HollyFrontier Corp
Form DEF 14A
March 26, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF

THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant þ

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))**

þ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

HOLLYFRONTIER CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

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

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

(2) Aggregate number of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF 2015

ANNUAL MEETING

AND PROXY STATEMENT

March 26, 2015

Dear Stockholder:

You are invited to attend the annual meeting of stockholders of HollyFrontier Corporation. The meeting will be held as shown below.

8:30 a.m., Central Daylight Time, Wednesday, May 13, 2015

DoubleTree by Hilton Hotel Tulsa Downtown

Westminster/Dover Conference Room

616 W. 7th St.

Tulsa, Oklahoma 74127

Election of 9 directors to hold office until the 2016 annual meeting of stockholders;

Approval, on an advisory basis, of the compensation of the Company s named executive officers;

Ratification of the appointment of Ernst & Young LLP as the Company s registered public accounting firm for the 2015 fiscal year;

Approval of amendment setting forth the material terms of the HollyFrontier Corporation Omnibus Incentive Compensation Plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code;

Approval of amendment setting forth the material terms of the HollyFrontier Corporation Long-Term Incentive Compensation Plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code; and

Stockholder proposal included in the proxy statement.

Stockholders of record at the close of business on March 16, 2015 are entitled to receive notice of and the right to vote at the Annual Meeting.

Information about the meeting is presented in the following proxy statement. Please read the enclosed information and our 2014 Annual Report carefully before voting your proxy.

It is important that your shares be voted at the meeting. Whether or not you plan to attend the meeting, please sign, date and return the proxy card (if you have requested a paper copy of the proxy materials) or vote using the internet or telephone voting procedures described on the Notice of Internet Availability.

Thank you for your continued support of the Company. We look forward to seeing you at the Annual Meeting.

Michael C. Jennings
Chairman of the Board, Chief Executive Officer and President

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 13, 2015. We have elected to take advantage of the U.S. Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the internet. These rules allow us to provide information our stockholders need while lowering the costs of delivery and reducing the environmental impact of our annual meeting. **The Company s Notice of Annual Meeting, Proxy Statement and 2014 Annual Report to stockholders are available on the internet at www.proxyvote.com.**

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not include all of the information you should consider, and we invite you to read the entire proxy statement and our 2014 Annual Report carefully before voting.

ANNUAL MEETING OF STOCKHOLDERS

Date:	Wednesday, May 13, 2015
Time:	8:30 a.m., Central Daylight Time
Place:	DoubleTree by Hilton Hotel Tulsa Downtown Westminster/Dover Conference Room 616 W. 7th St. Tulsa, Oklahoma 74127
Record Date:	March 16, 2015
Voting:	Stockholders of record at the close of business on March 16, 2015 are entitled to receive notice of and the right to vote at the Annual Meeting.
How to Vote:	If you are a stockholder of record, you may vote in person at the Annual Meeting or by proxy using any of the following methods:

By Internet	By Telephone	By Mail
Visit the website (www.proxyvote.com)	Call toll-free 1-800-690-6903 within the U.S. or Canada	Complete, sign and date the proxy card and return the proxy card in the prepaid envelope

AGENDA AND VOTING RECOMMENDATIONS

Proposal	Voting Standard	Effect of Broker Non-Votes and Abstentions	Board s Recommendation	Page
Elect 9 directors to hold office until the Company s 2016 annual meeting of stockholders	Affirmative vote of a majority of the votes cast on the matter	Abstentions and broker non-votes are not considered votes cast and will have no effect	**FOR** all nominees	15
Approve, on an advisory basis, the compensation of the Company s named executive officers	Affirmative vote of a majority of the votes cast on the matter	Abstentions and broker non-votes are not considered votes cast and will have no effect	**FOR**	32
Ratify the appointment of Ernst & Young LLP as the Company s registered public accounting firm for 2015	Affirmative vote of a majority of the votes cast on the matter	Abstentions are not considered votes cast and will have no effect	**FOR**	78

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Approval of amendment setting forth the material terms of the HollyFrontier Corporation Omnibus Incentive Compensation Plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code	Affirmative vote of a majority of the votes cast on the matter	Abstentions and broker non-votes are not considered votes cast and will have no effect	**FOR**	81
Approval of amendment setting forth the material terms of the HollyFrontier Corporation Long-Term Incentive Compensation Plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code	Affirmative vote of a majority of the votes cast on the matter	Abstentions and broker non-votes are not considered votes cast and will have no effect	**FOR**	92
Stockholder proposal	Affirmative vote of a majority of the votes cast on the matter	Abstentions are not considered votes cast and will have no effect	**AGAINST**	99

BOARD NOMINEES

Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships					Other Public Company Boards
					AC	CC	NCGC	EHSPC	EC	
Douglas Y. Bech	69	2011	Chairman and CEO of Raintree Resorts International	LD		C	ü		ü	¡ j2 Global, Inc. ¡ CIM Commercial Trust Corporation ¡ Moody National REIT II, Inc.
Leldon E. Echols	59	2009	Investor	ü	C, F	ü				¡ Trinity Industries, Inc. ¡ EnLink Midstream GP, LLC ¡ EnLink Midstream Manager, LLC
R. Kevin Hardage	53	2011	CEO of Turtle Creek Trust Company, Co-founder, President and Portfolio Manager of Turtle Creek Management, LLC and a non-controlling manager and member of TCTC Holdings, LLC	ü		ü		ü		
Michael C. Jennings	49	2011	Chairman of the Board, CEO and President						C	¡ ION Geophysical Corporation ¡ Holly Logistic Services, L.L.C. (general partner of the general partner of Holly Energy Partners, L.P.)
Robert J. Kostelnik	63	2011	Principal at Glenrock Recovery Partners, LLC	ü			ü	C		¡ Methanex Corporation

James H. Lee	66	2011	Managing General Partner and Principal Owner of Lee, Hite & Wisda Ltd.	ü	ü		ü			
Franklin Myers	62	2011	Investor	ü		ü	C		ü	¡ Forum Energy Technologies, Inc. ¡ ION Geophysical Corporation ¡ Comfort Systems USA, Inc.
Michael E. Rose	68	2011	Investor	ü	F			ü		
Tommy A. Valenta	66	2010	Former President and Chief Executive Officer of Chaparral Steel Company	ü	ü			ü		
			2014 Meetings		7	4	4	4	2	

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AC	Audit Committee	**EC**	Executive Committee
CC	Compensation Committee	**C**	Chairman
NCGC	Nominating/Corporate Governance Committee	**F**	Financial Expert
EHSPC	Environmental, Health, Safety, and Public Policy Committee	**LD**	Independent Lead Director

GOVERNANCE HIGHLIGHTS

- 8 of our 9 directors standing for reelection at the 2015 Annual Meeting are independent
- Independent lead director with authority and responsibility over Board governance and operations
- All of our directors stand for reelection annually
- Board involvement in CEO succession planning and risk management
- All of our directors attended at least 75% of the meetings of the Board and Committees on which they serve during 2014
- Regular quarterly meetings of independent directors
- Majority voting and director resignation policy in uncontested elections
- Company policy prohibits hedging and pledging of Company stock
- Director stock ownership policy
- 8 of our 9 then-serving directors attended the 2014 Annual Meeting
- Mandatory retirement age of 75 for our directors

NAMED EXECUTIVE OFFICERS

For 2014, our named executive officers were as follows:

Name	Position
Michael C. Jennings	Chief Executive Officer and President
Douglas S. Aron	Executive Vice President and Chief Financial Officer
George J. Damiris	Executive Vice President and Chief Operating Officer (1)
James M. Stump	Senior Vice President, Refining (2)
Denise C. McWatters	Senior Vice President, General Counsel and Secretary

(1) Mr. Damiris was appointed as Executive Vice President and Chief Operating Officer effective September 11, 2014. Prior to such date, Mr. Damiris served as our Senior Vice President, Supply and Marketing.

(2) Mr. Stump s title was changed from Senior Vice President, Refinery Operations to Senior Vice President, Refining effective February 18, 2015.

2014 BUSINESS HIGHLIGHTS

The following are key highlights of our achievements in 2014:

- Net income attributable to our stockholders for 2014 was $281.3 million.

- Our reported gross margin per barrel declined only 13% year over year to $13.98 per barrel (excluding the lower of cost or market inventory valuation adjustment of $397.5 million for the year ended December 31, 2014) despite a 40% compression in the Brent/WTI spread, which reflects our advantaged geographic location close to inland crude production and niche product markets.*

- Our balance sheet continued to remain strong with a total debt to capital ratio of 3% (excluding Holly Energy Partners, L.P. debt, which is non-recourse to us). As of December 31, 2014, our

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total cash and marketable securities balance was $1 billion and long-term debt was $187 million (excluding Holly Energy Partners, L.P. debt, which is non-recourse to us).

We had improved reliability in 2014, and our consolidated refinery utilization rate was 91.7%, nearly a 5% improvement relative to 2013 and above our five-year average, which reflects our focus on safety and mechanical integrity.

We returned over $780 million in cash to stockholders through dividends and share repurchases in 2014. Since the merger of Holly Corporation and Frontier Oil Corporation in 2011, we have returned over $2.8 billion in capital to our stockholders.

* See Reconciliations to Amounts Reported Under Generally Accepted Accounting Principles following Item 7A of Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 for reconciliations to amounts reported under Generally Accepted Accounting Principles.

