Cash Accumulation Plan Guide

Building Financial Security

Your Future

Whether your retirement is right around the corner or farther down the road, it's never too early to start preparing. Even if you're well on your way, it's always good to make sure you're heading in the right direction.

Hess Corporation offers you two valuable plans that can make your retirement destination more comfortable and financially rewarding.

Savings Plan

A 401(k) plan both you and the company contribute to that provides retirement income based on your contributions, the performance of the investment funds you choose, IRS-allowed tax advantages, compound interest and more.

Cash Accumulation Plan

This plan is designed to provide income at retirement at no cost to you. Hess pays the full cost of the benefit.

Each month, Hess contributes a defined amount to an account based on your eligible compensation and guarantees the account will grow by a fixed percentage.

When you reach retirement age, you can take the accrued amount either as a lump sum or as an annuity.

Similar to the Savings Plan, you can roll your account balance over to another tax-qualified plan if you leave the company before you're ready to retire.

This guide will help you learn more about your Cash Accumulation Plan. For more information about the Savings Plan and other resources, turn to Tools and Resources on page 19.

WHAT'S INSIDE

AT A GLANCE

Here's a quick overview of your Cash Accumulation Plan. You'll find more details about each topic in this guide.

When Participation Begins

You'll be able to see your account grow after your first month of employment. Pay and interest credits for each calendar month are posted to your account about two weeks after the end of the month.

Contributions

The company makes all contributions to the plan. There's no need for you to contribute, nor does it cost you anything to participate. At the end of each month, Hess credits you with a pay credit based on your age and an interest credit based on a U.S. Treasury bond rate.

Your Cash Accumulation Plan Account

Your pay credits and interest credits stay in your account until you leave or retire.

Vesting

You own your pension benefit as soon as you complete three years of vesting service or reach age 65 with one year of vesting service.

If You Become Disabled

You'll continue to receive pay credits and interest credits while you're disabled until you begin receiving your benefits from the plan.

When You Retire or Leave

Your benefit is portable, which means you can take your vested benefit with you if you leave the company, regardless of your age.

