his experience as a disciplined E&P operator with expertise in production sharing structures, government relations, and delivering returns.

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Name	Age	Director since	Principal occupation, other directorships and skills and experience
Mark Williams, Ph.D	61	&nb	