EXECUTIVE COMPENSATION PROGRAM

Vesting of 50% of the equity awards awarded to our executive officers each year is based on our performance as compared to that of our industry peers over a period of time	Minimal perquisites for our executive officers
A majority of the annual bonus paid to our executive officers is based on our financial performance as compared to that of our industry peers	Company policy prohibits hedging and pledging of Company stock
None of our executive officers have employment agreements	Executive officers are subject to significant stock retention requirements
Double-trigger change in control provisions	No tax reimbursement provisions in the change in control agreements with our executive officers
Annual advisory vote on executive compensation	

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COMPONENTS OF OUR EXECUTIVE COMPENSATION PROGRAM DURING 2014

The components of the compensation program for our executive officers during 2014 were:

Type	Component	Description	Role in Total Compensation
Cash	Salary	Competitive fixed cash compensation based on individual s position, level of responsibility and performance	A core element of competitive total compensation, important in attracting and retaining key executives
	Annual Incentive Cash Compensation	Variable cash payouts based on achievement of quantitative and qualitative criteria over a 12 month period	Motivates executive officers to achieve annual strategic, operational and financial goals Recognizes individual and performance-based contributions to annual results Supplements base salary to help attract and retain qualified executives
Equity	Restricted Stock	Vest in equal installments over a three year period	Aligns executives with sustained long-term value creation and stockholder interests
	Performance Share Units	Three year performance period with specified, measurable and objective performance measures	Creates opportunity for a meaningful and sustained ownership stake
Benefits	401(k) Defined Contribution and Health and Welfare Benefit Plans	Executives are eligible to participate in the same benefit plans provided to other employees	Contributes toward financial security for various life events (e.g., retirement, disability or death)
	Deferred Compensation Plan	Allows participants to defer compensation in excess of qualified plan limits	Provides mechanism for additional retirement savings
Post-Termination Compensation	Severance and Change in Control Benefits	Provide benefits only in the event of a qualifying termination of employment following a change in control transaction	Helps mitigate possible disincentives to pursue value-added merger or acquisition transactions if employment prospects are uncertain Provides assistance with transition if post-transaction employment is not offered
Other	Perquisites	Personal use of company aircraft and reimbursement of club dues (for Messrs. Jennings, Aron and Damiris) Reimbursement for expenses related to security training, consulting or technology Reserved parking space	It is the Compensation Committee s policy that perquisites be limited and also serve a business, convenience or security purpose for the Company

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2014 SUMMARY COMPENSATION TABLE

Name and Principal Position	Salary	Bonus	Stock Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Michael C. Jennings Chief Executive Officer and President	$ 1,060,000	$ 166,208	$ 6,000,079	$ 1,304,436	$ 285,351	$ 8,816,074
Douglas S. Aron Executive Vice President and Chief Financial Officer	$ 560,000	$ 122,576	$ 1,650,041	$ 393,792	$ 133,428	$ 2,859,837
George J. Damiris Executive Vice President and Chief Operating Officer	$ 539,923	$ 115,328	$ 2,562,180	$ 424,320	$ 118,897	$ 3,760,648
James M. Stump Senior Vice President, Refining	$ 468,577	$ 60,420	$ 1,262,144	$ 222,300	$ 104,606	$ 2,118,047
Denise C. McWatters Senior Vice President, General Counsel and Secretary	$ 400,000	$ 124,880	$ 700,145	$ 187,200	$ 71,298	$ 1,483,523

For more information on total compensation as calculated under the U.S. Securities and Exchange Commission (the SEC) rules, see the Summary Compensation Table on page 55.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Ernst & Young LLP, an independent registered public accounting firm, to be the Company s auditor for fiscal year 2015.

Fees paid to Ernst & Young LLP for services provided during 2014:

	2014
Audit Fees	$ 2,025,807
Audit-Related Fees	
Tax Fees	628,444
All Other Fees	2,138
Total	$ 2,656,389

For additional information, see page 79.

SECTION 162(m) AMENDMENTS TO EQUITY COMPENSATION PLANS

At the Annual Meeting, our stockholders will be asked to approve an amendment to the HollyFrontier Corporation Omnibus Incentive Compensation Plan (the Omnibus Plan) and an amendment to the HollyFrontier Corporation Long-Term Incentive Compensation Plan (the LTIP and, together with the Omnibus Plan, the Equity Plans). The proposed amendment to each Equity Plan sets forth the material terms of the respective plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code and the regulations thereunder (Section 162(m)). As explained in greater detail below, we believe approval of the amendments is advisable in order to allow us to grant awards under the Equity Plans that may qualify as performance-based compensation under Section 162(m) so that we may fully deduct, for federal income tax purposes, qualifying awards. We are not requesting an increase in the number of shares available under the Equity Plans.

Key features of the Equity Plans include:

No repricing of stock options or stock appreciation rights without stockholder approval

No evergreen provision included

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Awards are non-transferable, except to a participant s immediate family member or a related family trust

No automatic award grants are made to any participant

Awards may be designed to meet the requirements for deductibility as performance-based compensation under Section 162(m)

Limitations on the maximum number of awards and awards that may be granted to an individual during a specified period

For additional information, see pages 81 and 92.

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HOLLYFRONTIER CORPORATION

2828 North Harwood

Suite 1300

Dallas, Texas 75201

PROXY STATEMENT

FOR

ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 13, 2015

GENERAL INFORMATION

Purpose, Place, Date and Time

This proxy statement provides information in connection with the solicitation of proxies by the Board of Directors (the Board) of the HollyFrontier Corporation (the Company, we, our or us) for use at the Company s 2015 Annual Meeting of Stockholders or any postponement adjournment thereof (the Annual Meeting). The Annual Meeting will be held on May 13, 2015, at 8:30 a.m., Central Daylight Time, at the DoubleTree by Hilton Hotel Tulsa Downtown, Westminster/Dover Conference Room, 616 W. 7th St., Tulsa, Oklahoma 74127. This proxy statement and the enclosed proxy card are being first made available to stockholders on or about March 26, 2015. All stockholders are invited to attend the Annual Meeting.

Internet Availability of Proxy Materials

The Company will continue to take advantage of the Notice and Access rules adopted by the U.S. Securities and Exchange Commission (the SEC), which allow public companies to deliver a Notice of Internet Availability of Proxy Materials (Notice of Internet Availability) and provide internet access to the proxy materials and annual report to their stockholders. The use of Notice and Access generates significant cost savings for the Company.

In lieu of paper copies of the proxy statement and other materials, most of our stockholders will receive a Notice of Internet Availability containing instructions on how to access the proxy materials and annual report and vote online. Please follow the instructions on the Notice of Internet Availability for requesting paper or e-mail copies of our proxy materials and annual report. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions with links to the proxy materials, annual report and to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you instruct us otherwise. Choosing to receive your future proxy materials by e-mail will save the Company the cost of printing and mailing documents to you.

Voting Rights and Proxy Information

Who is entitled to vote?

Stockholders of record at the close of business on March 16, 2015 (the Record Date) are entitled to receive notice of and the right to vote at the Annual Meeting. As of the close of business on the Record Date, there were 195,174,869 shares of common stock outstanding and entitled to be voted at the Annual Meeting. Each outstanding share of common stock is entitled to one vote.

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If your shares are registered in your name with Wells Fargo Shareowner Services, the Company s transfer agent, you are considered the stockholder of record of those shares. If your shares are held in an account with a broker, bank or other nominee, you are considered the beneficial owner or holder in street name of those shares. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares.

What am I voting on, and how does the Board recommend that I vote?

Proposal	Board Recommendation
1. Elect 9 directors to hold office until the Company s 2016 annual meeting of stockholders	FOR
2. Approve, on an advisory basis, the compensation of the Company s named executive officers	FOR
3. Ratify the appointment of Ernst & Young LLP as the Company s registered public accounting firm for 2015	FOR
4. Approval of amendment setting forth the material terms of the HollyFrontier Corporation Omnibus Incentive Compensation Plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code	FOR
5. Approval of amendment setting forth the material terms of the HollyFrontier Corporation Long-Term Incentive Compensation Plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code	FOR
6. Stockholder proposal	AGAINST

How do I vote if I am a stockholder of record?

If you are a stockholder of record, you may vote in person at the Annual Meeting or by proxy using any of the following methods:

Internet visit the website shown on the Notice of Internet Availability (www.proxyvote.com) and follow the instructions at that website at any time prior to 11:59 p.m., Eastern Daylight Time, on May 12, 2015;

Telephone within the U.S. or Canada, call toll-free 1-800-690-6903 and follow the instructions at any time prior to 11:59 p.m., Eastern Daylight Time, on May 12, 2015; or

Mail if you have requested a paper copy of the proxy materials, complete, sign and date the proxy card and return the proxy card in the prepaid envelope. Your proxy card must be received by the Secretary of the Company before the voting polls close at the Annual Meeting.

If you vote by internet or telephone, do not return your proxy card. Submitting your proxy by internet or telephone will not affect your right to vote in person should you decide to attend the Annual Meeting. The telephone and internet voting procedures are designed to authenticate stockholders identities, to allow stockholders to give their voting instructions and to confirm that stockholders instructions have been recorded properly.

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How do I vote if I hold my shares in street name?

If you hold your shares in street name, you will receive instructions from your broker, bank or other nominee describing how to vote your shares. In addition, you may be eligible to vote by internet or telephone if your broker, bank or other nominee participates in the proxy voting program provided by Broadridge. If your bank, brokerage firm or other nominee is participating in Broadridge s program, your voting form will provide instructions. Beneficial owners voting by telephone or internet are subject to the same deadlines as described above for holders of record.

What can I do if I change my mind after I submit my proxy?

