

EQT Corp  
Form DEF 14A  
March 05, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)**  
**of the Securities Exchange Act of 1934**

Filed by the Registrant  [ X ]  
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))  
 [ X ] Definitive Proxy Statement  
 [ ] Definitive Additional Materials  
 [ ] Soliciting Material under Rule 14a-12

EQT Corporation

(Name of Registrant as Specified In Its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

- [ X ] No fee required.  
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4) Date Filed:

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225 North Shore Drive

Pittsburgh, PA 15212-5861

**Notice of Annual Meeting of Shareholders**  
**To Be Held April 22, 2009**

The annual meeting of shareholders of EQT Corporation (formerly Equitable Resources, Inc.) will be held on Wednesday, April 22, 2009, at 9:30 a.m. We will be in the SpringHill Suites North Shore located at 223 Federal Street in Pittsburgh, Pennsylvania. If you owned common stock of EQT Corporation at the close of business on February 13, 2009, you may vote at this meeting.

At the meeting, we plan to:

- 1) Elect the four directors nominated by the Board to serve for new terms;
- 2) Ratify the appointment of Ernst & Young LLP as independent registered public accounting firm for 2009;
- 3) Approve the EQT Corporation 2009 Long-Term Incentive Plan, a copy of which is attached hereto as Appendix A;
- 4) Approve the EQT Corporation 2008 Employee Stock Purchase Plan, a copy of which is attached hereto as Appendix B; and

5) Transact such other business as may properly be presented at the meeting or any adjournment or postponement of the meeting.

Your Board of Directors recommends that you vote **for** all director nominees, **for** ratification of the independent registered public accounting firm, **for** approval of the EQT Corporation 2009 Long-Term Incentive Plan and **for** approval of the EQT Corporation 2008 Employee Stock Purchase Plan.

Please consider the issues presented in this proxy statement, and vote your shares as promptly as possible by following the voting instructions included in this proxy statement.

On behalf of the Board of Directors

**KIMBERLY L. SACHSE**  
*Deputy General Counsel  
and Corporate Secretary*

March 12, 2009

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## **EQT CORPORATION**

225 North Shore Drive

Pittsburgh, PA 15212-5861

## **PROXY STATEMENT**

We have elected to furnish our proxy statement and annual report to certain of our shareholders over the Internet pursuant to United States Securities and Exchange Commission rules adopted in 2007, which should allow us to reduce costs associated with the 2009 annual meeting of shareholders. On or about March 12, 2009, we will mail to certain of our shareholders a notice of Internet availability of proxy materials containing instructions regarding how to access our proxy statement and annual report online (the eProxy Notice ). The eProxy Notice contains instructions on how you can elect to receive a printed copy of the proxy statement and annual report. All other shareholders will receive a printed copy of the proxy statement and annual report, which will be mailed to such shareholders on or about March 12, 2009.

## **QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING**

Equitable Resources, Inc. changed its name to EQT Corporation on February 9, 2009 in connection with the unveiling of a new brand, including a logo EQTSM and the tagline, Where Energy Meets InnovationsSM. Over the course of the past decade, EQT has evolved into one of the largest natural gas producers in the gas-rich Appalachian Basin, and one of the largest in the country. In late 2008, EQT was added to the Standard & Poor's (S&P) 500 Index. EQT's groundbreaking horizontal air drilling technology and infrastructure development has been instrumental in building EQT's reputation as a leader in the industry.

EQT Corporation is soliciting proxies for its 2009 annual meeting of shareholders. This booklet and proxy card contain information about the items you will vote on at the annual meeting and about the voting process. We sometimes refer to EQT Corporation in this proxy statement as EQT, EQT Corporation, the company, we or us.

**How do I contact EQT's Corporate Secretary?**

You may contact the company's Corporate Secretary by sending correspondence to: 225 North Shore Drive, Pittsburgh, Pennsylvania 15212, Attn: Corporate Secretary.

**Who is entitled to vote, and how many votes do I have?**

You can vote if you held common stock of EQT Corporation at the close of business on February 13, 2009. For each item presented for vote, you have one vote for each share you own. In addition, in the election of directors, you may cumulate votes by multiplying your shares by the number of directors to be elected and casting all of your votes for a single candidate or by distributing them among any two or more candidates.

**What if I received an eProxy Notice of Internet Availability of Proxy Materials?**

The Securities and Exchange Commission permits us to electronically distribute proxy materials to shareholders. We have elected to provide access to our proxy materials and annual report to certain of our shareholders on the Internet, instead of mailing the full set of printed proxy materials as in years past, which should allow us to reduce costs associated with the 2009 annual meeting. On or about March 12,

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2009, we will mail to certain of our shareholders a notice of Internet availability of proxy materials containing instructions regarding how to access our proxy statement and annual report and how to vote online. If you received an eProxy Notice by mail, you will not receive a printed copy of the proxy materials in the mail unless you request it. Instead, the eProxy Notice instructs you how to access and review all of the important information contained in the proxy statement and annual report. The eProxy Notice also instructs you how you may submit your proxy over the Internet. If you received an eProxy Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the eProxy Notice.

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

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If your shares are registered directly in your name with EQT's transfer agent, BNY Mellon Shareowner Services, you are considered the shareholder of record of those shares. The notice of annual meeting, proxy statement and accompanying materials have been sent directly to you by BNY Mellon Shareowner Services.

If your shares are held in a stock brokerage account or by a bank or other holder of record (including shares held through employee benefit and/or compensation plans), you are considered the beneficial owner of shares held in street name. The eProxy Notice or notice of annual meeting, proxy statement and accompanying materials have been forwarded to you by your broker, bank or other holder of record who is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your broker, bank or other holder of record in voting your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or on the Internet.

**How do I vote if I am the shareholder of record?**

If you are the shareholder of record, you may vote your shares:

- in person by attending the meeting;
- by completing the proxy card as outlined in the instructions on the card and mailing the card in the prepaid envelope provided;
- by following the instructions at the Internet site <http://www.proxyvoting.com/eqt>; or
- by following the instructions for telephone voting after calling 1-866-540-5760.

If the name on the accounts is the same, the shares on your proxy card may represent (i) shares for which you have a certificate; (ii) shares that you hold in book-entry form; and (iii) shares that you have in a dividend reinvestment account of the company's Dividend Reinvestment and Stock Purchase Plan. If you vote by proxy, your shares will be voted as indicated in your properly completed unrevoked proxy. If you do not indicate how your shares should be voted on an item, the shares represented by your properly completed unrevoked proxy card will be voted as recommended by the Board of Directors. If you do not return a proxy card or do not vote by telephone or on the Internet, your shares will not be voted.

