



Hess Corporation Employees' Pension Plan Cash Accumulation Plan Hired or Rehired after December 31, 2016

August 2022 Learning Session



U.S. Pension Plan

- Provides retirement income at no cost to you
- Participation is automatic, benefit requires no action by you
- Important element of our total rewards program

Retirement in Perspective

Put Retirement in Perspective

What portion of your life will you spend in retirement?



How Much Will You Need?

How Much Will You Need in Retirement?

Target: 80% – 100% of pre-retirement income*

Some costs will decrease



- Social Security and Medicare taxes
- Work-related expenses
- Savings plan contributions

Some costs will increase



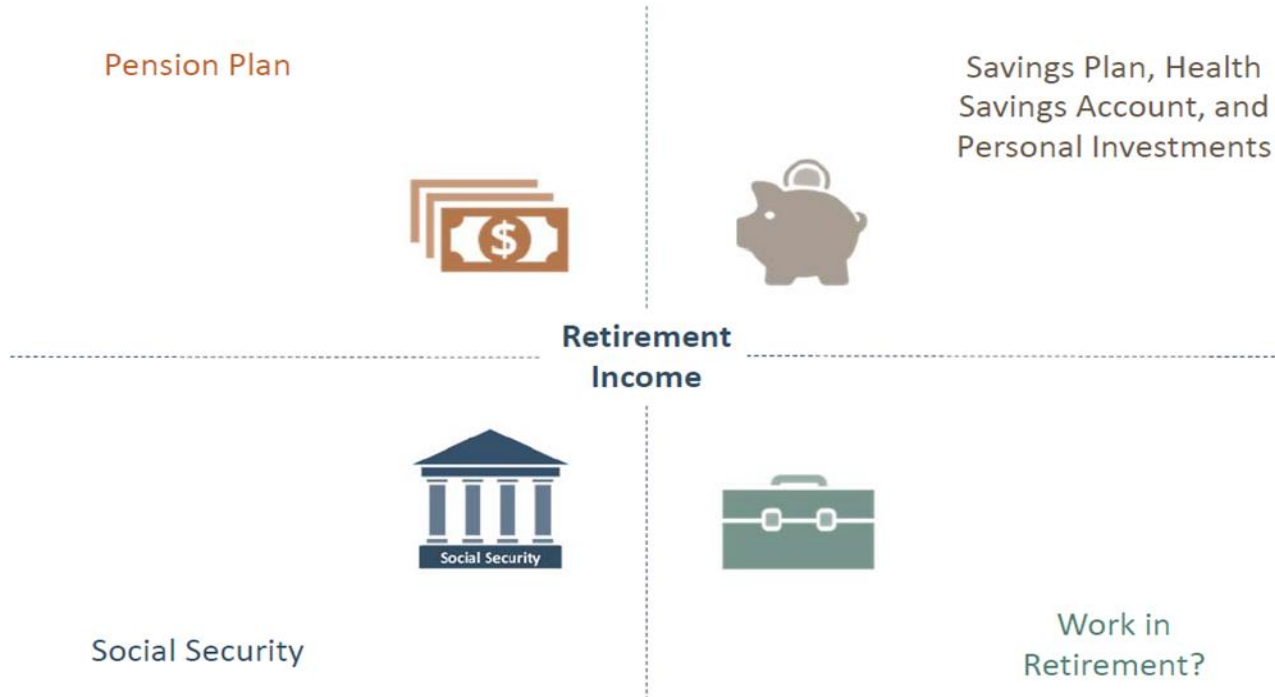
- Travel and leisure
- Medical expenses
- Long-term care

Don't forget to factor in inflation

* The amount of pre-retirement income required will vary by each individual and could be outside the range described above.