If you are a stockholder of record, you can revoke your proxy prior to the completion of voting at the Annual Meeting by:

- delivering an executed, later-dated proxy that is received by the Secretary of the Company before the voting polls close at the Annual Meeting;
- resubmitting your proxy by internet or telephone at any time prior to 11:59 p.m., Eastern Daylight Time, on May 12, 2015;
- delivering a written notice of revocation of the proxy that is received by the Secretary of the Company before the voting polls close at the Annual Meeting; or
- voting in person at the Annual Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank or other nominee. You may also vote in person at the Annual Meeting if you obtain a legal proxy from your broker, bank or other nominee.

What happens if I do not give specific voting instructions?

All properly executed proxies, unless revoked as described above, will be voted at the Annual Meeting in accordance with your instructions on your proxy. If a properly executed proxy gives no specific instructions, your shares will be voted in the manner recommended by the Board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

If you are a beneficial owner of shares and do not provide your broker, bank or other nominee with specific voting instructions, the rules of the New York Stock Exchange require that these institutions only vote on matters for which they have discretionary power to vote. If your broker, bank or other nominee does not receive instructions from you on how to vote your shares and they do not have discretion to vote on the matter, then the broker, bank or other nominee will inform the inspector of election that it does not have the authority to vote on the matter with respect to your shares, resulting in a broker non-vote.

Your broker, bank or other nominee is not permitted to vote on your behalf in the election of directors (Proposal 1), the advisory vote on the compensation of the Company s named executive officers (Proposal 2), approval of the material terms of the HollyFrontier Corporation Omnibus Incentive Compensation Plan (Proposal 4), or approval of the material terms of the HollyFrontier Corporation Long-Term Incentive Compensation Plan (Proposal 5) unless you provide specific instructions to them. Accordingly, if you do not provide timely voting instructions to your broker, bank or other nominee that holds your shares, that institution will be prohibited from voting on all of the proposals in its discretion, except the ratification of the appointment of the independent public accounting firm (Proposal 3) and the stockholder proposal (Proposal 6).

How many votes must be present to hold the meeting?

A quorum is necessary for conducting a valid meeting. Holders of a majority of the outstanding shares of our common stock must be present, in person or by proxy, to constitute a quorum at the Annual Meeting. Abstentions (shares of the Company s common stock for which proxies have been received but for which the holders have abstained from voting) will be counted as present and entitled to vote for purposes of determining a quorum.

What are the voting requirements for each of the matters to be voted on at the Annual Meeting?

Proposal	Vote Necessary to Approve Proposal	Broker Discretionary Voting Allowed?	Treatment of Abstentions and Broker Non-Votes
No. 1 Election of Directors	Affirmative vote of a majority of the votes cast on the matter	No	Abstentions and broker non-votes are not considered votes cast and will have no effect
No. 2 Advisory Vote on Executive Compensation	Affirmative vote of a majority of the votes cast on the matter	No	Abstentions and broker non-votes are not considered votes cast and will have no effect
No. 3 Ratification of the Appointment of Ernst & Young LLP	Affirmative vote of a majority of the votes cast on the matter	Yes	Abstentions are not considered votes cast and will have no effect
No. 4 Approval of amendment setting forth the material terms of the HollyFrontier Corporation Omnibus Incentive Compensation Plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code	Affirmative vote of a majority of the votes cast on the matter	No	Abstentions and broker non-votes are not considered votes cast and will have no effect
No. 5 Approval of amendment setting forth the material terms of the HollyFrontier Corporation Long-Term Incentive Compensation Plan for purposes of complying with certain requirements of Section 162(m) of the Internal Revenue Code	Affirmative vote of a majority of the votes cast on the matter	No	Abstentions and broker non-votes are not considered votes cast and will have no effect
No. 6 Stockholder proposal	Affirmative vote of a majority of the votes cast on the matter	Yes	Abstentions are not considered votes cast and will have no effect

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How are proxies being solicited and who pays the solicitation expenses?

Proxies are being solicited by the Board on behalf of the Company. All expenses of the solicitation, including the cost of preparing and mailing this proxy statement, will be borne by the Company. The Company has retained Georgeson Inc. to assist in the solicitation of proxies for the Annual Meeting. For these services, the Company will pay Georgeson $11,000 and will reimburse Georgeson for reasonable out-of-pocket expenses. Additionally, proxies may be solicited by our officers, directors and employees personally or by telephone, e-mail or other forms of communication. The Company may also request banks, brokerage firms, custodians, nominees and fiduciaries to forward proxy materials to beneficial owners of the Company s common stock. The costs of the solicitation, including reimbursements of any forwarding expenses, will be paid by the Company.

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ELECTION OF DIRECTORS

(PROPOSAL 1)

Currently, the Board consists of nine directors. Each of the Company s directors stands for election each year at the annual meeting.

Each director nominee identified below is an incumbent director whose nomination to serve on the Board was recommended by the Nominating/Corporate Governance Committee and approved by the Board. The director nominees, if elected, will serve until the 2016 annual meeting of stockholders, or until their earlier resignation or removal. Each director nominee has indicated a willingness to serve if elected.

Required Vote and Recommendation

The election of directors requires the approval of a majority of the votes cast for each director.

Michael C. Jennings	Director since 2011; age 49.
Principal Occupation:	Chairman of the Board, Chief Executive Officer and President of the Company and Chief Executive Officer of Holly Logistic Services, L.L.C.
Business Experience:	Mr. Jennings has served as Chairman of the Board since January 2013 and as Chief Executive Officer and President since the merger of Holly Corporation (Holly) and Frontier Oil Corporation (Frontier) in July 2011. Mr. Jennings has served as the Chief Executive Officer of Holly Logistic Services, L.L.C. (HLS) since January 2014. Mr. Jennings served as President and Chief Executive Officer of Frontier from 2009 until the merger of Holly and Frontier in July 2011. He served as Executive Vice President and Chief Financial Officer of Frontier from 2005 until 2009.
Additional Directorships:	Mr. Jennings served as Chairman of the board of directors of Frontier from 2010 until the merger in July 2011 and served as a director of Frontier from 2008 to July 2011. He currently serves as a director of ION Geophysical Corporation and HLS, the general partner of the general partner of Holly Energy Partners, L.P. (HEP).
Qualifications:	Mr. Jennings brings to the Board extensive industry experience, familiarity with the day-to-day operations of the Company and provides a significant resource for the Board and facilitates communication between management and the Board.

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Douglas Y. Bech	Director since 2011; age 69.
Principal Occupation:	Chairman and Chief Executive Officer of Raintree Resorts International.
Business Experience:	Mr. Bech has served as the Chairman and Chief Executive Officer of Raintree Resorts, or its predecessors, since 1997. Raintree Resorts is engaged in resort development, vacation ownership sales and resort management. From 1970 through 1997, Mr. Bech served in various capacities, including as a partner, of several large international law firms practicing in the area of corporate finance and securities transactions.
Additional Directorships:	Mr. Bech served as a director of Frontier from 1993 until the merger in July 2011. Mr. Bech has served as a director of j2 Global, Inc. since 2000 and of eFax.com from 1988 until it was acquired by j2 Global, Inc. in 2000. Mr. Bech has served as an independent trust manager of CIM Commercial Trust Corporation since March 2014 and as an independent trust manager of Moody National REIT II, Inc. since August 2014.
Qualifications:	Mr. Bech s current experience as a chief executive officer as well as his previous experience as a securities and corporate finance attorney provide him with valuable insight into corporate finance and governance, including matters regarding compensation and retention of management and key employees.
Leldon E. Echols	Director since 2009; age 59.
Principal Occupation:	Investor.
Business Experience:	Mr. Echols has been an investor since 2006. Before becoming an investor, Mr. Echols served as Executive Vice President and Chief Financial Officer of Centex Corporation from 2000 until 2006. Before joining Centex, Mr. Echols held various positions, including managing partner, at Arthur Andersen LLP from 1978 until 2000.
Additional Directorships:	Mr. Echols currently is a member of the boards of directors of Trinity Industries, Inc., EnLink Midstream GP, LLC, the general partner of EnLink Midstream Partners, LP (formerly known as Crosstex Energy, L.P.), and EnLink Midstream Manager, LLC, the managing member of EnLink Midstream, LLC. Prior to the closing of the business combination among Devon Energy Corporation, Crosstex Energy, Inc. and Crosstex Energy, L.P. in March 2014, Mr. Echols served on the boards of directors of Crosstex Energy, L.P. and Crosstex Energy, Inc.
Qualifications:	Mr. Echols brings to the Board executive management and board experience with other public companies. Mr. Echols has extensive financial and management experience as well as financial reporting expertise and a level of financial sophistication that qualifies him as an audit committee financial expert. In addition, Mr. Echols prior and current service on audit committees of other public companies gives him a range of experiences and skills which allow him to effectively lead the Audit Committee.