In the case of Internet or telephone voting, you should have your proxy card in hand and retain the card until you have completed the voting process. If you vote by Internet or telephone, you do not need to mail back the proxy card. Even if you plan to attend the meeting, we encourage you to vote by proxy as soon as possible.

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**How do I vote if I am a beneficial holder of shares held in street name ?**

If your broker holds your shares in street name, you should receive either an eProxy Notice or a voting instruction card and proxy statement. Please follow the instructions (including the date by which your voting instructions must be received) on your eProxy Notice or instruction card in order for your shares to be voted. Except in the case of shares held through the Employee Savings Plan, Employee Savings and Protection Plan and 1999 Long-Term Incentive Plan, you may also vote in person at the meeting if you obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot. See the caption "Is my vote important?" below for the right of banks and brokers to vote on routine matters for which they have not received voting instructions.

**How do I vote shares held through the Employee Savings Plan or Employee Savings and Protection Plan?**

Individuals holding shares through the Employee Savings Plan and the Employee Savings and Protection Plan will receive separate voting direction cards for those plans. The trustees of the Employee Savings Plan and the Employee Savings and Protection Plan will vote your shares in accordance with the instructions on your returned direction card. You may instruct the trustees to vote your shares:

- by completing the direction card as outlined in the instructions on the card and mailing the card in the prepaid envelope provided;
- by following the instructions at the Internet site <http://www.proxyvoting.com/eqt>; or
- by following the instructions for telephone voting after calling 1-866-540-5760.

If you do not return a direction card or if you return a direction card with no instructions, the trustees will vote your shares in proportion to the way other plan participants voted their shares. Please note that the direction cards have an earlier return date and different mailing instructions than proxy cards. Please review your direction card for the date by which your instructions must be received in order for your shares to be voted.

In the case of Internet or telephone voting, you should have your direction card in hand and retain the card until you have completed the voting process. If you vote by Internet or telephone, you do not need to mail back the direction card.

**How do I vote restricted shares held through the 1999 Long-Term Incentive Plan?**

Employees holding restricted shares through the 1999 Long-Term Incentive Plan will receive separate voting direction cards for that plan. The administrator of the 1999 Long-Term Incentive Plan will vote your restricted shares in accordance with the instructions on your returned direction card. You may instruct the administrator to vote your shares by completing the direction card as outlined in the instructions on the card

How do I vote if I am the shareholder of record?

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and mailing the card in the envelope provided.

If you return a direction card with no instructions, the administrator of the 1999 Long-Term Incentive Plan will vote your shares as recommended by the Board of Directors. If you do not return a direction card, your shares will not be voted.

Please note that the direction cards have an earlier return date and different mailing instructions than the proxy cards. Please review your direction card for the date by which your instructions must be returned in order for your shares to be voted.

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**How do I vote shares acquired through the Employee Stock Purchase Plans?**

Employees holding shares acquired through the 2008 Employee Stock Purchase Plan or its predecessor (the Employee Stock Purchase Plans ) will receive a separate voting instruction card covering all shares held in their individual account from the plan recordkeeper. The recordkeeper for the Employee Stock Purchase Plans will vote your shares (a) in accordance with the instructions on your returned voting instruction card or (b) in its discretion on routine proposals such as the election of directors and the ratification of Ernst & Young LLP as independent registered public accounting firm, if you do not return a direction card or if you return a direction card with no instructions. Please review your instruction card for the date by which your instructions must be received in order for your shares to be voted.

**Can I change my vote?**

If you are a shareholder of record, you can revoke your proxy before the time of voting at the meeting by:

- voting again by submitting a revised proxy card or by Internet or telephone, as applicable, on a date later than the prior proxy;
- voting in person at the meeting; or
- notifying the Corporate Secretary of EQT in writing that you are revoking your proxy.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other holder of record. Except in the case of shares held through the Employee Savings Plan, Employee Savings and Protection Plan, and 1999 Long-Term Incentive Plan, you may also vote in person at the meeting if you obtain a legal proxy from your broker, bank or other holder of record.

**What if I receive more than one proxy and/or voting instruction card?**

If you receive more than one proxy card as a shareholder of record, you have shares registered differently in more than one account. We encourage you to have all accounts registered in the same name and address whenever possible. You can do this by contacting our transfer agent, BNY Mellon Shareowner Services, at P.O. Box 358015, Pittsburgh, PA 15252, at its toll free number (800-589-9026) or on its website at [www.melloninvestor.com](http://www.melloninvestor.com). If you receive more than one voting instruction card, please contact the bank or broker holding your shares to determine whether you can consolidate your accounts.

**What is householding?**

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We have adopted a procedure approved by the Securities and Exchange Commission called householding, which reduces our printing costs and postage fees. Under this procedure, shareholders of record who have the same address and last name will receive only one copy of our 2008 Annual Report on Form 10-K and proxy statement unless one or more of these shareholders notify us that they wish to continue receiving individual copies. Shareholders who participate in householding will continue to receive separate proxy cards.

If a shareholder of record residing at a household to which we sent only one copy of our 2008 Annual Report on Form 10-K and proxy statement wishes to receive separate documents in the future, he or she may discontinue householding by contacting our transfer agent, BNY Mellon Shareowner Services, at P.O. Box 358015, Pittsburgh, PA 15252, at its toll free number (800-589-9026) or on its website at [www.melloninvestor.com](http://www.melloninvestor.com). If you are an eligible shareholder of record receiving multiple copies of our 2008 Annual Report on Form 10-K and proxy statement, you can request householding by contacting us in the same manner. If you own your shares through a bank, broker or other nominee, you can request householding by contacting the nominee.

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If a shareholder of record residing at a household to which we sent only one copy of our 2008 Annual Report on Form 10-K and proxy statement wishes to receive an additional copy for this meeting, he or she may contact the Corporate Secretary of EQT Corporation at 225 North Shore Drive, Pittsburgh, Pennsylvania 15212 or by phone at 412-553-5891. The company will promptly deliver, upon request, a separate 2008 Annual Report on Form 10-K and proxy statement to a shareholder at a shared address to which a single copy of the documents was delivered.