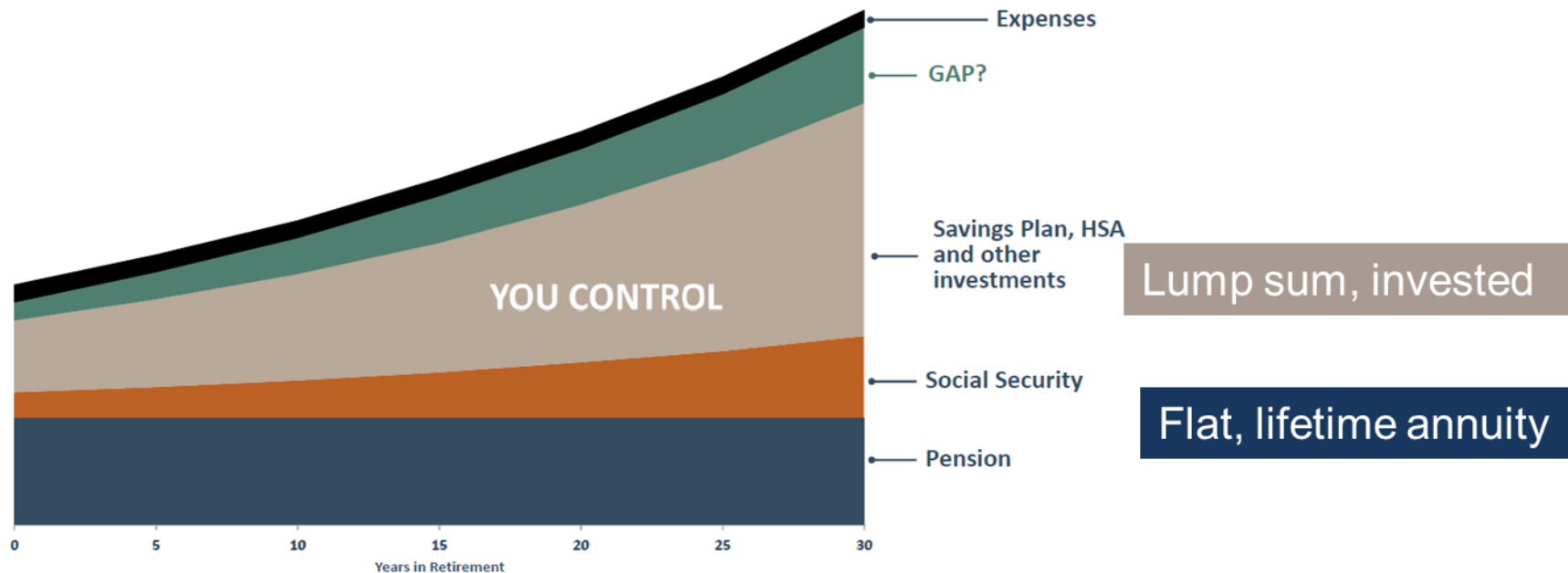
From What Sources?

Your Retirement Income Comes from Many Sources



Ensure You Have Enough

Ensure You Have Enough for Retirement:
What Role Will the Pension Play?



- **Account-based**
- **Cash credit and interest**
- **3-year vesting, or age 65 with one year of service**

Plan Overview

- You are entitled to a benefit if vested at time of separation from service
- Guaranteed by Federal Pension Benefit Guaranty Corporation (PBGC)
- 100% of cost is paid by Hess
- Participation begins after one year of service, but first year after hire counts towards vesting

Definitions

Compensation:

- Base Pay – includes sick leave, short-term disability, family leave, vacation pay
- Overtime
- Annual Incentive Plan (AIP) Award

Vesting Service:

- Each year of employment, or anniversary thereof, in which you have worked at least 1,000 hours.

Interest Credits:

- Interest credits are allocated to your CAP Account at the end of each calendar month. The amount is based on the end of month balance multiplied by an interest rate based on the 30-year Treasury rate.

Pay Credits:

- Based on your age and the amount of your monthly compensation.