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R. Kevin Hardage	Director since 2011; age 53.
Principal Occupation:	Chief Executive Officer of Turtle Creek Trust Company, Co-founder, President and Portfolio Manager of Turtle Creek Management, LLC and a non-controlling manager and member of TCTC Holdings, LLC.
Business Experience:	Mr. Hardage has served as Chief Executive Officer of Turtle Creek Trust Company, a private trust and investment management firm, since 2009 and has served as President and Portfolio Manager of Turtle Creek Management, a registered investment advisory firm, since 2006. In addition, Mr. Hardage serves as a non-controlling manager and member of TCTC Holdings, LLC, a bank holding company that is a banking, securities and investment management firm.
Qualifications:	Mr. Hardage brings to the Board executive and general management experience as well as significant financial expertise.
Robert J. Kostelnik	Director since 2011; age 63.
Principal Occupation:	Principal at Glenrock Recovery Partners, LLC
Business Experience:	Mr. Kostelnik has served as a principal of Glenrock Recovery Partners since January 2012. Glenrock Recovery Partners assists energy, pipeline, and terminal companies with maximizing the value of non-fungible liquid hydrocarbons. Mr. Kostelnik served as the President and Chief Executive Officer of Cinatra Clean Technologies, Inc. from 2008 thru 2011. Cinatra provides tank cleaning systems to refining pipelines and terminals. Prior to 2008, Mr. Kostelnik served in a number of senior positions during his 16 years with CITGO Petroleum Corporation, most recently serving as Vice President of Refining until his retirement in 2007. CITGO is engaged in the refining and marketing of petro-chemical products.
Additional Directorships:	Mr. Kostelnik served as a director of Frontier from 2010 until the merger in July 2011. He currently serves on the board of directors of Methanex Corporation.
Qualifications:	Mr. Kostelnik brings to the Board significant experience and insight into the Company s industry through his extensive experience in the refining industry.
James H. Lee	Director since 2011; age 66.
Principal Occupation:	Managing General Partner and Principal Owner of Lee, Hite & Wisda Ltd.
Business Experience:	Mr. Lee has served as the Managing General Partner of Lee, Hite & Wisda Ltd., an oil and gas consulting and exploration firm, since founding the firm in 1984.
Additional Directorships:	Mr. Lee served as a director of Frontier from 2000 until the merger in July 2011 and as a director of Forest Oil Corporation from 1991 until the merger of Forest Oil Corporation and Sabine Oil & Gas LLC in December 2014.
Qualifications:	Mr. Lee brings to the Board his extensive experience as a consultant and investor in the oil and gas industry, which provides him with significant insights into relevant industry issues.

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Franklin Myers	Director since 2011; age 62.
Principal Occupation:	Investor.
Business Experience:	Mr. Myers has been an investor since 2009. In addition, Mr. Myers serves as a senior advisor of Quantum Energy Partners, a private equity firm, since February 2013. Mr. Myers served as an operating advisor to Paine & Partners, LLC, a private equity firm, from 2009 through 2012 and as Senior Advisor to Cameron International Corporation, a publicly traded provider of flow equipment products, from 2008 until 2009. He served Cameron in various other capacities, including as Senior Vice President and Chief Financial Officer from 2003 through 2008, President of Cameron s compression business from 1998 through 2001 and Senior Vice President and General Counsel from 1995 through 1999. In addition, Mr. Myers served as Senior Vice President and General Counsel of Baker Hughes Incorporated from 1988 through 1995 and as an associate and then a partner at Fulbright & Jaworski from 1978 through 1988.
Additional Directorships:	Mr. Myers served as a director of Frontier from 2009 until the merger in July 2011. He currently serves as a director of Forum Energy Technologies, Inc., ION Geophysical Corporation and Comfort Systems USA, Inc.
Qualifications:	Mr. Myers experience in senior finance and legal positions at publicly traded energy companies provides him with significant insight into operations, management and finance. In addition, Mr. Myers brings to the Board a broad range of experiences and skills as a result of his service as a director of other public and private companies.
Michael E. Rose	Director since 2011; age 68.
Principal Occupation:	Investor.
Business Experience:	Prior to his retirement in 2004, Mr. Rose served in a number of senior positions during his 24 years with Anadarko Petroleum Corporation, most recently serving as Executive Vice President Finance and Chief Financial Officer of Anadarko from 2000 until his retirement.
Additional Directorships:	Mr. Rose served as a director of Frontier from 2005 until the merger in July 2011.
Qualifications:	Mr. Rose brings to the Board significant financial and investment experience with oil and gas companies. He also qualifies as an audit committee financial expert.
Tommy A. Valenta	Director since 2010; age 66.
Principal Occupation:	Former President and Chief Executive Officer of Chaparral Steel Company.
Business Experience:	Mr. Valenta served as the President and Chief Executive Officer of Chaparral Steel Company from 2005 until 2007, when he retired. Prior to joining Chaparral Steel, Mr. Valenta was with Texas Industries, Inc. for 37 years where he held various positions, including Executive Vice-President and Chief Operating Officer Steel.
Qualifications:	Mr. Valenta brings to the Board executive and general management experience and teambuilding leadership experience at a public company.

None of our directors reported any litigation for the period from 2005-2015 that is required to be reported in this Proxy Statement.

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CORPORATE GOVERNANCE

The Board and senior management believe that one of their primary responsibilities is to promote a corporate culture of accountability, responsibility and ethical conduct throughout the Company. The Company is committed to maintaining the highest standard of business conduct and corporate governance, which we believe is essential to operating our business efficiently, maintaining our integrity in the marketplace and serving our stockholders.

Consistent with these principles, the Company has adopted a Code of Business Conduct and Ethics and Corporate Governance Guidelines. These documents, together with our certificate of incorporation, by-laws and Board committee charters, form the framework for our governance. All of these documents are publicly available on our website at *www.hollyfrontier.com*. Copies of these documents may also be obtained free of charge upon written request to HollyFrontier Corporation, 2828 North Harwood, Suite 1300, Dallas, Texas 75201, Attention: Vice President, Investor Relations.

Demonstrating our commitment to leading corporate governance practices, during 2014 we engaged in discussions with certain of our largest institutional investors representing approximately 25% of our outstanding shares. Our agenda centered on corporate governance practices, executive compensation, environmental stewardship and other matters. These investors expressed appreciation for our outreach efforts, and several investors provided positive comments on our strong governance and compensation practices. The feedback received was summarized and presented to the Nominating/Corporate Governance Committee. Investors were interested in our disclosure regarding environmental and social matters. As a result, we created a Community page on our website, and we increased disclosure regarding our investments on environmental projects.

Board Leadership Structure

In accordance with our Corporate Governance Guidelines, our Board is responsible for selecting the Board leadership structure that is in the best interests of the Company. Our Board, at this time, has determined that a leadership structure consisting of a combined role of Chief Executive Officer and Chairman of the Board, together with a strong lead independent director, is appropriate for our Company. As Mr. Jennings bears the primary responsibility for managing our day-to-day business, the combination of the role of Chief Executive Officer and Chairman of the Board ensures that key business issues and stockholder interests are brought to the attention of our Board. In addition, as a result of his role as the Chief Executive Officer of the Company, Mr. Jennings has Company-specific experience that can benefit his role as Chairman of the Board in identifying strategic priorities, leading discussion and executing strategy, and facilitating the flow of information between management and the Board.

In order to give a significant voice to our non-management directors and to reinforce effective, independent leadership on the Board, and in recognition of his demonstrated leadership skills, the Board has appointed Mr. Bech as lead director. The lead director s responsibilities are set forth in the Company s Corporate Governance Guidelines and include:

- presiding over executive sessions of the Board s independent directors and at all meetings of the Board at which the Chairman of the Board is not present;

- communicating matters discussed at the executive session to the Chief Executive Officer and Chairman of the Board, as appropriate;

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- calling meetings of independent directors if desirable or necessary;
- serving as a liaison between the Chief Executive Officer and Chairman of the Board and the independent directors;
- advising and consulting with the Chief Executive Officer and Chairman of the Board and the chairperson of each committee regarding Board and committee meetings, as necessary, desirable or appropriate;
- maintaining regular contact with the Chief Executive Officer and Chairman of the Board to provide access for any issue that may arise and assist in communication, if appropriate, and to ensure that there is a steady, relevant, meaningful and effective information flow from management to the Board;
- approving in advance, in consultation with the Chief Executive Officer and Chairman of the Board, agendas, schedules and related information for all meetings of the Board; and
- advising and consulting with the Chief Executive Officer and Chairman of the Board as to the quality, quantity and timeliness of the information submitted by the Company s management to, and other communications with, the independent directors.

The Board has established a policy that its non-management directors meet in executive session, without members of management present. If the lead director is unable to attend a meeting of the non-management directors, then the non-management directors will designate an independent director to preside at the meeting.

We believe that the foregoing structure, policies and practices, when combined with the Company s other governance policies and procedures, provide appropriate opportunities for oversight, discussion and evaluation of decisions and direction from the Board, and are in the best interest of our stockholders.

Board Oversight of Risk Management

The Board oversees management of risk. The Board regularly reviews information regarding the Company s business and operations, including the key operational and/or financial risks. As described below, consistent with SEC regulations and NYSE requirements, the Board committees are also engaged in overseeing risk associated with the Company.

- The Audit Committee oversees management of exposure to financial risks and monitors and evaluates the effectiveness of the Company s risk management and risk assessment guidelines and policies.
- The Compensation Committee oversees the management of risks relating to the Company s executive compensation plans and incentive structure.
- The Nominating/Corporate Governance Committee oversees the Company s ethics and compliance programs.
- The Environmental, Health, Safety, and Public Policy Committee oversees the management of risks associated with the environment, health, safety and public policy.

While each committee is responsible for evaluating certain risks and overseeing the management of those risks, the full Board is ultimately responsible for overseeing the Company s risk

exposures and management thereof, and the Board is regularly informed on these matters through committee and senior management presentations.

The Board also receives input from the Company s Risk Management Oversight Committee on management s views of the risks facing the Company. This committee is made up of management personnel and monitors the risk environment for the Company as a whole. This committee also supports the efforts of the Board and the Board committees to monitor and evaluate guidelines and policies governing the Company s risk assessment and management.

Director Independence

Board of Directors. NYSE listing requirements and our Corporate Governance Guidelines require that at least a majority of the Board meet the NYSE criteria for independence. The Board has determined that each of its non-management directors, Messrs. Bech, Echols, Hardage, Kostelnik, Lee, Myers, Rose and Valenta, is independent under the NYSE independence standards. Mr. Jennings is deemed not to be independent because he is an employee of the Company.