**Is my vote important?**

Your vote is very important. Each share of EQT stock that you own represents one vote. If you do not vote your shares, you will not have a say in the important issues to be voted on at the annual meeting. The four nominees receiving the most votes for the term of three years to expire in 2012 will be elected as directors for such term. If a nominee receives a greater number of votes withheld from his or her election than votes for such election, the Board will consider whether to accept the nominee's previously submitted conditional resignation. In order to pass, each other proposal included in this year's proxy statement will require the affirmative vote of the holders of a majority of votes cast at the annual meeting. In addition, for approval of the EQT Corporation 2009 Long-Term Incentive Plan proposal, the total vote cast on the proposal must represent over 50% in interest of all securities entitled to vote on the proposal. Many of our shareholders do not vote, so the shareholders who do vote influence the outcome of the election in greater proportion than their percentage ownership of the company. In addition, banks and brokers that have not received voting instructions from their clients cannot vote on their clients' behalf on non-routine proposals, such as the proposed EQT Corporation 2009 Long-Term Incentive Plan and EQT Corporation 2008 Employee Stock Purchase Plan, although they may vote their clients' shares on the election of directors and the ratification of Ernst & Young LLP as independent registered public accounting firm, which are considered routine proposals.

**How will my shares be voted on other matters that may be presented to the meeting?**

Since no shareholder has indicated an intention to present any matter to the 2009 annual meeting in accordance with the advance notice provision in the company's by-laws, the Board is not aware of any other proposals for the meeting. If another proposal is presented, the persons named as proxies will vote your returned proxy in their discretion.

**Who can attend the annual meeting, and how do I obtain an admission ticket?**

You may attend the meeting if you were a shareholder on February 13, 2009. Seating is limited and will be offered on a first come, first served basis. If you plan to attend the meeting, you will need an admission ticket, which you can obtain by checking the appropriate box on your proxy card or by writing to the Corporate Secretary of EQT Corporation. See the caption "How do I contact EQT's Corporate Secretary?" above. If a broker holds your shares, you must include proof of your ownership of EQT stock, such as a copy of your brokerage account statement or an omnibus proxy, which you can get from your broker, and we will send you an admission ticket. Shareholders must present a form of photo identification, such as a driver's license, in order to be admitted to the annual meeting. No cameras, recording equipment, large bags or packages will be permitted in the annual meeting.

**What constitutes a quorum for the meeting?**

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A majority of the outstanding shares, present or represented by proxy, constitutes a quorum. A quorum is necessary to conduct business at the annual meeting. You are part of the quorum if you have returned a

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proxy. Abstentions, broker non-votes (defined below under [How are the votes counted?](#) ) and votes withheld from director nominees also are counted in determining whether a quorum is present.

**What happens if the meeting is postponed or adjourned?**

If the meeting is postponed or adjourned, your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

**What is the total number of outstanding shares?**

At the close of business on February 13, 2009, the record date for the meeting, EQT Corporation had 130,843,955 shares of common stock outstanding.

**How are the votes counted?**

Director candidates who receive the highest number of votes cast in each class up for election will be elected. However, if a nominee receives more votes withheld from his or her election than votes for such election, the Board will consider whether to accept the nominee's previously submitted conditional resignation.

Approval of each other item requires the affirmative vote of the holders of a majority of the votes cast at the meeting; provided that with respect to the EQT Corporation 2009 Long-Term Incentive Plan proposal the total vote cast must represent over 50% in interest of all securities entitled to vote on the proposal. For the purpose of the ratification of the appointment of Ernst & Young LLP and approval of the EQT Corporation 2009 Long-Term Incentive Plan and the EQT Corporation 2008 Employee Stock Purchase Plan, abstentions, broker non-votes and the failure to vote are not votes cast, and, accordingly, have no effect on the outcome of such proposals other than for the purpose of determining whether the requisite 50% in interest total vote cast requirement for the EQT Corporation 2009 Long-Term Incentive Plan has been satisfied.

A broker non-vote occurs when a bank, broker or other nominee who holds shares for another person returns a proxy but does not vote on a particular item, usually because the nominee does not have discretionary voting authority for that item and has not received instructions from the owner of the shares. See the caption "Is my vote important?" above for the right of banks and brokers to vote on routine matters for which they have not received voting instructions.

#### **Who pays for the solicitation of proxies?**

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We do. We are soliciting proxies primarily by use of the mails. However, we may also solicit proxies in person, by telephone, by facsimile, by courier or by electronic means. To the extent that our directors and officers participate in this solicitation, they will not receive any compensation for their participation, other than their normal compensation. BNY Mellon Shareowner Services assists EQT with the solicitation for a fee of \$8,500 plus reasonable out-of-pocket expenses. EQT also reimburses brokerage firms and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for sending proxy materials to shareholders and obtaining their proxies.

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**May I nominate someone to be a director of EQT?**

Shareholders may either nominate individuals to serve as directors at the annual meeting of the shareholders or recommend individuals as possible director nominees to the Corporate Governance Committee to consider in its normal course.

If you are a shareholder entitled to vote at an annual meeting, you may present at the meeting the nomination of one or more persons for election as a director of EQT Corporation. To do this, you must send advance written notice to the Corporate Secretary. See the caption "How do I contact EQT's Corporate Secretary?" above. According to the company's by-laws, we must receive notice of nominations for the 2010 annual meeting not less than 90 but not more than 120 days before April 22, 2010, the anniversary date of this year's annual meeting.

In addition, the Board's Corporate Governance Committee will consider candidates recommended by the company's shareholders. If the Corporate Governance Committee determines to nominate as a director an individual recommended by a shareholder, then the recommended individual will be included on the company's slate for the next annual proxy statement. Shareholders should send their recommendations to the Corporate Governance Committee Chair by addressing the recommendation to EQT's Corporate Secretary, and the Corporate Secretary must receive any recommendations as far in advance of the annual meeting of shareholders as possible in order to provide sufficient time for the Committee to consider the recommendation.

Any notice or recommendation provided by the nominating shareholder must include an original irrevocable conditional resignation signed by each proposed nominee, as well as certain information about the person or persons nominated and about the nominating shareholder (see the caption "Director Nominations" under "Corporate Governance and Board Matters" for details). For additional information, contact the Corporate Secretary.

### **When are shareholder proposals due?**

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Under the rules of the Securities and Exchange Commission, eligible shareholders may submit proposals for inclusion in the proxy statement for our 2010 annual meeting. Shareholder proposals must be submitted in writing and must be received by the Corporate Secretary at the address provided previously in this proxy statement by November 12, 2009 for them to be considered for inclusion in the 2010 proxy statement.

Under the company's by-laws, you may present proposals in person at the 2010 annual meeting if you are a shareholder entitled to vote. The Corporate Secretary must receive any proposals to be presented, which will not be included in next year's proxy statement, not less than 90 but not more than 120 days before April 22, 2010, the anniversary date of this year's annual meeting. Proposals received outside that time period, including any proposal nominating a person as a director, may not be presented at the annual meeting.