Cash Accumulation – Benefit Calculation

Cash credit on
monthly compensation

- Under age 30 **5%**
- Age 30 – 39 **6%**
- Age 40 – 49 **7%**
- Age 50 plus **8%**



Compounding
interest

- **30-year Treasury**
from November
prior year
- 2022 – **1.94%**
- Guaranteed – **1%**



Account Balance



Cash Accumulation Plan Example

Example: Bob Davis

- Bob's Date of Birth is June 5, 1990 and is hired on Jan 1, 2020 at the age of 29
- Bob's annual compensation is \$24,000 when he is hired and increased by 4% each year
- For the purposes of the example, the average annual yield on 30-year treasury is 3% for Nov 2019

Monthly Period	Monthly Earnings	Beginning CAP Account Balance	Monthly Pay Credit	Monthly Interest Credit	Ending CAP Account Balance
Jan. 2020	\$2,000.00	\$0.00	\$100.00	\$0.00	\$100.00
Feb. 2020	\$2,000.00	\$100.00	\$100.00	\$0.25	\$200.25
Mar. 2020	\$2,000.00	\$200.25	\$100.00	\$0.49	\$300.74
Apr. 2020	\$2,000.00	\$300.74	\$100.00	\$0.74	\$401.48
May-20	\$2,000.00	\$401.48	\$100.00	\$0.99	\$502.47
Jun-20	\$2,000.00	\$502.47	\$100.00	\$1.24	\$603.71
Jul-20	\$2,000.00	\$603.71	\$120.00*	\$1.49	\$725.20
Aug. 2020	\$2,000.00	\$725.20	\$120.00	\$1.79	\$846.99
Sep. 2020	\$2,000.00	\$846.99	\$120.00	\$2.09	\$969.08
Oct. 2020	\$2,000.00	\$969.08	\$120.00	\$2.39	\$1,091.47
Nov. 2020	\$2,000.00	\$1,091.47	\$120.00	\$2.69	\$1,214.16
Dec. 2020	\$2,000.00	\$1,214.16	\$120.00	\$2.99	\$1,337.15

* Since Bob turned 30 on June 5, 2020, his Pay Credit was increased from 5% to 6%, beginning with his July 2020 Pay Credit

Benefit Payment Options

Available Payment Options:

- Single Life Annuity
- Joint and Survivor
- Certain and Continuous
 - 5-year and 10-year option
- Lump Sum

Depending on your payment option, it may continue to pay benefits to your elected beneficiary.

Who is Considered Your Beneficiary?

If you are married:

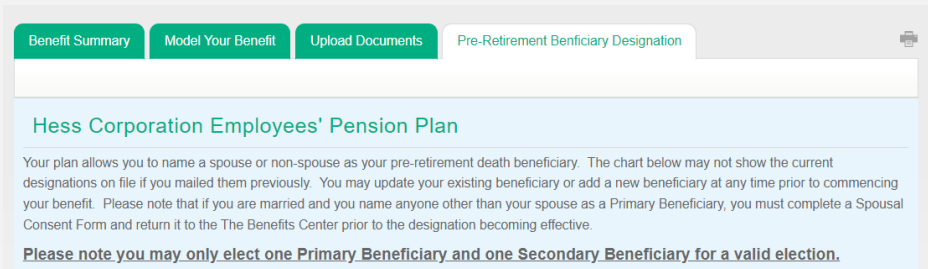
- Your spouse is automatically named the survivor
- If you would like to elect a different beneficiary, you will need to have your spouse's consent

If you are single:

- You may elect a beneficiary of your choosing
- Without a beneficiary designation, your cash accumulation benefit will be payable to your estate

You may elect a beneficiary through the Netbenefits pension portal as well as print or request a paper form.

*For illustrative purposes only



The screenshot displays the Netbenefits pension portal interface. At the top, there are four tabs: "Benefit Summary", "Model Your Benefit", "Upload Documents", and "Pre-Retirement Beneficiary Designation". The "Pre-Retirement Beneficiary Designation" tab is currently selected. Below the tabs, the page title "Hess Corporation Employees' Pension Plan" is displayed. The main content area contains a paragraph explaining the plan's rules for naming a beneficiary, including a requirement for a Spousal Consent Form if married. At the bottom, a bolded note states: "Please note you may only elect one Primary Beneficiary and one Secondary Beneficiary for a valid election."