In accordance with our director retirement policy, Mr. Buford P. Berry and Mr. Robert G. McKenzie did not stand for reelection at the 2014 Annual Meeting but served as directors for a portion of the 2014 fiscal year. The Board has determined that Messrs. Berry and McKenzie were independent under the NYSE independence standards while serving as directors of the Company.

Audit Committee. The Board has determined each member of the Audit Committee is independent as defined by the NYSE listing standards and Rule 10A-3 of the Securities Exchange Act of 1934 (the Exchange Act). The Board has also determined that Mr. Echols service as a member of the audit committees of Trinity Industries, Inc., EnLink Midstream GP, LLC (since March 2014) and EnLink Midstream Manager, LLC (since March 2014) does not impair his ability to effectively serve on the Audit Committee of the Company. The Board previously determined that Mr. Echols service as a member of the audit committees of Crosstex Energy. L.P. and Crosstex Energy, Inc. (both prior to March 2014) did not impair his ability to effectively serve on the Audit Committee of the Company.

Compensation Committee. The Board has determined each member of the Compensation Committee is independent as defined by the NYSE listing standards. The Board had previously determined that Mr. Berry and Mr. McKenzie were independent as defined by the NYSE listing standards during the time they served on the Compensation Committee. For each member of the Compensation Committee, the Board considered all factors specifically relevant to determining whether a director has a relationship to the Company that is material to that director s ability to be independent from management in connection with the duties of a Compensation Committee member, including the sources of such director s compensation, such as any consulting, advisory or other compensatory fees paid by the Company, and whether the director has an affiliate relationship with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

Nominating/Corporate Governance Committee. The Board has determined each member of the Nominating/Corporate Governance Committee is independent as defined by the NYSE listing standards. The Board had previously determined that Mr. Berry and Mr. McKenzie were independent as defined by the NYSE listing standards during the time they served on the Nominating/Corporate Governance Committee.

Environmental, Health, Safety, and Public Policy Committee. The Board has determined each member of the Environmental, Health, Safety, and Public Policy Committee is independent as defined by the NYSE listing standards.

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Independence Determination. In making its independence determinations, the Board considered certain transactions, relationships and arrangements. In determining Mr. Hardage s independence, the Board considered that Mr. Hardage is a non-controlling manager and member of TCTC Holdings, LLC (which may be deemed to beneficially own 7.32% of the Company s common stock) and holds various other positions with TCTC s subsidiaries. The Board has determined that this relationship does not impair the independence of Mr. Hardage.

Director Nominations

Qualifications

In considering nominees for election as director, the Nominating/Corporate Governance Committee considers a number of factors, with an objective of having a board with diverse backgrounds and experiences. The Nominating/Corporate Governance Committee is also responsible for recommending the nomination of incumbent directors it deems appropriate for re-election to the Board and, if applicable, reappointment to any committees of the Board on which such director serves.

Characteristics expected of all directors include integrity, exceptional talent and judgment, and the ability and willingness to commit adequate time to the Board. In evaluating the suitability of individual board members, the committee takes into account many factors, including the candidate s knowledge of the communities in which the Company does business, the Company s industry, or other industries relevant to the Company s business, or other organizations of comparable size and personal qualities, background and reputation. The Board also considers the diversity of race, gender, culture, age, education, viewpoints, background, experience and skill when evaluating candidates.

Stockholder Recommendations

The Nominating/Corporate Governance Committee will consider recommendations of potential director candidates from stockholders based on the same criteria as a candidate identified by the Nominating/Corporate Governance Committee. Stockholders may submit such a recommendation by sending a letter to the Secretary of the Company at the Company s principal executive offices. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Director Nominee Recommendation.

To be considered for inclusion in the proxy statement, recommendations must be submitted in writing no less than 90 days and no more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders in compliance with the notice procedures and informational requirements set forth in Article III, Section 12 of the Company s By-Laws. A stockholder s notice must include the following:

- the name of the stockholder recommending the director candidate and the class and number of shares of common stock which are beneficially owned by the stockholder;

- a written statement by the director candidate agreeing to being named in the Company s proxy materials and to serve as a member of the Board if nominated and elected; and

- all other information relating to the nominating stockholder or director candidate that would be required to be disclosed in a proxy statement relating to an election of directors, or is otherwise required by Regulation 14A under the Exchange Act or Article III, Section 12 of the Company s By-Laws.

For more information, see Additional Information Stockholder Proposals.

Communications with the Board

Any stockholder or other interested party may communicate with the non-management directors by e-mailing the lead director at presiding.director.HFC@hollyfrontier.com or writing to: Lead Director, c/o Secretary, HollyFrontier Corporation, 2828 North Harwood, Suite 1300, Dallas, Texas 75201. Communications to the Board generally may be sent certified mail to HollyFrontier Corporation, 2828 North Harwood, Suite 1300, Dallas, Texas 75201, Attention: Secretary. The Secretary will forward all communications to the appropriate director or directors, other than those communications that are merely solicitations for products or services or relate to matters that are of a type that are clearly improper or irrelevant to the functioning of the Board or the business and affairs of the Company.

Code of Conduct

The Company has adopted a Code of Business Conduct and Ethics applicable to all directors, officers and employees. The purpose of this Code is to, among other things, affirm the Company s commitment to the highest standards of business conduct and ethics, integrity and compliance reporting in accordance with all applicable laws. The Code sets forth a common set of values and standards to which all of the Company s directors, officers and employees must adhere. The Company will post information regarding an amendment to, or waiver from, its Code of Business Conduct and Ethics on its website under the Investor Relations tab.

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THE BOARD, ITS COMMITTEES AND ITS COMPENSATION

The Board

Under the Company s Corporate Governance Guidelines, Board members are expected to devote the time reasonably necessary to discharge their responsibilities and to prepare for and, to the extent reasonably practicable, attend and participate in all meetings of the Board and Board committees on which they serve. During 2014, the Board held six meetings. Each director attended at least 75% of the total number of meetings of the Board and committees on which he served during the period he was a director.

The Company does not have a policy regarding director attendance at the annual stockholder meeting. Eight of our nine then-current directors attended the 2014 annual meeting of stockholders. Mr. Lee was unable to attend due to a personal conflict.

Board Committees

The Company currently has five standing committees:

- an Audit Committee;
- a Compensation Committee;
- a Nominating/Corporate Governance Committee;
- an Environmental, Health, Safety, and Public Policy Committee; and
- an Executive Committee.

Other than the Executive Committee, each of these committees operates under a written charter adopted by the Board. The Executive Committee operates pursuant to authority that is specifically delegated to it by the Board, and such delegated authority may be revoked at any time.

Upon the Nominating/Corporate Governance Committee s recommendations, the Board elects committee members annually. The table below sets forth the current composition of our Board committees.

	Audit Committee	Compensation Committee	Nominating/ Corporate Governance Committee	Environmental, Health, Safety, and Public Policy Committee	Executive Committee
Douglas Bech		ü (Chair)	ü		ü
Leldon Echols	ü (Chair)	ü			
Kevin Hardage		ü		ü	
Michael Jennings					ü (Chair)
Robert Kostelnik			ü	ü (Chair)	
James Lee	ü		ü		
Franklin Myers		ü	ü (Chair)		ü
Michael Rose	ü			ü	
Tommy Valenta	ü			ü	

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Audit Committee

The Audit Committee oversees our accounting and financial reporting processes and the audits of the Company s financial statements. In addition, the Audit Committee oversees management of exposure to financial risks and monitors and evaluates the effectiveness of the Company s risk management and risk assessment guidelines and policies. The functions and responsibilities of the Audit Committee include:

- appointing, compensating, retaining and overseeing the Company s independent registered public accounting firm and conducting an annual review of the independence of that firm;
- pre-approving all audit and permitted non-audit services to be performed by the Company s independent registered public accounting firm;
- reviewing the findings and recommendations of the independent registered public accounting firm;
- reviewing the scope and the planning of the annual audit with management, the independent registered public accounting firm and the internal auditor;
- reviewing the annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm;
- overseeing the internal audit function;
- reviewing and discussing the Company s internal controls over financial reporting with management and the independent registered public accounting firm;
- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or accounting matters;
- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding potential violations of applicable laws, rules and regulations or of the Company s codes, policies and procedures;
- establishing procedures for the confidential and anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or questionable compliance matters;
- reviewing and approving the Audit Committee Report to be included in the annual proxy statement; and
- reviewing the adequacy of the Audit Committee charter on an annual basis.

During 2014, the Audit Committee held seven meetings. Our independent registered public accounting firm reports directly to the Audit Committee. Each member of the Audit Committee has the ability to read and understand fundamental financial statements and each of Mr. Echols, and Mr. Rose meets the requirements of an audit committee financial expert as defined by the rules of the SEC.

Compensation Committee

The Compensation Committee establishes and administers the Company s policies, programs and procedures for compensating executive officers and the Board and oversees the management of

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risks relating to the Company s executive compensation plans and arrangements. The functions and responsibilities of the Compensation Committee include:

- evaluating the performance and approving the compensation of the Chief Executive Officer and, in consultation with the Chief Executive Officer, the Company s other executive officers;
- reviewing and approving the Company s executive compensation programs and corporate goals and objectives relative to the compensation of the Company s executive officers;
- reviewing director compensation and making recommendations to the Board regarding the same;
- administering and making recommendations to the Board with respect to the Company s equity incentive plans;
- reviewing succession planning for Company management and making recommendations to the Board regarding the same;
- overseeing the preparation of the Compensation Discussion and Analysis to be included in the annual proxy statement;
- preparing the Compensation Committee Report to be included in the annual proxy statement; and
- reviewing the adequacy of the Compensation Committee charter on an annual basis.