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**ITEM NO. 1 ELECTION OF DIRECTORS**

**(Item No. 1 on the proxy card)**

The Board of Directors of EQT Corporation currently has eleven members, who are divided into three classes. The classes are as equal in number as is possible depending on the total number of directors at any time. Generally, directors are elected for three-year terms. Each director's term expires upon the earlier of the end of such term or the annual meeting following such director's seventy-fourth birthday. The classes are arranged so that the terms of the directors in each class expire at successive annual meetings. This means that the shareholders elect approximately one-third of the members of the Board of Directors annually. With respect to directors elected by the Board, it has been the company's practice to put those directors up for election at the next annual meeting of shareholders. The terms of four directors expire at this annual meeting. All four of those directors, Philip G. Behrman, Ph.D., A. Bray Cary, Jr., Barbara S. Jeremiah and Lee T. Todd, Jr., Ph.D. will stand for election at the annual meeting.

The persons named as proxies will vote for the nominees named, unless you withhold authority to vote for any one or more of them. The votes represented by any proxy may be cumulated and voted at the discretion of the persons named as proxies in favor of any one or more of the nominees, unless otherwise indicated on your proxy card. The effect of this discretionary authority may be to offset the effect of your having withheld authority to vote for individual nominees because the persons named as proxies will be able to allocate votes of shareholders who have not withheld authority to vote for those nominees. The four nominees for election have agreed to serve if elected, and management has no reason to believe that such nominees will be unavailable to serve. In the event that any of the nominees is unable or declines to serve as a director at the time of the annual meeting, then the persons named as proxies intend to vote for substitute nominees proposed by the Board, unless the Board decides to reduce the number of directors. The four individuals who receive the largest number of votes cast for the term of three years to expire in 2012 will be elected directors for such term.

In addition, under the company's majority voting by-law, each nominee has submitted an irrevocable conditional resignation to be effective if the nominee receives a greater number of votes withheld than votes for his or her election in an uncontested election. If this occurs, the Board of Directors will decide whether to accept the tendered resignation not later than 90 days after the certification of the election. Any determination by the Board shall be made without the participation of any nominee whose resignation is under consideration with respect to the election. The Board's explanation of its decision will be promptly disclosed on a Form 8-K filed with the Securities and Exchange Commission.

**The Board of Directors recommends a vote FOR all nominees for the Board of Directors.**

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**NOMINEES TO SERVE FOR A THREE-YEAR TERM EXPIRING IN 2012**

**PHILIP G. BEHRMAN, Ph.D.**      **Age 58**      **Director since July 2008**

Retired Senior Vice President, Worldwide Exploration, Marathon Oil Corporation (integrated energy company), October 2000 through July 1, 2008.

Member of the Audit Committee.

**A. BRAY CARY, JR.**      **Age 60**      **Director since July 2008**

President and Chief Executive Officer, West Virginia Media Holdings, LLC (television and print media company), since 2001.

Member of the Corporate Governance Committee.

**BARBARA S. JEREMIAH**      **Age 57**      **Director since February 2003**

Retired Executive Vice President, Corporate Development, Alcoa, Inc. (producer of aluminum), July 2002 through December 31, 2008. Also a director of Allegheny Technologies, Inc.

Member of the Audit Committee.

**LEE T. TODD, JR., Ph.D.**      **Age 62**      **Director since November 2003**

President, University of Kentucky (major public research university), since July 2001.

Member of the Compensation Committee.



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**DIRECTORS WHOSE TERMS EXPIRE IN 2011**

**DAVID L. PORGES**                      **Age 51**                      **Director since May 2002**

President, Chief Operating Officer and Director, EQT Corporation, since February 2007; Vice Chairman and Executive Vice President, Finance and Administration, EQT Corporation, January 2005 through February 2007; Executive Vice President, Chief Financial Officer and Director, EQT Corporation, May 2002 through December 2004.

**JAMES E. ROHR**                      **Age 60**                      **Director since May 1996**

Chairman and Chief Executive Officer, The PNC Financial Services Group, Inc. (financial services), since August 2002; Chairman, President and Chief Executive Officer, The PNC Financial Services Group, Inc., May 2001 through August 2002. Also a director of Allegheny Technologies, Inc. and BlackRock, Inc.

Chair of the Executive Committee and member of the Compensation Committee.

**DAVID S. SHAPIRA**                      **Age 67**                      **Director since May 1987**

Chairman, Chief Executive Officer and President, Giant Eagle, Inc. (retail grocery store chain), since July 2005; Chairman and Chief Executive Officer, Giant Eagle, Inc., February 1994 through July 2005.

Member of the Corporate Governance Committee.

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**DIRECTORS WHOSE TERMS EXPIRE IN 2010**

**VICKY A. BAILEY**                      **Age 56**                      **Director since June 2004**

President, Anderson Stratton International, LLC (strategic consulting and government relations), since November 2005; Partner, Johnston & Associates, LLC (consulting firm), March 2004 through October 2005; Assistant Secretary for the Office of Policy and International Affairs at the Department of Energy, June 2001 through February 2004. Also a director of Cheniere Energy, Inc.

Member of the Audit Committee.

**MURRY S. GERBER**                      **Age 56**                      **Director since May 1998**

Chairman and Chief Executive Officer, EQT Corporation, since May 2000; Chief Executive Officer and President, EQT Corporation, June 1998 through February 2007. Also a director of BlackRock, Inc.

Member of the Executive Committee.

**GEORGE L. MILES, JR.**                      **Age 67**                      **Director since July 2000**

President and Chief Executive Officer, WQED Multimedia (multimedia company), since 1994. Also a director of WESCO International, Inc., Harley-Davidson, Inc., American International Group, Inc. and HFF, Inc.

Chair of the Corporate Governance Committee and member of the Executive Committee.

**JAMES W. WHALEN**                      **Age 67**                      **Director since July 2003**

President of Finance and Administration, Targa Resources, Inc. (gas transportation and liquids products company), since November 2005; Consultant, Parker Drilling Company (global drilling company), November 2005 through January 2007; Senior Vice President and Chief Financial Officer, Parker Drilling Company, October 2002 through October 2005. Also Vice Chairman of the Board of Parker Drilling Company and a director of Targa Resources Partners LP.

Chair of the Audit Committee and member of the Executive Committee.

Table of Contents**CORPORATE GOVERNANCE AND BOARD MATTERS****Meetings of the Board of Directors and Committee Membership**

The Board of Directors held six regular meetings and one special meeting during 2008. The independent directors met seven times in executive session without any officer of the company present. During 2008, attendance at all Board meetings averaged 94.7%. The company encourages its directors to attend the annual meeting of the shareholders, and it has been their practice to do so. All directors then in office attended the company's 2008 annual meeting of shareholders.