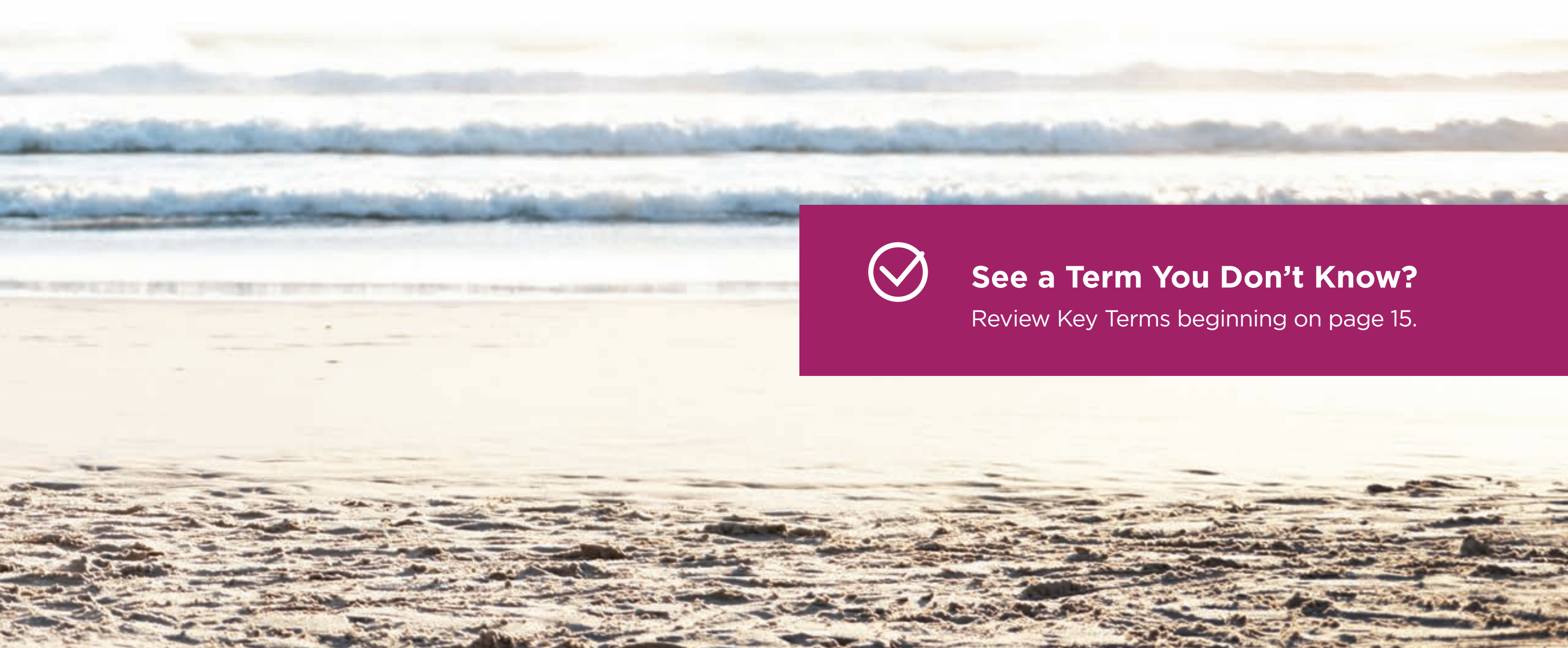
Payment Options

When you decide to begin receiving your benefits, you can choose a lump sum or one of several types of monthly annuities.

If You Die

If you're vested and die before receiving plan benefits, your surviving spouse or beneficiary will receive a benefit.

If you die after benefits begin, your death benefit is based on the form of payment you selected at retirement.



See a Term You Don't Know?

Review Key Terms beginning on page 15.

PLAN BASICS

Eligibility

You'll automatically participate in the Cash Accumulation Plan if you:

- Were hired or rehired on or after January 1, 2017;
- Are a full-time or part-time employee; and
- Have completed one year of vesting service (12 consecutive months with at least 1,000 hours worked)

Contributions

You don't make any contributions to your Cash Accumulation Plan account. Hess pays 100 percent of the cost of your benefit.

Investments

You don't need to make any investment decisions for the Cash Accumulation Plan.

Vesting

Even though you participate in the plan after one year and your pension benefits are being credited to you, they aren't 100 percent yours until you become fully vested.

You're vested as soon as you:

- Complete three years of vesting service from your date of hire, or
- Reach normal retirement age (age 65) and have at least one year of vesting service

Portability

Your Cash Accumulation Plan account is portable, like your Savings Plan account. When you leave Hess you can take it with you in the form of a lump sum or an annuity.

If you're not ready to retire when you leave Hess, you can elect a lump-sum distribution and then roll it over into another employer's plan or to an individual retirement account (IRA). Doing so means you can maintain the tax advantage until you retire. Please note: Before you roll over to another employer's plan, check to make sure the plan is tax-qualified and accepts rollover contributions. If not, your distribution will be subject to both income and penalty taxes.

Receiving a Benefit

You cannot take any loans or withdrawals from your Cash Accumulation Plan account. You're fully vested in your benefit when you have been credited with three years of vesting service or you reach normal retirement age (age 65) and have at least one year of vesting service. Here's what happens to your account if you're fully vested:

- **If You Retire** Benefits are normally paid when you retire. Because the plan offers you the choice of a lump sum or several monthly annuity options, you can choose the payment method that fits your needs.
- **If You Become Disabled** Interest credits and pay credits will be added while you're disabled until you begin receiving your benefits from the plan.
- **If You Leave Hess** You may receive your benefit as a lump sum or as one of several monthly payment options. You may also leave your benefit in the plan, where it will continue to earn interest credits (but not pay credits) until you choose to receive benefits. If you're under age 55 when you receive your benefit, you'll owe ordinary income tax and may be subject to a 10 percent penalty tax. To continue to defer taxes and avoid that 10 percent penalty tax on early payment, you may choose instead to roll over your benefit to another qualified plan or an IRA.
- **If You Die Before Benefits Begin** Your full benefit will be paid to your spouse or beneficiary. You don't have to be married for a death benefit to be paid.