The Compensation Committee also has the authority to retain, compensate, direct, oversee and terminate outside counsel, compensation consultants and other advisors hired to assist the Committee. For 2014, the Compensation Committee retained Pearl Meyer & Partners (PM&P) as its independent compensation consultant for matters related to executive and non-management director compensation. In selecting PM&P as its independent compensation consultant, the Compensation Committee assessed the independence of PM&P pursuant to SEC rules and considered, among other things, whether PM&P provides any other services to us, the fees paid by us to PM&P as a percentage of PM&P s total revenues, the policies of PM&P that are designed to prevent any conflict of interest between PM&P, the Compensation Committee and us, any personal or business relationship between PM&P and a member of the Compensation Committee or one of our executive officers and whether PM&P owned any shares of our common stock. In addition to the foregoing, the Compensation Committee received an independence letter from PM&P, as well as other documentation addressing the firm s independence. PM&P reports exclusively to the Compensation Committee and does not provide any additional services to us. The Compensation Committee has discussed these considerations and has concluded that PM&P is independent and that we do not have any conflicts of interest with PM&P.

During 2014, the Compensation Committee held four meetings.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee assists the Board in overseeing that the Company is governed in a manner consistent with the best interests of the Company and its stockholders. In addition, the Nominating/Corporate Governance Committee oversees the Company s

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ethics and compliance programs. The functions and responsibilities of the Nominating/Corporate Governance Committee include:

- developing, reviewing and assessing the adequacy of the Company s Corporate Governance Guidelines;
- identifying and recommending individuals qualified to be directors;
- evaluating and determining whether directors are independent;
- recommending committee composition and chairpersons;
- reviewing and making recommendations to the Board on succession planning for the Board;
- reviewing and approving, prior to acceptance, the Chief Executive Officer s service on any other public company board;
- monitoring the Company s charitable contributions and political spending insofar as such activities exceed or can be expected to exceed 0.5% of the pre-tax income of the Company;
- overseeing the Company s ethics and compliance programs; and
- reviewing the adequacy of the Nominating/Corporate Governance Committee charter on an annual basis.

During 2014, the Nominating/Corporate Governance Committee held four meetings.

Environmental, Health, Safety, and Public Policy Committee

The Environmental, Health, Safety, and Public Policy Committee oversees the Company s environmental, health, safety and public policy matters. In addition, the Environmental, Health, Safety, and Public Policy Committee oversees the management of risks associated with such matters. The functions and responsibilities of this committee include:

- reviewing reports and other information provided by management and consultants regarding material regulatory compliance and public policy matters relating to the environment, health, safety and public policy;
- reporting material issues or compliance concerns included in those reports to the Board; and
- reviewing the adequacy of the Environmental, Health, Safety, and Public Policy Committee charter on an annual basis.

During 2014, the Environmental, Health, Safety, and Public Policy Committee held four meetings.

Executive Committee

The Executive Committee has such authority as the Board shall delegate to the committee from time to time. During 2014, the Executive Committee held two meetings.

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Director Compensation

The Compensation Committee annually evaluates the compensation program for members of the Board who are not our officers or employees (non-management directors) in light of then-current market practices. Based on a recommendation from the Compensation Committee, the Board approved changes to the non-management director compensation program, effective January 1, 2014. Specifically, the Board approved an increase in the annual cash retainer for Board service from $80,000 to $90,000 and an increase in the Audit Committee chair annual cash retainer from $15,000 to $20,000. The components of non-management director compensation for 2014 are set forth below. Members of the Board who also serve as our officers or employees do not receive additional compensation in their capacity as directors.

For 2014, non-management directors were entitled to receive Board and Board committee retainers and meeting fees payable in cash and the other compensation described in the following table. We also reimburse directors for all reasonable expenses incurred in attending Board and Board committee meetings upon submission of appropriate documentation.

Board Service:	**Compensation in 2014:**
Annual Restricted Stock Units Award (1)	$ 135,000
Annual Cash Retainer	90,000
Lead Director Cash Retainer	30,000
Meeting Fee (2)	2,000
Board Committee Service:	
Audit Committee Chair Annual Cash Retainer	20,000
Compensation Committee Chair Annual Cash Retainer	15,000
Nominating / Corporate Governance Committee Chair Annual Cash Retainer	10,000
Environmental, Health, Safety, and Public Policy Committee Chair Annual Cash Retainer	10,000
Committee Member Annual Cash Retainer (3)	10,000
Meeting Fee (2)	2,000

(1) The annual award is comprised of a number of restricted stock units equal to $135,000 divided by the market closing price of our common shares on the date of grant, with the number of restricted stock units rounded up or down in the case of fractional shares.

(2) Represents fees paid for meetings attended in person or by means of conference telephone. Meeting fees are not paid for attendance at the first six Board meetings or the first six meetings of each Board committee during the year.

(3) Retainer paid for service on each committee.

Equity Awards

Non-management directors receive an annual equity award grant in the form of restricted stock units having a fair market value of $135,000 on the date of grant. At its last regular meeting in 2013, the Compensation Committee decided to make certain changes to the timing of the annual equity award grant process for non-management directors. Specifically, the Compensation Committee determined that annual grants of equity awards for 2014 and later years will be made in the fourth quarter of the preceding year, rather than in the first quarter of the year to which the award relates, in order to align the timing of the equity award grants with the timing of the other compensation decisions made for non-management directors and with the timing of long-term equity incentive award grants for our executive officers.

Continued service on the Board through the stated vesting date for the restricted stock units, which is in most cases approximately one year following the date of grant, is required in order for the restricted stock units to become vested. The restricted stock units granted in November 2013 for the 2014 fiscal year vested on December 1, 2014. The restricted stock units granted in November 2014 for the 2015 fiscal year will vest on December 1, 2015. Accelerated vesting of outstanding restricted stock units will occur upon a change in control (subject to the director serving as a member of the Board immediately prior to the change in control) or the director s death, disability or retirement. Settlement of the restricted stock units in shares of our common stock occurs within 30 days of the event that caused the restricted stock units to vest. Directors do not have the rights of a stockholder with respect to the shares underlying the restricted stock units until the award vests and is settled in shares. However, directors are entitled to the payment of dividend equivalents on outstanding restricted stock units in the form of cash in an amount equal to the dividends that would have been paid with respect to the underlying shares after January 1 of the year following the year in which the date of grant occurs. These dividend equivalents are not subject to forfeiture.

Nonqualified Deferred Compensation

Our non-management directors are eligible to participate in the HollyFrontier Corporation Executive Nonqualified Deferred Compensation Plan, which is not tax-qualified under Section 401 of the Internal Revenue Code and allows participants to defer receipt of certain compensation (the NQDC Plan). The NQDC Plan allows non-management directors the ability to defer up to 100% of their cash retainers and meeting fees for a calendar year. Participating directors have full discretion over how their contributions to the NQDC Plan are invested among the offered investment options, and earnings on amounts contributed to the NQDC Plan are calculated in the same manner and at the same rate as earnings on actual investments. We do not subsidize a participant s earnings under the NQDC Plan.

Mr. Myers was the only non-management director that participated in the NQDC Plan in 2014. During 2014, no above market or preferential earnings were paid to Mr. Myers under the NQDC Plan and, therefore, none of the earnings received by Mr. Myers during 2014 are included in the Director Compensation Table below. For additional information on the NQDC Plan, see Compensation Discussion and Analysis Components of our Executive Compensation Program Retirement Benefits and Perquisites Retirement Plans Deferred Compensation Plan and Executive Compensation Nonqualified Deferred Compensation.

Stock Ownership and Retention Policy for Non-Management Directors

Non-management directors are expected to acquire and hold during their service on the Board shares of our common stock equal in value to at least three times the annual Board cash retainer paid to our directors (excluding any retainer paid for service on a Board committee). Directors have five years from their initial election to the Board to meet the target stock ownership requirements.

Directors are required to continuously own sufficient shares to meet the stock ownership requirements once attained. Until the directors attain compliance with the stock ownership policy, the

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directors will be required to hold 50% of the shares of common stock received from any equity award. If a director attains compliance with the stock ownership policy and subsequently falls below the requirement because of a decrease in the price of our common stock, the director will be deemed in compliance provided that the director retains the shares then held.

As of December 31, 2014, all of our non-management directors were in compliance with the stock ownership policy.

Anti-Hedging and Anti-Pledging Policy

All of our directors are subject to our Insider Trading Policy, which, among other things, prohibits such directors from entering into short sales or hedging or pledging shares of our common stock.

Director Compensation Table

The table below sets forth the compensation earned by each of our non-management directors in 2014.

Name (1)	Fees Earned or Paid in Cash	Stock Awards (2)	All Other Compensation	Total
Douglas Y. Bech	$ 165,000	$135,014		$ 300,014
Buford P. Berry (3)	$ 40,385			$ 40,385
Leldon E. Echols	$ 132,000	$135,014		$ 267,014
R. Kevin Hardage	$ 105,000	$135,014		$ 240,014
Robert J. Kostelnik	$ 116,374	$135,014	$ 7,500(4)	$ 258,888
James H. Lee	$ 112,000	$135,014		$ 247,014
Robert G. McKenzie (3)	$ 47,637			$ 47,637
Franklin Myers	$ 122,747	$135,014		$ 257,761
Michael E. Rose	$ 112,000	$135,014		$ 247,014
Tommy A. Valenta	$ 112,000	$135,014		$ 247,014

(1) Mr. Jennings is not included in this table because he receives no additional compensation for his service as a director. The compensation earned by Mr. Jennings in 2014 is shown under Executive Compensation Summary Compensation Table.