The four standing committees of the Board are the Audit, Compensation, Corporate Governance and Executive Committees. The Corporate Governance Committee serves as the nominating committee for the company. In 2008, each director attended at least 83% of all meetings of the Board and of the committees on which the director served. The Board may from time to time form new committees, disband an existing committee, and delegate additional responsibilities to a committee.

The table below sets forth membership and meeting information for each Board committee:

NAME OF DIRECTOR	AUDIT	COMPENSATION	CORPORATE GOVERNANCE	EXECUTIVE
Ms. Bailey	x			
Dr. Behrman	x			
Mr. Cary			x	
Mr. Gerber				x
Ms. Jeremiah	x			
Mr. Miles			x*	x
Mr. Porges**				
Mr. Rohr		x		x*
Mr. Shapira			x	
Dr. Todd		x		
Mr. Whalen	x*			x
Total meetings in fiscal year 2008	11	10	5	0

x = Committee Member; \* = Chair; \*\*Mr. Porges is not a member of any Board committee.

Phyllis A Domm, Ed.D. served as a director from May 1996 until her death on February 21, 2009. Dr. Domm served as Chair of the Compensation Committee and was a member of the Executive Committee. The responsibilities of the committees are set forth in written charters, which are reviewed periodically by the committees and, where appropriate, the Corporate Governance Committee and the Board. All of the charters are available on the company's website at [www.eqt.com](http://www.eqt.com). The members and main responsibilities of each committee are as follows:

Audit Committee

- Comprised of Mses. Bailey and Jeremiah, Dr. Behrman and Mr. Whalen (Chair), who are non-employee, independent directors.
- Each member of the Committee is financially literate. Additionally, the Board of Directors has determined that Mr. Whalen qualifies as an audit committee financial expert as such term is defined under the Securities and Exchange Commission's regulations. Shareholders should understand that this designation is a disclosure requirement of the Securities and Exchange Commission related to Mr. Whalen's experience and understanding with respect to certain accounting and auditing matters.

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The designation does not impose upon Mr. Whalen any duties, obligations or liability that are greater than are generally imposed on him as a member of the Audit Committee and the Board. As the audit committee financial expert, Mr. Whalen also has accounting or related financial management expertise under the New York Stock Exchange rules.

- Assists the Board by overseeing:
  - the accounting and financial reporting processes of the company
  - the audits of the financial statements of the company
  - the integrity of the company's financial statements
  - the qualifications, independence and performance of the company's registered public accountants
  - the qualifications and performance of the company's internal audit function
  - the compliance by the company with legal and regulatory requirements, including the company's Code of Business Conduct and Ethics
- Responsible for hiring, overseeing and compensating the company's independent auditors.

Compensation Committee

- Comprised of Mr. Rohr and Dr. Todd, who are non-employee, independent directors. Dr. Domm, who was a non-employee, independent director, served as Chair of the Compensation Committee during 2008. The Board will evaluate the open Chair position at its next Board meeting.
- Discharges the Board's responsibilities relating to compensation of the company's executive officers. See "Compensation Discussion and Analysis" under "Executive Compensation" below for further information regarding the roles of the Compensation Committee, management and the compensation consultant in determining the amount and form of executive compensation.
- Provides oversight and, as required, administration of the company's benefit plans, incentive-based compensation plans and equity-based plans.

Corporate Governance Committee

- Comprised of Messrs. Cary, Miles (Chair) and Shapira, who are non-employee, independent directors.

- Establishes and recommends to the Board the requisite skills and characteristics to be found in, and identifies individuals qualified to serve as, members of the Board and recommends to the Board the director nominees for each annual meeting of shareholders.
- Recommends to the Board independence determinations for each director.
- Develops and recommends to the Board a set of corporate governance guidelines.
- Recommends Committee membership, including a Chair, for each Committee.
- Identifies and approves corporate goals and objectives relevant to the compensation of the chief executive officer of the company and annually reviews the chief executive officer's performance against such goals and objectives.
- Recommends an appropriate compensation structure for the directors, including administration of stock-based plans for the directors.
- Reviews related party transactions.

**Executive Committee**

- Comprised of Messrs. Miles, Rohr (Chair) and Whalen who are non-employee, independent directors and Mr. Gerber, Chairman and Chief Executive Officer.

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- Has the authority to act in all matters that the full Board may act upon when the Board is not in session, unless limited by a resolution of the Board and except to the extent limited by law.

## **Director Nominations**

The responsibilities of the Corporate Governance Committee include identifying and recommending to the Board the requisite skills and characteristics to be found in individuals qualified to serve as members of the Board and recommending to the Board the director nominees for each annual meeting of shareholders. The Committee typically considers new nominees for the Board in the context of a vacancy on the Board resulting from resignation or retirement of a director or to fill a skill need identified by the Board. Director candidates have been identified most often by senior management and members of the Board considering individuals both within and external to their respective networks. The Committee has in the past retained, and may in the future retain, a consultant to assist in the process. A third-party search firm initially identified Dr. Behrman and Mr. Cary, among others, as Board candidates to the Committee and after a screening process and recommendation by the Committee, the Board elected Dr. Behrman and Mr. Cary to the Board effective July 9, 2008 with terms expiring at the 2009 annual meeting of shareholders.

As set forth in the Committee's charter, the Committee will consider submissions from shareholders in making its recommendation. Any shareholder desiring to recommend an individual to serve as a director of the company should submit to the Corporate Governance Committee Chair, c/o Corporate Secretary, as far in advance of the annual meeting of shareholders as possible, the following information:

- The information required by Section 3.07 of the company's by-laws (a copy of which will be provided to any shareholder upon written request), including the nominee's consent to serve as a director if elected, the nominee's executed irrevocable conditional resignation letter, the proposing shareholder's name and address, the number of shares beneficially owned and the length of time the shares have been held. In addition, the company may require the shareholder to provide such further information as it may reasonably request.
- A statement setting forth the basis upon which the proposing shareholder believes the proposed nominee meets the qualification guidelines set forth below, including the standards of independence set forth in the company's Corporate Governance Guidelines, and should be nominated as a director of the company.
- Such other information as the proposing shareholder believes will be beneficial in assisting the Corporate Governance Committee to fulfill its responsibilities.

See the caption "How do I contact EQT's Corporate Secretary?" under "Questions and answers about the annual meeting."