If you were a Hess employee before January 1, 2017, earned a pension benefit under the Pension Plan and experience one of the events listed above, a portion of your total benefit may be paid under that plan.

Take Care of Your Loved Ones — Name Your Beneficiaries

If you're married, your spouse is automatically your beneficiary for the Cash Accumulation Plan. However, you may designate another person as your beneficiary if you obtain your spouse's written, notarized consent.

If you're not married, you can name anyone as your beneficiary.

To name your beneficiary for the Pension Plan and other Hess benefits, visit the **Hess Benefits Center at Fidelity** at **netbenefits.com** or call **1-877-511-4377**, Option 2, Monday–Friday, 7:30 a.m.–7 p.m. CT

HOW IT WORKS

There's not a lot you need to do when it comes to your Cash Accumulation Plan account. Hess makes contributions on your behalf and manages the investment portfolio. You don't contribute or make investment decisions, but you still need to understand how it works.

How Your Account Grows

INTEREST CREDIT + PAY CREDITS = YOUR PENSION BENEFIT

INTEREST CREDIT	+	PAY CREDITS	=	YOUR PENSION BENEFIT
Account Balance **x** Prorated Interest Rate		Eligible Monthly Compensation **x** Percentage of Pay Based on Age		

The terms below will help you understand how they work together to determine your pension benefit under the Cash Accumulation Plan. You'll find more Key Terms explained beginning on page 15.

Age

This is your age in completed years as of the last day of the prior month.

Cash Accumulation Plan Account

Your pay credits and interest credits are held in a notional account until you retire or leave.

Interest Credits

Interest credits are determined each month by multiplying your opening account balance by an interest rate, which is set annually. The interest rate is based on the 30-year Treasury bond rate set the prior November and cannot be lower than an annual rate of 1 percent. For example, the annual rate for 2020 is 2.28 percent.

Interest credits are deposited into your Cash Accumulation Plan account on the last day worked each month. Because interest credits are deposited monthly but based on an annual interest rate, the interest is applied on a pro rata basis. In other words, one-twelfth of the annual interest rate is multiplied by your opening account balance, and then deposited on the last day of the month.

Pay Credits

These are determined by multiplying your monthly compensation by a percentage based on your age as shown in the table below. Generally, compensation includes your base pay, overtime pay and Annual Incentive Plan (AIP) award. Like interest credits, pay credits are deposited into your Cash Accumulation Plan account on the last day worked each month.

Age	Pay Credit
Under 30	5%
30–39	6%
40–49	7%
50 or older	8%

HOW MUCH WILL YOU RECEIVE?

How Much Do You Have Now?

You can check your Cash Accumulation Plan account balance, Savings Plan account balance and more beginning in your second month of employment at the **Hess Benefits Center at Fidelity** at **netbenefits.com** or call **1-877-511-4377**, Option 2, Monday–Friday from 7:30 a.m. to 7 p.m. CT (except holidays).

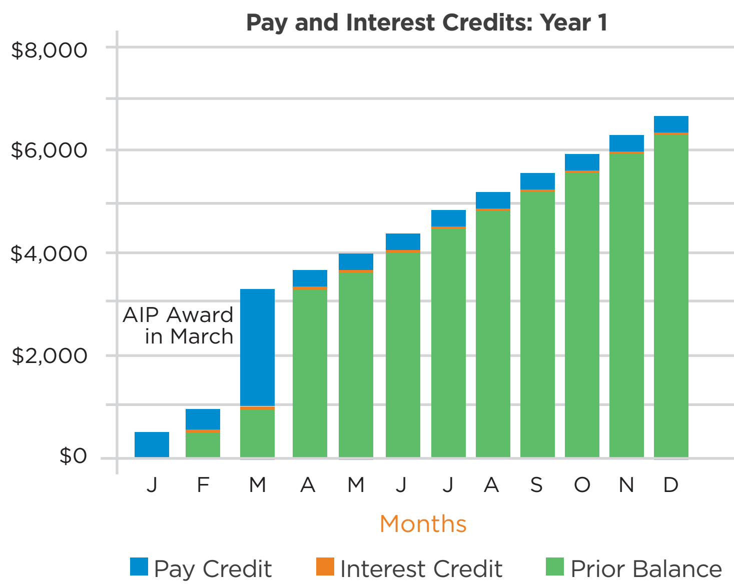
Financial experts estimate that you'll need about 80 percent of your preretirement income to live comfortably in retirement. The Hess Cash Accumulation Plan can play a role in reaching that objective, especially if you also participate in the Hess Savings Plan and get the full company match.