(2) Represents the aggregate grant date fair value of restricted stock units granted to the non-management directors on November 12, 2014 for the 2015 fiscal year (the 2015 Director Awards), determined in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, *Compensation Stock Compensation*, excluding the effect of estimated forfeitures. See Note 5 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, for a discussion of the assumptions used in determining the FASB ASC Topic 718 grant date fair value of these awards.

Because the 2015 Director Awards were granted during 2014, they are reported in the Stock Awards column of the Director Compensation Table for 2014 rather than 2015 in accordance with SEC rules. The annual restricted stock unit awards for the 2014 fiscal year were granted on November 13, 2013 and were reported in the Stock Awards column of the Director Compensation Table for 2013 rather than 2014 in accordance with SEC rules. For additional information regarding the annual restricted stock unit awards and grant process for non-management directors, please see Equity Awards above.

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The 2015 Director Awards will vest on December 1, 2015, subject to continued service on the Board. As of December 31, 2014, the 2015 Director Awards were the only outstanding equity awards held by our non-management directors.

(3) In accordance with our director retirement policy, Mr. Berry and Mr. McKenzie did not stand for reelection at the 2014 Annual Meeting but each served as a non-management director for a portion of the 2014 fiscal year.

(4) Includes a stipend of $2,500 per day ($7,500 total), which was approved by the Board in November 2014, for the three days in 2014 that Mr. Kostelnik provided operations-related consultation to us at the request of management.

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ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (PROPOSAL 2)

Section 14A(a)(1) of the Exchange Act requires that we provide our stockholders with the opportunity to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed pursuant to the compensation disclosure rules of the SEC, including the compensation discussion and analysis, the compensation tables and any related material contained in this proxy statement.

In accordance with the preference expressed by our stockholders, the Board has determined that we will provide this opportunity annually until the next non-binding stockholder advisory vote on the frequency of future advisory votes on executive compensation, which will occur no later than our annual meeting of stockholders in 2017.

As described in detail under the heading Compensation Discussion and Analysis, our executive compensation programs are primarily designed to (i) attract, motivate and retain our named executive officers, who are critical to our success, (ii) provide incentives for our named executive officers to achieve and exceed our operational, financial, and strategic goals, and (iii) align the interests of our named executive officers with those of our stockholders. Under these programs, compensation for our named executive officers is tied to performance, including our financial results and stockholder returns. Please read the information under Compensation Discussion and Analysis beginning on page 34, and review the compensation tables and narratives that follow, for additional details about our executive compensation programs, including information about the compensation of our named executive officers in 2014.

This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the compensatory philosophy, policies and practices described in this proxy statement. Because your vote is advisory, it will not be binding on the Compensation Committee, the Board or the Company. However, the Board and the Compensation Committee will review the voting results and take those results into consideration when making future decisions regarding executive compensation.

Required Vote and Recommendation

The advisory vote on the compensation of named executive officers requires the approval of a majority of the votes cast on the proposal.

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Executive Officers

The following sets forth information regarding the executive officers of the Company as of March 11, 2015:

Name	Age	Position
Michael C. Jennings	49	Chief Executive Officer and President
Douglas S. Aron	41	Executive Vice President and Chief Financial Officer
George J. Damiris	54	Executive Vice President and Chief Operating Officer
James M. Stump	47	Senior Vice President, Refining
Denise C. McWatters	55	Senior Vice President, General Counsel and Secretary

Information regarding Mr. Jennings is included above under Election of Directors.

Douglas S. Aron has served as Executive Vice President and Chief Financial Officer of the Company since the merger in July 2011. Mr. Aron has also served as Executive Vice President and Chief Financial Officer of HLS since November 2012, a position he previously held from July 2011 through December 2011. Prior to joining the Company, he was Executive Vice President and Chief Financial Officer of Frontier from 2009 until 2011. Additionally, he served as Vice President-Corporate Finance of Frontier from 2005 to 2009 and Director-Investor Relations from 2001 to 2005. Prior to joining Frontier, Mr. Aron was a lending officer for Amegy Bank.

George J. Damiris has served as Executive Vice President and Chief Operating Officer since September 2014. He previously served as Senior Vice President, Supply and Marketing of the Company from January 2008 until September 2014. Mr. Damiris joined the Company in 2007 as Vice President, Corporate Development after an 18-year career with Koch Industries, where he was responsible for managing various refining, chemical, trading, and financial businesses.

James M. Stump has served as Senior Vice President, Refining (formerly called Senior Vice President, Refinery Operations) of the Company since the merger in July 2011. During his 21 years at Frontier, Mr. Stump held various positions, including serving as Vice President Refining Operations for Frontier Refining and Marketing from 2009 until July 2011 and as Vice President and Refining Manager from 2002 to 2009.

Denise C. McWatters has served as Senior Vice President, General Counsel and Secretary since January 2013. She previously served as Deputy General Counsel from October 2007 until May 2008 and as Vice President, General Counsel and Secretary from May 2008 until January 2013. Prior to joining the Company, Ms. McWatters served as the General Counsel of The Beck Group from 2005 through October 2007. Ms. McWatters also has served as Senior Vice President, General Counsel and Secretary of HLS since January 2013, Vice President, General Counsel and Secretary of HLS from May 2008 until January 2013 and Deputy General Counsel of HLS from October 2007 to April 2008.

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COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This compensation discussion and analysis provides information about our compensation objectives and policies, as determined by the Compensation Committee. In addition, the compensation discussion and analysis is intended to place in perspective the information contained in the executive compensation tables that follow this discussion.

Overview

We hold our executive officers accountable for our performance and for maintaining a culture of strong ethics and exemplary safety. For 2014, our named executive officers or NEOs were:

Name	Position with HollyFrontier during 2014
Michael C. Jennings	Chief Executive Officer and President
Douglas S. Aron	Executive Vice President and Chief Financial Officer
George J. Damiris	Executive Vice President and Chief Operating Officer (1)
James M. Stump	Senior Vice President, Refining (2)
Denise C. McWatters	Senior Vice President, General Counsel and Secretary

(1) Mr. Damiris was appointed as Executive Vice President and Chief Operating Officer effective September 11, 2014. Prior to such date, Mr. Damiris served as our Senior Vice President, Supply and Marketing.

(2) Mr. Stump s title was changed from Senior Vice President, Refinery Operations to Senior Vice President, Refining effective February 18, 2015.

The compensation of our named executive officers is also presented in the tables and related information provided under Executive Compensation below.

Certain of our executive officers also provide services to our wholly-owned subsidiary, HLS, and HEP. HLS is the general partner of HEP Logistics Holdings, L.P., which is the general partner of HEP. We own 37% of the limited partner interests in HEP and the 2% general partner interest in HEP. In 2014, Messrs. Jennings and Aron and Ms. McWatters also served as named executive officers of HLS and split their professional time between HEP and us. Neither Mr. Jennings, Mr. Aron nor Ms. McWatters received any compensation from HLS or HEP during 2014 and, therefore, in accordance with SEC rules, a portion of the compensation paid by us to each of them for 2014 was allocated to the services they performed for HLS and HEP during 2014 and was included in the Compensation Discussion and Analysis and the accompanying narratives and tables contained in HEP s Annual Report on Form 10-K for the year ended December 31, 2014. The total compensation paid and other benefits made available to Messrs. Jennings and Aron and Ms. McWatters by us, including amounts disclosed in HEP s Annual Report on Form 10-K for the year ended December 31, 2014, are disclosed below.

2014 Business Highlights

The Compensation Committee believes that our executive management team has created significant value for our stockholders in 2014. The following are key highlights of our achievements in 2014:

- Net income attributable to our stockholders for 2014 was $281.3 million.

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Our reported gross margin per barrel declined only 13% year over year to $13.98 per barrel (excluding the lower of cost or market inventory valuation adjustment of $397.5 million for the year ended December 31, 2014) despite a 40% compression in the Brent/WTI spread, which reflects our advantaged geographic location close to inland crude production and niche product markets.*

Our balance sheet continued to remain strong with a total debt to capital ratio of 3% (excluding Holly Energy Partners, L.P. debt, which is non-recourse to us). As of December 31, 2014, our total cash and marketable securities balance was $1 billion and long-term debt was $187 million (excluding Holly Energy Partners, L.P. debt, which is non-recourse to us).

We had improved reliability in 2014 and our consolidated refinery utilization rate was 91.7%, nearly a 5% improvement relative to 2013 and above our five-year average, which reflects our focus on safety and mechanical integrity.

We returned over $780 million in cash to stockholders through dividends and share repurchases in 2014. Since the merger of Holly and Frontier in 2011, we have returned over $2.8 billion in capital to our stockholders.

* See Reconciliations to Amounts Reported Under Generally Accepted Accounting Principles following Item 7A of Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 for reconciliations to amounts reported under Generally Accepted Accounting Principles.

These achievements were taken into account in awarding 2014 annual incentive bonuses to our named executive officers. We believe the total compensation received by our named executive officers for 2014 was reflective of the Company and individual performance for the year.

Say-on-Pay Vote

At our 2014 annual meeting of stockholders, our stockholders had an opportunity to cast an advisory vote on executive compensation. At that meeting, over 95% of the votes cast by our stockholders were voted in support our executive pay program. The Compensation Committee believes this affirms stockholders support of our approach to executive compensation, and the Compensation Committee did not make any material changes to its executive compensation program in 2014 based on the results of the advisory vote. The Compensation Committee will continue to consider the outcome of the Company s say-on-pay votes when making future compensation decisions for the named executive officers.