In evaluating individuals identified as possible director nominees, whether the source of the possible nominee is another director, a member of management, a shareholder or otherwise, the Committee assesses the experience and personal characteristics of the possible nominee against the guidelines identified below. Possible nominees satisfying the guidelines are then further evaluated to identify, in the judgment of the Committee, the best match for the Board. The Committee retains the right to modify the guidelines including the criteria for evaluating the

qualifications of potential nominees for election to the Board as set forth therein, from time to time.

In identifying director candidates, the Committee utilizes the following guidelines:

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*Individual qualifications*

- Possesses integrity, competence, insight, creativity and dedication together with the ability to work with colleagues while challenging one another to achieve superior performance
- Has attained prominent position in his or her field of endeavor
- Possesses broad business experience
- Has ability to exercise sound business judgment
- Is able to draw on his or her past experience relative to significant issues facing the company
- Has experience in the company's industry or in another industry or endeavor with practical application to the company's needs
- Has sufficient time and dedication for preparation as well as participation in Board and Committee deliberations
- Has no conflict of interest
- Meets such standards of independence and financial knowledge as may be required or desirable
- Possesses attributes deemed appropriate given the then current needs of the Board

*Composition of the Board as a whole*

- A diversity of background, perspective and skills related to the company's business
- A diversity of race, gender and age

**Contacting the Board**

You may contact the Board of Directors, or any individual director, by writing to the Corporate Governance Committee Chair c/o Corporate Secretary or by sending an email to [corpgovchair@eqt.com](mailto:corpgovchair@eqt.com). See the caption "How do I contact EQT's Corporate Secretary?" under "Questions and answers about the annual meeting."

## Governance Principles

EQT maintains a corporate governance page on its website which includes key information about its corporate governance practices, including its Corporate Governance Guidelines, Code of Business Conduct and Ethics and charters for the Audit Committee, the Compensation Committee and the Corporate Governance Committee of the Board of Directors. The corporate governance page can be found at [www.eqt.com](http://www.eqt.com), by clicking on the Corporate Governance link on the main page or Investors and then Corporate Governance. EQT will provide a copy of its Corporate Governance Guidelines, Code of Business Conduct and Ethics and any of the Board Committee charters upon request by a shareholder to the Corporate Secretary. See the caption How do I contact EQT's Corporate Secretary? under Questions and answers about the annual meeting.

EQT's corporate governance policies and practices are compliant with the corporate governance requirements of the New York Stock Exchange, the Sarbanes-Oxley Act of 2002 and the Securities and Exchange Commission, including:

- The Board of Directors has adopted clear corporate governance guidelines
- Nine of the eleven members of the Board are independent of EQT and its management

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- The Board's non-management directors meet periodically in executive session, and the Chair of the Corporate Governance Committee has been identified as the presiding director at all such executive sessions
- All members of each of the key Committees of the Board of Directors - Audit, Compensation and Corporate Governance - are independent of the company and its management
- Each of the key Committees has a charter that reflects legal requirements and good corporate governance
- The Board of Directors and each of the key Committees engage in annual self-evaluations
- The directors of the company are encouraged to participate in educational programs relating to corporate governance and business-related issues, and the company provides funding for such activities
- EQT has a Code of Business Conduct and Ethics applicable to all employees and directors of the company
- The Corporate Governance Committee of the Board of Directors reviews the company's governance policies and practices periodically and makes recommendations to the Board

Under the company's majority voting by-law, each nominee has submitted an irrevocable conditional resignation to be effective if the nominee receives a greater number of votes withheld than votes for his or her election in an uncontested election. If this occurs, the Board of Directors will decide whether to accept the tendered resignation not later than 90 days after the certification of the election. Any determination by the Board shall be made without the participation of any nominee whose resignation is under consideration with respect to the election. The Board's explanation of its decision will be promptly disclosed on a Form 8-K filed with the Securities and Exchange Commission.

## **Director Independence**

In accord with the company's Corporate Governance Guidelines, the majority of directors at any time will be independent. For a director to be considered an independent director, the Board must annually determine that he or she has no material relationship with the company (either directly or as a partner, shareholder or officer of an organization which has such a relationship with the company). To assist it in determining director independence, the Board established guidelines which conform to the independence requirements of the New York Stock Exchange.

The Board will consider all relevant facts and circumstances in making an independence determination. Under the company's Corporate Governance Guidelines, a director will not be independent if:

- Within the last three years the director was employed (or an immediate family member of the director was employed as an executive officer) by the company, or received more than \$120,000 in direct compensation during any 12-month period (other than director and committee fees and deferred compensation for

prior service which is not contingent in any way on continued service) from the company

- The director or an immediate family member is a current partner of a firm that is the company's internal or external auditor (in each case company auditor )
- The director is a current employee of a company auditor
- The director has an immediate family member who is a current employee of a company auditor and who personally works on the firm's audit of the company
- Within the last three years the director or an immediate family member was (but no longer is) a partner or employee of a company auditor and personally worked on the company's audit within that time

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- Within the last three years a company executive officer was on the compensation committee of the board of directors of a company which employed the company director as an executive officer, or which employed an immediate family member of the director as an executive officer
- The director is a current employee, or whose immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the company for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues

In assessing the independence of a director, the Board considers the materiality of charitable contributions made by the company to any tax-exempt organization for which the director serves as an executive officer. During the past three fiscal years, the company has not made, in any single fiscal year, contributions to any tax-exempt organization for which any director serves as an executive officer that exceeded the greater of \$1 million, or 2% of such tax-exempt organization's consolidated gross revenues.

Based on the independence standards set forth in the company's Corporate Governance Guidelines, the Board of Directors has determined that the following directors have met the above standards and are independent of EQT and its management: Drs. Behrman and Todd, Mses. Bailey and Jeremiah and Messrs. Cary, Miles, Rohr, Shapira and Whalen. Messrs. Gerber and Porges, each of whom is an executive officer of the company, are the only directors who are not independent.

Each member of the Audit Committee is independent under the rules of the Securities and Exchange Commission, and each member of the Compensation and the Corporate Governance Committees is independent under the requirements of the Internal Revenue Code (the Code) and a non-employee director under the rules of the Securities and Exchange Commission.

In addition to the independence standards set forth in the company's Corporate Governance Guidelines, the company has established written policies and unwritten practices for reviewing and approving related person transactions, as described under the caption Certain Relationships and Related Transactions set forth below. As part of its practices for reviewing related person transactions, the Board identified categories of transactions in which the direct or indirect interest of a related person is not material because of the nature of the transactions. Such categories of transactions are described under the caption Certain Relationships and Related Transactions.