Benefit Summary Model Your Benefit Upload Documents Pre-Retirement Beneficiary Designation

Hess Corporation Employees' Pension Plan

Your plan allows you to name a spouse or non-spouse as your pre-retirement death beneficiary. The chart below may not show the current designations on file if you mailed them previously. You may update your existing beneficiary or add a new beneficiary at any time prior to commencing your benefit. Please note that if you are married and you name anyone other than your spouse as a Primary Beneficiary, you must complete a Spousal Consent Form and return it to the The Benefits Center prior to the designation becoming effective.

Please note you may only elect one Primary Beneficiary and one Secondary Beneficiary for a valid election.

Death Benefits

Death While an Active Employee:

- Your spouse or named beneficiary can elect a benefit in one of two forms:
 - 50% Joint & Survivor Lifetime Annuity based on the actuarial equivalent of your CAP account.
 - Lump sum equal to the value of your CAP account on first day of any month following your date of death, but no later than the first of the month after attaining age 65.

Death after Retirement:

- If you have retired and are receiving benefits under a payment option that pays benefits to a surviving spouse or beneficiary, the benefits will continue to the allocated beneficiary.



Commencing Benefits

Using NetBenefits



Getting started?

We can help you model your future benefits from the Plan. When you're ready to start receiving your benefit, follow a few quick steps to get started.

If you're still working at Hess Corporation and plan to begin receiving benefits in the next 90 days, be sure to contact your manager or local human resources representative to alert them to your plans to leave the company.



*For illustrative purposes only

Commencing Online



Ready to start your benefit?

Follow the steps in this section to start receiving your benefit in the next 90 days. You'll have the chance to review your election before submitting.

If you're still working at Hess Corporation, be sure to contact your manager or local human resources representative to alert them to your plans to leave the company. Once you start to receive your benefit, be sure to notify the The Benefits Center at 1-877-511-4377 if you move. You can also change your direct deposit or tax withholding in the future.

If you would like to select an allowable benefit commencement date prior to the first of next month, please call the The Benefits Center at 1-877-511-4377.



! YOU ARE IN A LIVE WEBSITE. ANY ACTION YOU TAKE WILL BE SAVED

Benefit Summary | Model Your Benefit | **Start Your Benefit** | Upload Documents | Pre-Retirement Beneficiary Designation

Hess Corporation Employees' Pension Plan

Step 1 Confirm Your Personal Information

Tool Progress 0% complete

Your personal information has a critical impact on the calculation of your benefit, payment options available to you and the documentation required to commence your benefit. Any inaccurate information on this page could delay the commencement of your benefit.

*For illustrative purposes only

Benefit Summary | Model Your Benefit | **Start Your Benefit** | Upload Documents | Pre-Retirement Beneficiary Designation

Hess Corporation Employees' Pension Plan

Tool Progress 10% complete

Step 2 Select Benefit Commencement Details

If you have not already done so, you can model your benefit to better understand what you can receive from the Plan. Please note that final payment amounts are subject to final earnings and service. All values provided on this system are estimates.

Please enter the information requested below. After you click on the "Next" button at the bottom of the page, you'll see a list of your benefit amounts under the various payment options you have available.

When will you stop working?

Enter an age or date.

0 Months OR

When do you want payments to start?

Choose an available date.

Select Date

Are you married? ☐ Yes ☒ No

Choose a beneficiary type.

Choose Type...

PREVIOUS NEXT

Commencing Online

Benefit Summary

Model Your Benefit

Start Your Benefit

Upload Documents

Pre-Retirement Beneficiary Designation

Hess Corporation Employees' Pension Plan

Step 3

Choose Your Payment Option

Tool Progress30% complete

Cash Accumulation Plan Benefit

Here are your available options and payment amounts under your Cash Accumulation Plan Benefit. Select "Learn more" to access more information about each payment option. If you are married and choose a payment option other than the 50%, 66 & 2/3%, 75%, 100% Joint and Survivor, your spouse must provide written notarized consent to this alternative payment form, acknowledging that they are waiving their rights to all or a portion of benefits from the Plan. You may be eligible for other payment options. Refer to your Summary Plan Description for more information about the options or call the The Benefits Center at 1-877-511-4377 for further guidance.