The value of your Cash Accumulation Plan account depends on your age, eligible compensation and the Treasury bond rate over time. How much you'll receive also depends on the payment option you choose and when you choose to receive it. Read on to learn about plan features and terms you need to know. Then, take advantage of the tools and resources to help with your retirement planning.

How Pay and Interest Credits Work

Let's look at how pay credits and interest credits go into your Cash Accumulation Plan account. They begin at the end of your month of hire, and continue for each month of employment. Let's assume the following:

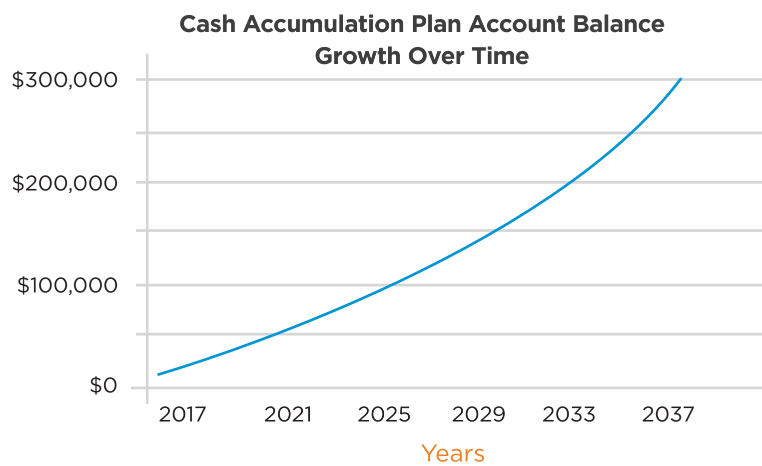
- Age: 48 years
- Pay credit: 7 percent
- Compensation:
  - $75,000 annual base pay (on average $6,250 per month, paid $2,884.62 per bi-weekly pay period)
  - $25,000 Annual Incentive Plan (AIP) award (paid once in March)
- Interest credit: 2.28 percent (prorated monthly)



How Your Account Can Grow Over Time

Now that you've seen how pay credits and interest credits go into your account, let's look at how your Cash Accumulation Plan account could grow over time. Remember, pay and interest credits begin at the end of the month of hire and continue for each month of employment. Continuing with the same assumptions we used above, add the following assumptions:

- Pay credit: 7 percent for two years, then 8 percent at age 50 and thereafter
- Compensation:
  - 3 percent base pay increase each year
  - $2,000 AIP award increase each year



UNDERSTAND YOUR PAYMENT OPTIONS

You can choose among pension payment options to meet your personal retirement needs. Payment options are grouped into "normal" and "optional" forms. You can choose to receive your benefit on the first day of any month after your termination of employment.

The normal form is the default based on your marital status when you leave or retire. But you can choose an optional form:

- If you're single when you leave or retire, you can choose any form of payment.
- If you're married and want to choose an optional form of payment—other than a Joint and Survivor option—your spouse must agree in writing.

After reviewing your payment options, be sure to go online and estimate what your account balance or monthly payments will be. Consider your decision carefully, because you cannot change the form of payment after payments begin.

Which Payment Option Makes Sense for You?