The ownership of stock in the company by directors is encouraged and is not in itself a basis for a director to be considered as not independent, provided that it may preclude participation on the Audit Committee of the company if the magnitude of such ownership is sufficient to make the director an affiliated person of the company as described in the Audit Committee Charter. See the caption Equity-Based Compensation under Directors Compensation for a description of the stock ownership guidelines the directors established for themselves.

**Certain Relationships and Related Transactions**

## Edgar Filing: EQT Corp - Form DEF 14A

In the ordinary course of business, EQT Corporation may engage in transactions with companies and organizations in which an EQT Corporation director, nominee for director, executive officer, 5% shareholder or immediate family member of any of the foregoing, has an interest. The company's Code of Business Conduct and Ethics and related policies require directors and executive officers to avoid engaging in any activity or relationship that may interfere, or have the appearance of interfering, with the performance of the director's or officer's duties to the company. Such policies require all directors and

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executive officers to report and fully disclose the nature of any proposed conduct or transaction that involves, or could involve, a conflict of interest and to obtain approval before any action is undertaken.

The Corporate Governance Committee annually reviews related party transactions involving the company and directors in order to determine whether a director had a direct or indirect material interest in the transaction. In making its assessment, the Committee considers information derived from, among other things, questionnaires that are completed by the company's directors each year and company accounting records. All identified transactions are reviewed by the Corporate Governance Committee.

The Board identified the categories of transactions below as to which the direct or indirect interest of a director is not material because of the nature of the transactions:

- (1) contracts for utility service or gas supply entered into on competitive terms<sup>(1)</sup>;
- (2) transactions with banks or other financial service firms for corporate banking services (including loans) or investment banking services entered into on competitive terms<sup>(2)</sup>; and
- (3) contributions by the company or the Equitable Resources Foundation, Inc. (the EQT Foundation) not exceeding \$250,000 in the aggregate to non-profit entities for which a company director is a director or executive officer.

The Board reviews all related party transactions involving the company and directors utilizing these categories in order to determine whether any director had a direct or indirect material interest in such transactions. Utilizing these categories, the Board determined that Dr. Behrman, Mr. Rohr, Mr. Shapira and Ms. Jeremiah did not have a direct or indirect material interest in the transactions that were considered by the Board. No other director was involved in a transaction with the company involving an amount in excess of \$120,000.

Finally, in matters brought before the Board regarding a contract or transaction involving an entity in which one or more of the company's directors or officers have a financial or other interest, the company follows Section 1728 of the Pennsylvania Business Corporation Law (regarding interested directors or others) and the affected director typically abstains from the decision-making process.

### **Compensation Committee Interlocks and Insider Participation**

During all or part of 2008, Drs. Domm and Todd and Messrs. McConomy and Rohr served as members of the Compensation Committee. Dr. Domm passed away on February 21, 2009, and Mr. McConomy retired from the Board on April 23, 2008. None of these current or former members of the Compensation Committee is a current or former officer or employee of the company or had any relationship with the company requiring disclosure. In addition, none of the company's directors is an executive officer of another entity, at which one of the company's executive officers serves as a director.

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(1) In 2008, Marathon Petroleum Co. LLC where Dr. Behrman served as Senior Vice President before retiring in July 2008, PNC Financial Services Group, Inc. where Mr. Rohr is Chairman and Chief Executive Officer, Giant Eagle, Inc. where Mr. Shapira is Chairman, Chief Executive Officer and President, and Alcoa, Inc. where Ms. Jeremiah served as Executive Vice President before retiring at the end of 2008, all purchased utility service and/or gas supply from the company on competitive terms.

(2) In 2008, PNC Financial Services Group, Inc. where Mr. Rohr is Chairman and Chief Executive Officer, furnished corporate and investment banking services (including participation in the company's revolving credit facility as part of a 16 member syndicated bank group, acting as a senior co-manager in connection with the company's 2008 senior note offering and acting as a co-manager in connection with the company's 2008 stock offering) to the company on competitive terms.

Table of Contents**DIRECTORS COMPENSATION**

Compensation of directors is annually reviewed by the Corporate Governance Committee and approved by the Board. No compensation is paid to employee directors for their service as directors.

The Corporate Governance Committee has engaged Towers, Perrin, Forster & Crosby, Inc. ( Towers Perrin ), an external human resources consulting firm, to conduct an annual review of the total compensation for outside directors. Specifically, retainer fees, meeting fees, stock-based long-term incentives and insurance were evaluated using, as the competitive benchmark, levels of total compensation paid to directors of the following 21 energy companies:

Atlas Energy Resources, LLC	ONEOK, Inc.
Cabot Oil & Gas Corporation	Penn Virginia Corporation
Chesapeake Energy Corporation	Questar Corporation
CNX Gas Corporation	Range Resources Corporation
El Paso Corporation	Sempra Energy
Enbridge Inc.	Southern Union Company
Energen Corporation	Southwestern Energy Company
Linn Energy, LLC	Spectra Energy Corporation
Markwest Energy Partners, L.P.	TransCanada Corporation
MDU Resources Group, Inc.	The Williams Companies, Inc.
National Fuel Gas Company	

Set forth below is a description of the 2008 compensation of the company's non-employee directors.

**Cash Compensation**

- An annual cash retainer of \$40,000 is paid on a quarterly basis. The annual cash retainer was increased in April 2008 from \$30,000.
- The cash meeting fee is \$1,500 for each Board and committee meeting attended in person. If a director participates in a meeting by telephone, the meeting fee is \$750. These fees are paid on a quarterly basis.
- For the Audit Committee Chair, an annual committee chair retainer of \$15,000 (no meeting fees). For Executive, Compensation and Corporate Governance Committee Chairs, an annual committee chair retainer of \$6,000 (no meeting fees). These chair retainer fees were adopted in April 2008. Prior to that time, each committee chair received \$500 (\$1,500 for Audit Committee Chair) for each meeting of his or her committee that the chair attended. These fees are paid on a quarterly basis.

## Equity-Based Compensation

- In 2003, the company began granting to each director stock units that vested upon award and that are payable on a deferred basis under the directors' deferred compensation plans. In April 2008, a grant of 1,600 deferred stock units was awarded to each non-employee director who was a member of the board at that time. The deferred stock units are awarded by the Board annually upon the recommendation of the Corporate Governance Committee. Each deferred stock unit is equal in value to one share of company common stock, but does not have voting rights. Dividends are credited quarterly in the form of additional stock units. Except in the case of Dr. Domm, who elected to be paid her 2003 award in shares of stock, the value of the stock units will be paid in cash on the earlier of the director's death or termination of service as a director.