Choose an option payable 09/01/2022

Payable to you

Payable to your surviving beneficiary

Relative Value ?

Lump Sum

Learn More >

☐ Lump Sum

\$48,772.29 Once Only

N/A

Approximately Equal

Single Life Annuity

Learn More >

☐ Single Life Annuity

\$174.58 Monthly

N/A

Approximately Equal

Certain & Life

Learn More >

☐ 5-Year Certain & Life

\$174.53 Monthly

\$174.53 Monthly

Approximately Equal

☐ 10-Year Certain & Life

\$174.32 Monthly

\$174.32 Monthly

Approximately Equal

Relative Value

All optional forms of payment listed in the Final Calculation are approximately equal in value to the Single Life Annuity.

Benefit Summary

Model Your Benefit

Start Your Benefit

Upload Documents

Pre-Retirement Beneficiary Designation

Hess Corporation Employees' Pension Plan

Step 4

Tell Us How You Want to Receive Your Payment

Tool Progress45% complete

Cash Accumulation Plan Benefit as a Lump Sum

Choose how you want to receive your payment. Refer to the [Rollover Options Notice](#) for important tax information.

☐ Rollover to an IRA or Another Qualified Retirement Plan

Complete the information below to roll over your benefit to an IRA or another qualified retirement plan that accepts rollover contributions, such as your current employer's 401(k) or 403(b) plan. For an IRA rollover, contact your Trustee to open an account (if you don't already have one) or for any other questions on how to complete a rollover. For a rollover to a qualified retirement plan, contact the retirement plan sponsor with any questions.

Rollover Institution ?

Account or Plan Number (if available) ?

Rollover Type ?

Choose Type...

☐ Benefit as a Cash Payment

You will be required to pay regular income taxes on the full amount of your benefit (unless you complete a rollover within 60 days of receipt of payment). Complete the tax withholding and direct deposit information on the following screen.

PREVIOUS

NEXT

*For illustrative purposes only

Commencing Your Benefits

When can payments begin?

- You are able to commence your benefit the month following your leave from the Company.

Normal Retirement:

- Month after you turn age 65
- If you are still actively employed with the Company after age 65, your cash accumulation account will continue to earn pay credits and interest.
- Your pension benefit will not begin until after you leave the Company.

Commencing Your Benefits

Deferred Vested Retirement:

- An employee who terminates employment with the Company and are vested at the time of termination is entitled to a deferred vested benefit.
- You may defer your pension benefit commencement until the first of the month following your 65th birthday.
- Up until your benefit commencement date, your cash accumulation account will continue to earn interest credits.

Commencing Your Benefits

Disability Retirement:

- You must be receiving Social Security Disability Benefits, as evidenced by a Social Security award, as well as have 10 years of vesting service.
- There are two options available – however, you must commence at age 65
 1. Defer receiving distribution from CAP account
 - CAP account continues with pay and interest credits. Pay credits are based on average monthly compensation during most recent completed plan year.
 - Your LTD benefit will provide stream of income.
 2. Take distribution of account on first of month after disability approved, or any future month while you remain disabled.
 - There are no pay credits, no interest once benefit is distributed
 - LTD benefit is reduced by actuarial equivalent of account balance

Commencing Social Security

Social Security:

- Paid in addition to your Cash Accumulation Plan Pension
- Full Social Security benefit start between age 65 and 67, depending on your year of birth.
- Benefits may begin as early as age 62, but would be reduced.
- You must apply for Social Security benefits, by contacting your local Social Security Administration office three months before you would like your benefits to begin.

Commonly Asked Questions

- When will I become fully vested?

Earliest Commencement Date:	11/01/2022
Vested Percentage:	0%
Vesting Date:	10/01/2022
Vesting Service:	2.0000

- What are my options once I leave the Company regarding my CAP balance?
- What documentation will I need to commence my benefit?



Wrap Up

Important information

Investing involves risk, including risk of loss.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

Important information continued

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