When it's time to retire, you'll decide which payment option works best for your situation. Here's a simplified explanation of your payment options:

Single Life Annuity
Just you, for the rest of your life

66⅔%, 75% or 100% Joint and Survivor Annuity
You and your spouse (or designated beneficiary) for the rest of your lives

Certain and Continuous Annuity
(Five or 10 years)
Payments guaranteed for a specified number of years

Lump Sum
A one-time payment to you

Normal Form of Payment

Single Life Annuity

If you're single when benefits begin, the normal form of payment is a single life annuity that provides monthly payments to you for your lifetime. When you die, no further benefits are payable to anyone else.

Qualified Joint and Survivor Annuity

If you're married when your benefits begin, the normal form of payment is a qualified Joint and Survivor annuity. This form pays you a reduced benefit during your lifetime so when you die, your spouse, if he or she survives you, will receive 50 percent of the benefit you were receiving for the rest of his or her life.

Optional Forms of Payment

You may select one of the following optional forms of payment instead of your normal form. However, if you're married when you leave or retire, your spouse must consent to your election in writing unless you elect a Joint and Survivor option.

Single Life Annuity

This is the same as the normal form of payment for a single person. It provides monthly benefits during your lifetime only, with no benefits payable to anyone else after your death.

66⅔%, 75% or 100% Joint and Survivor Options

These options provide reduced monthly benefits during your lifetime so after your death, your designated beneficiary will receive a percentage of your reduced monthly benefit for the rest of his or her life. The larger the percentage for your survivor, the less you'll receive during your lifetime.

Certain and Continuous Annuity Option (Five or 10 Years)

This payment option provides reduced monthly benefits during your lifetime. If you die before receiving all of your payments during the guaranteed period (five or 10 years), your beneficiary will be paid the same amount you were receiving for the remainder of the guaranteed period. After all the guaranteed payments are made, payments to the beneficiary will stop. The longer the guaranteed period, the greater the reduction in your benefit.

Lump Sum

This option provides a one-time payment of your Cash Accumulation Plan account balance. A lump-sum payment is in lieu of recurring payments distributed over a period of time.

What Happens if You Leave the Company Before You Retire?

If you leave Hess before you retire, you'll receive the entire amount of your earned vested benefit.

If your total vested benefit is valued at $5,000 or less, your benefit will be automatically paid to you as a single lump sum. You can then roll it over to an IRA or other qualified plan.

If your total vested benefit is valued at more than $5,000, you may choose to receive your account balance as a lump sum or monthly annuity anytime after you leave the company, regardless of your age. Taxes and penalties may apply.

In any case, it's a good idea to make sure you understand the tax implications by checking with your financial advisor.

TAKING CARE OF TAXES

Since it's not possible to avoid them entirely, it's important to understand what taxes you'll owe on your pension benefit. And, if you take a lump-sum payment, you can roll it over to avoid a 10 percent penalty tax.

The IRS considers pension benefit payments taxable income, regardless of whether you choose to receive a lump sum or monthly annuity payments.

Lump Sum

If you choose to receive your Cash Accumulation Plan account in a lump sum, you'll owe:

- **Regular Income Tax** You'll owe ordinary income tax on the full amount unless you choose to roll it over to an IRA or an eligible retirement plan willing to accept it. If you don't roll your lump sum over, Hess will withhold 20 percent for the ordinary income tax you owe.
- **Early Distribution Penalty Tax** You'll also owe a 10 percent penalty tax (in addition to ordinary income tax) if you receive your balance before age 59½ (unless you're at least age 55 during the year you leave Hess) and don't roll it over. Hess won't withhold the penalty tax; you'll need to pay it when you file your tax return.

Annuity

If you choose to receive your Cash Accumulation Plan account in a series of monthly payments, you'll owe:

- **Regular Income Tax** Hess will withhold income tax unless you elect otherwise. If you don't want taxes withheld from your monthly annuity payments, you must complete the appropriate form when you retire.
- **Early Distribution Penalty Tax** You'll also owe a 10 percent penalty tax (in addition to ordinary income tax) if you receive your balance before age 59½ (unless you're at least age 55 during the year you leave Hess). Hess won't withhold the penalty tax; you'll need to pay it when you file your tax return.

Because the tax laws for plans like this one are often complicated, consider contacting your tax or financial advisor for more information.