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- The non-employee directors are subject to stock ownership guidelines which require them to hold shares (or share equivalents, including deferred stock units) with a value equal to at least three times the annual cash retainer. Under the guidelines, directors have up to two years to acquire a sufficient number of shares (or share equivalents, including deferred stock units) to meet this requirement. Other than Messrs. Behrman and Cary, who joined the Board in July 2008, each of the company's non-employee directors satisfies the stock ownership guidelines at December 31, 2008.

### **Deferred Compensation**

- The company has a deferred compensation plan for non-employee directors. In addition to the automatic deferral of stock units awarded, non-employee directors may elect to defer up to 100% of their annual retainer and fees into the 2005 Directors' Deferred Compensation Plan and receive an investment return on the deferred funds as if the funds were invested in company stock or permitted mutual funds. Prior to the deferral, plan participants must irrevocably elect to receive the deferred funds either in a lump sum or in equal installments. Distributions commence following termination of service as a director. The directors' deferred compensation accounts are unsecured obligations of the company. Dr. Behrman, Mr. Cary, Ms. Jeremiah, Mr. Miles and Mr. Whalen deferred fees under the plan in 2008. The pre-existing Directors' Deferred Compensation Plan continues to operate for the sole purpose of administering amounts vested under the plan on or prior to December 31, 2004.

### **Other**

- To further the company's support for charitable giving, all directors are eligible to participate in the Matching Gifts Program of the EQT Foundation on the same terms as company employees. Under this program, the EQT Foundation will match gifts of at least \$100 made by the director to eligible charities, up to an aggregate total of \$15,000 in any calendar year.
- Non-employee directors who joined the Board prior to May 25, 1999 may designate a civic, charitable or educational organization as beneficiary of a \$500,000 gift funded by a life insurance policy purchased by EQT Corporation. The directors do not receive any financial benefit from this program because the charitable deductions accrue solely to the company.
- The company reimburses directors for their travel and related expenses in connection with attending Board meetings and Board-related activities. The company also provides non-employee directors with \$20,000 of life insurance and \$250,000 of travel accident insurance while traveling on business for the company.



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The table below shows the total 2008 compensation of the company's non-employee directors:

NAME	FEEES EARNED OR PAID	STOCK	OPTION	ALL OTHER	TOTAL
	IN CASH	AWARDS	AWARDS	COMPENSATION	
	(\$ (1))	(\$ (2))	(\$ (3))	(\$ (4))	(\$)
Ms. Bailey	59,250	(65,268)	-	6,861	843
Dr. Behrman	30,500	-	-	43	30,543
Mr. Cary	27,500	-	-	15,043	42,543
Dr. Domm	54,250	(181,443)	-	22,757	(104,436)
Ms. Jeremiah	57,750	(181,443)	-	21,507	(102,186)
Mr. McConomy	25,000	175,953	-	52,630	253,583
Mr. Miles	54,250	(181,443)	-	21,507	(105,686)
Mr. Rohr	55,500	(181,443)	-	25,361	(100,582)
Mr. Shapira	51,000	(181,443)	-	21,507	(108,936)
Dr. Todd	56,250	(122,731)	-	18,906	(47,575)
Mr. Whalen	66,750	(122,731)	-	8,906	(47,075)

(1) Includes cash retainer, meeting fees and committee chair fees, some of which have been deferred at the election of the director.

(2) This column sets forth the aggregate compensation expense recognized for financial statement reporting purposes in 2008, calculated in accordance with Statement of Financial Accounting Standards No. 123R ( SFAS No. 123R ). Compensation includes both the grant date fair value of the 1,600 deferred stock units awarded in April 2008 to each director who was serving on the board at that time, and the expense recognized upon re-measurement of the fair value of all outstanding deferred stock units based on the closing price of the company's stock as of December 31, 2008. The company accounts for the deferred stock unit awards as a liability award under SFAS No. 123R and, as a consequence, revalues the liability for each award at each period end. Please refer to footnote 17 of the consolidated financial statements in the company's Annual Report on Form 10-K for a discussion of the stock units. The stock units set forth above are valued at the company's closing stock price at December 31, 2008, which was \$33.55. The grant date fair value of the 1,600 deferred stock units granted in 2008 was \$109,152. As a result of the decline in the company's stock price during the second half of 2008, the company reversed a large portion of previously recognized compensation expense. Such reversal resulted in negative compensation expense for Drs. Domm and Todd, Ms. Jeremiah and Messrs. Miles, Rohr, Shapira and Whalen in 2008. The company recognized positive compensation expense for Mr. McConomy during 2008 because he retired from the company on April 23, 2008, which was prior to the compensation expense reversals taken by the company. The aggregate number of deferred stock units held at December 31, 2008 was: Ms. Bailey 7,682; Dr. Behrman 0; Mr. Cary - 0; Dr. Domm 13,609; Ms. Jeremiah 13,609; Mr. Miles 13,609; Mr. Rohr 13,609; Mr. Shapira 13,609; Dr. Todd 10,614; and Mr. Whalen 10,614.

(3) No amounts were expensed in 2008 in connection with stock option awards. The company has not issued stock options to non-employee directors since 2002 and all outstanding options were fully vested at January 1, 2006. The aggregate number of stock options granted in prior years and remaining outstanding at December 31, 2008 was: Mr. Miles 4,700; Mr. Rohr 30,400; and Mr. Shapira 66,400.

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(4) Includes dividends accrued on deferred stock units and annual premiums of \$43 per director paid for personal life insurance policies. This column also includes \$13,854 of premiums paid under the company's charitable life insurance program for Mr. Rohr. This column also includes the following matching gifts made by the company to qualifying organizations under the EQT Foundation's Matching Gifts Program: \$500 for Ms. Bailey; \$15,000 for Mr. Cary; \$11,250 for Dr. Domm; \$10,000 for Mr. Miles; \$10,000 for Ms. Jeremiah; \$10,000 for Mr. Shapira; and \$10,000 for Mr. Todd. Finally, this column includes a \$50,000 charitable contribution made by the EQT Foundation to Carnegie Mellon University in recognition of Mr. McConomy's retirement from the Board of Directors of the company.

## STOCK OWNERSHIP

### Significant Shareholders

The following shareholders reported to the Securities and Exchange Commission that they owned more than 5% of the company's common stock:

NAME AND ADDRESS	SHARES BENEFICIALLY OWNED	PERCENT OF COMMON STOCK OUTSTANDING
Wellington Management Company, LLP 75 State Street	10,075,397(1)	7.70%