Tax Questions? Ask Fidelity.

Get free, professional financial education and counseling services.

netbenefits.com

1-877-511-4377, Option 2
Monday–Friday, 7:30 a.m.–7 p.m. CT

KEY TERMS

To help you understand how the Cash Accumulation Plan works, we've provided definitions of some terms used in explaining the plan.

Accrued Benefit

Your accrued benefit is your Cash Accumulation Plan account balance, which is the adding together of pay and interest credits over time. If you take advantage of benefit modeling tools to project future benefits, your accrued benefit at some future date is estimated based on assumptions you input. In addition, when you model benefits, annuity options noted are the actuarial equivalent of your account balance lump sum.

Actuarial Equivalent

Actuarial equivalent is a measurement that compares two payment options to see if the resulting values are sufficiently close. Often, two or more payment options have the same or nearly the same value based on the actuarial assumptions.

Actuary

An actuary is a person who compiles and analyzes statistics and uses them to calculate insurance risks and premiums. An enrolled actuary is any individual who has satisfied the qualifications set forth in the regulations of the Joint Board for the Enrollment of Actuaries and who has been approved by the Joint Board to perform actuarial services under the Employee Retirement Income Security Act of 1974 (ERISA).

Beneficiary

A person designated by you to receive your retirement benefit if you die. If you're married, your spouse is automatically your beneficiary. However, for any benefit accrued in your Cash Accumulation Plan account, you may designate another person as your beneficiary if you submit your spouse's written and notarized consent. Additionally, if you're eligible to receive a benefit under the Hess Pension Plan and choose to name someone other than your spouse as your beneficiary for monthly benefits, your spouse must consent in writing before a notary.

Break in Service

A plan year in which you're credited with fewer than 501 hours of service.

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Cash Accumulation Plan

The Cash Accumulation Plan is a type of defined benefit plan called a cash balance plan. A cash balance plan defines the pension benefit in terms of an account balance for each participant. The account is credited with a "pay credit" (such as five percent of compensation from his or her employer) and an "interest credit" (either a fixed rate or a variable rate that is linked to an index such as the 30-year Treasury bond rate). Increases and decreases in the value of the plan's investments don't directly affect the benefit amounts promised to participants. Thus, the investment risks and rewards on plan assets are borne solely by the employer. When a participant becomes entitled to receive benefits under a cash balance plan, the benefits that are received are defined in terms of an account balance. The benefits in most cash balance plans, as in most traditional defined benefit plans, are protected, within certain limitations, by a federal insurance program provided through the Pension Benefit Guaranty Corporation (PBGC).

Cash Accumulation Plan Account

Your pay credits and interest credits are in a notional (hypothetical bookkeeping) account until you choose to receive a benefit, such as when you retire or leave the company.

Compensation

Compensation includes your base pay, overtime pay and Annual Incentive Plan (AIP) award.

Disability Retirement

If you become disabled (as defined by the Social Security Act) before your normal retirement date, you'll continue receiving pay credits and interest credits until your normal retirement date based on your pay just before you became disabled. You have the option to choose an earlier disability retirement provided you terminate employment, have at least 10 years of service, are eligible to receive a pension benefit and provide documentation showing you're eligible for and receiving a Social Security disability benefit.

Eligible Employee

Eligible employees include U.S. employees hired or rehired on or after January 1, 2017, of any Hess company that is a participating employer in the Hess Corporation Employees' Pension Plan.

ERISA

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntarily established pension and health plans in private industry to provide protection for individuals in these plans.

Hess Corporation Employees’ Pension Plan

The Hess Corporation Employees’ Pension Plan is one defined benefit plan with two formulas for calculating benefits—a traditional final average pay formula (Pension Plan) and a cash balance formula (Cash Accumulation Plan). Employees hired before January 1, 2017 participate in the Pension Plan. Employees hired or rehired on or after January 1, 2017 participate in the Cash Accumulation Plan.

Interest Credits

Interest credits are determined by multiplying your closing monthly account balance by a predetermined interest rate. The Cash Accumulation Plan interest rate is based on the 30-year Treasury bond rate as of the prior November and cannot be lower than an annual rate of 1 percent. For example, the annual rate for 2020 is 2.28 percent, prorated monthly.

Interest credits are deposited into your account on the last day worked each month. Because interest credits are deposited monthly but based on an annual interest rate, the interest is applied on a pro rata basis. In other words, one-twelfth of the annual interest rate is multiplied by your opening account balance, and then deposited on the last day of the month. Interest credits will continue to be added until the last day of the month before you begin receiving your plan benefit.

Pay Credits

Pay credits are determined by multiplying your monthly compensation by a percentage based on your age as shown in the table on page 9. Generally, compensation includes your base pay, overtime pay and Annual Incentive Plan (AIP) award. Like interest credits, pay credits are deposited into your Cash Accumulation Plan account on the last day worked each month. Pay credits will continue to be added until the last day of the month before you begin receiving your plan benefit.

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Pension Benefit Guaranty Corporation

The Pension Benefit Guaranty Corporation (PBGC) protects the retirement incomes of American workers funded from defined benefit pension plans, including the Hess Corporation Employees' Pension Plan (Pension Plan and Cash Accumulation Plan).

Plan Year

The plan year is January 1 through December 31.

Rehire

If you were a participant under the Pension Plan prior to December 31, 2016, and were rehired on or after January 1, 2017, you'll not lose your prior vesting service in certain situations.

- If you had at least five years of vesting service under the Pension Plan before leaving Hess, you're automatically fully vested in the Cash Accumulation Plan. The break in service rule (see page 15) doesn't apply to you in this situation.
- If you did not have at least five years of vesting service under the Pension Plan before leaving Hess and you did not have a break in service, your prior vesting service counts toward satisfying the three-year vesting requirement under the Cash Accumulation Plan.

In all cases, credited service that is used to calculate benefits under the Pension Plan is frozen as of your termination date prior to January 1, 2017.

If you're eligible for a vested pension benefit under both plans, you can make separate elections for when and how to receive each pension benefit.

Service

Beginning with your date of hire, you'll be credited with one year of service for each consecutive 12-month period during which you work at least 1,000 hours.

Social Security Retirement Age

Social Security's full benefit retirement age is increasing gradually because of legislation passed by Congress in 1983. If you were born in 1943–1954, your full benefit retirement age is 66. This will gradually rise to 67 for those born in 1960 or later. Early retirement benefits under Social Security will continue to be available at age 62, but they'll be reduced.

Vesting

Even though you become a member of the plan after one year and your pension benefits are being credited to you, they aren't 100 percent yours until you become fully vested. Vesting is the process of becoming entitled to your retirement benefit. Under the plan, you're vested when:

- You complete three years of service from your date of hire, or
- You reach normal retirement age (age 65) and have at least one year of vesting service

TOOLS AND RESOURCES

I Want To	Contact
Enroll or make a change to my savings, pension or deferred compensation ■ Enroll in the Savings Plan ■ Change my investment elections ■ Run pension estimates ■ Change my beneficiaries	**Hess Benefits Center at Fidelity** **netbenefits.com** **1-877-511-4377, Option 2**
Learn about all of my Hess benefits	**Hess Benefits** **hessbenefits.com**
Ask HR questions about Initiating retirement	**myHR** **myHR@hess.com** **1-713-496-7600**
Get assistance with financial planning ■ Retirement planning ■ Budgeting ■ Investing	**Hess Benefits Center at Fidelity** **netbenefits.com** **1-877-511-4377, Option 2**

Want More Information?

Visit **hessbenefits.com** to find Summary Plan Descriptions and other booklets essential to retirement planning, including:

- **Savings Plan Investment Guide** explains how the Savings Plan works, your investment options and much more.
- **Making the Transition to Retirement** provides answers to your retirement questions.

This guide provides highlights of the Cash Accumulation Plan in the Hess Corporation Employees' Pension Plan. If there is any discrepancy between the information provided in this guide and the official plan documents, the official plan documents will govern. Hess reserves the right to amend or terminate the plan at its discretion at any time.

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