Stockholder-Friendly Features of Our Executive Compensation Program

Our executive compensation program continues to contain the following stockholder-friendly features:

The vesting of 50% of the equity awards awarded to our executive officers each year is based on our Company s performance as compared to that of our industry peers over a period of time;

A majority of the annual incentive cash compensation paid to our executive officers is based on our financial performance as compared to that of our industry peers;

We do not have employment agreements with any of our executive officers;

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- Our executive officers are provided minimal perquisites;
- Our executive officers are subject to significant stock retention requirements;
- Our equity award agreements with our executive officers contain double trigger provisions;
- Our change in control severance agreements with our executive officers contain double trigger provisions and do not include tax reimbursement or gross-up provisions; and
- We prohibit the hedging and pledging of Company stock.

Philosophy and Objectives of Executive Compensation Program

Our compensation programs are designed to remunerate executives in accordance with a pay-for-performance philosophy. As such, the compensation programs are intended to provide incentives to our executives, as well as other employees, to maximize operational performance and stockholder value, which in turn affects the overall compensation earned by our management.

While the Compensation Committee has not adopted any formal policies for allocating compensation among salaries, bonuses and equity compensation, in designing the compensation program for executive officers, the Compensation Committee sought to achieve the following key objectives:

- *Attract and Retain Talented and Productive Executives.* The compensation program should provide each executive officer with a total compensation opportunity that is competitive within the market. This objective is intended to ensure that we are able to attract and retain executives while maintaining an appropriate cost structure.
- *Motivate Executives.* The compensation program should provide incentives for our executive officers to achieve and exceed our operational, financial and strategic goals.
- *Alignment with Stockholders.* The compensation program should align executives interests with those of our stockholders, promoting actions that will have a positive long-term impact on total stockholder return.
- *Compensation Should Be Transparent.* The elements of the compensation program should be easily understood by both our executive officers and our stockholders and be competitive in our industry.

Components of Our Executive Compensation Program

The components of the compensation program for our executive officers are:

- base salary;
- annual incentive cash compensation;

- long-term equity incentive compensation;
- severance and change in control benefits; and
- employee retirement, health and welfare benefits and limited perquisites.

Each of these components is described in further detail in the narrative that follows. Specific information regarding 2014 compensation is included below in the section titled 2014 Executive Compensation Decisions.

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Base Salary

Base salaries provide executives with a predictable level of income. The Compensation Committee reviews base salaries annually and determines base salaries on the basis of market practices and each executive s position, level of responsibility, individual performance, and position relative to other executives and other compensation elements. The Compensation Committee also reviews competitive market data relevant to each position provided by the compensation consultant.

Annual Incentive Cash Compensation

Under our annual incentive cash compensation program, named executive officers are eligible for cash bonuses that are designed to attract and retain senior leadership, reward achievement of financial and business goals and align executives interests with stockholders. Annual incentive cash opportunities for our named executive officers are reviewed annually and differ with the level of responsibility of each executive.

Long-Term Equity Incentive Compensation

Equity awards are provided under our Long-Term Incentive Compensation Plan (the LTIP) and our Omnibus Incentive Compensation Plan (the Omnibus Plan). For ease of discussion, the LTIP and the Omnibus Plan are collectively referred to in this proxy statement as the Equity Plans. The Compensation Committee oversees the administration of the Equity Plans and grants equity incentive awards to qualifying employees at its discretion. Historically, awards under the Equity Plans were made annually during the first quarter of each year; however, beginning in the fourth quarter of 2012, annual awards are typically made during the fourth quarter of the year preceding the year to which the awards relate.

We view long-term equity incentive compensation as the cornerstone of the executive compensation program because we believe:

- equity incentives and the related vesting periods help attract and retain executives capable of executing our business strategies;
- the value received by the recipient of equity incentives is aligned with long-term value creation for our stockholders; and
- equity incentives provide the closest link between our performance and the executives compensation.

In determining the appropriate amount and type of long-term equity incentive awards to be made, the Compensation Committee considers an executive officer s position, scope of responsibility, base salary, performance and market compensation information for executives in similar positions in similar companies and prior awards. In addition, the Compensation Committee has historically considered the recommendations of our Chief Executive Officer, except in regard to his own equity awards.

Severance and Change in Control Benefits

Severance and change in control protections are provided to our executive officers pursuant to the terms of outstanding awards granted under the Equity Plans and pursuant to change in control severance agreements. The award agreements related to outstanding restricted stock and performance share units granted to our named executive officers include accelerated vesting provisions in the event

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of certain terminations of employment, including in connection with a change in control. For additional information about these provisions, see Executive Compensation Potential Payments Upon Termination or Change in Control. In addition, we have entered into change in control severance agreements with each of our named executive officers, as described below. These agreements are designed to provide benefits only in the event of a qualifying termination of employment following a change in control transaction, and do not provide any benefits without a termination of employment.

Agreements Entered into with Former Holly Executives

Prior to the merger of Holly and Frontier, we had change in control severance agreements with our executive officers, including our named executive officers, who were serving as executive officers of Holly (referred to as former Holly executives). The Compensation Committee determined that it was in the best interests of the stockholders to maintain these agreements following the merger in light of the depth of knowledge and experience of these executive officers and the need to ensure stable management in the event of a potential change in control. In January 2013, in connection with her promotion to Senior Vice President, Ms. McWatters entered into our form of change in control severance agreement for promoted individuals, which does not include a tax reimbursement provision for potential parachute payments under Section 280G of the Internal Revenue Code and is intended to provide benefits similar to those adopted for our executive officers who served as executive officers of Frontier prior to the merger (referred to as former Frontier executives) as described below. In March 2013, Mr. Damiris entered into an amendment to his change in control severance agreement pursuant to which he agreed to waive the tax reimbursement provision in his change in control severance agreement. For additional information about the severance benefits provided under the change in control severance agreements with the former Holly executives, see Executive Compensation Potential Payments Upon Termination or Change in Control.

Agreements with Former Frontier Executives

Frontier had change in control severance agreements and executive severance agreements with each of the former Frontier executives prior to the merger. In order to maintain the continuity of management following the merger, we agreed to assume Frontier s change in control severance agreements and executive severance agreements with Messrs. Jennings, Aron and Stump, subject to certain modifications. In February 2012, in order to harmonize the severance benefits payable to all executive officers, the Board adopted a new form of change in control severance agreement for the former Frontier executives, including Messrs. Jennings, Aron and Stump. Upon entry into the new agreement, the change in control severance agreements and executive severance agreements assumed in the merger were terminated. In May 2012, Messrs. Jennings and Aron each entered into an amendment to his respective change in control severance agreement pursuant to which each agreed to waive the tax reimbursement provision in his change in control severance agreement. Mr. Stump entered into the same amendment to his change in control severance agreement in October 2013. As a result, currently, none of the change in control severance agreements we have with our named executive officers contain any tax reimbursement provisions in the event a named executive officer receives potential parachute payments under Section 280G of the Internal Revenue Code. For additional information about the severance benefits provided under the change in control agreements with the former Frontier executives, see Executive Compensation Potential Payments Upon Termination or Change in Control.

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Retirement Benefits and Perquisites

Retirement Plans

Retirement Pension Plans. We traditionally maintained the Holly Retirement Plan, a tax-qualified defined benefit retirement plan (the Retirement Plan), and the Holly Retirement Restoration Plan, an unfunded plan that provides additional payments to participating executives whose Retirement Plan benefits were subject to certain Internal Revenue Code limitations (the Restoration Plan). Until January 1, 2012, Holly employees hired prior to 2007 and not subject to a collective bargaining agreement were eligible to participate in the Retirement Plan. No additional benefits accrued under the Retirement Plan and Restoration Plan for any participants effective May 1, 2012, and the retirement benefits we offer to our employees on and after that date are solely provided through defined contribution retirement plans, such as the 401(k) Plan described below. The Retirement Plan was liquidated in June 2013. None of our named executive officers has ever participated in the Retirement Plan or the Restoration Plan.

Defined Contribution Plan. For 2014, our named executive officers were able to participate in the HollyFrontier Corporation 401(k) Retirement Savings Plan, which is a tax-qualified defined contribution plan (the 401(k) Plan). Employees who are not eligible to participate in the NQDC Plan may contribute amounts between 0% and 75% of their eligible compensation to the 401(k) Plan, while employees who are eligible to participate in the NQDC Plan may contribute amounts between 0% and 50% of their eligible compensation to the 401(k) Plan. Employee contributions that were made on a tax-deferred basis were generally limited to $17,500 for 2014, with employees 50 years of age or over able to make additional tax-deferred contributions of $5,500.

For 2014, we made a retirement contribution of 3% to 8% of the participating employee s eligible compensation under the 401(k) Plan, subject to applicable Internal Revenue Code limitations, based on years of service, as follows:

Years of Service	Retirement Contribution (as percentage of eligible compensation)
Less than 5 years	3%
5 to 10 years	4%
10 to 15 years	5.25%
15 to 20 years	6.5%
20 years and over	8%

In addition to the retirement contribution, in 2014, we made matching contributions to the 401(k) Plan equal to 100% of the first 6% of each participating employee s eligible compensation up to compensation limits. In 2014, all of our named executive officers participated in the 401(k) Plan and received matching contributions and the retirement contribution. Matching contributions vest immediately and retirement contributions are subject to a three-year cliff-vesting period.

Deferred Compensation Plan. Certain of our employees, including our named executive officers, were also eligible to participate in the NQDC Plan in 2014. The NQDC Plan provides certain members of management and other highly compensated employees an opportunity to defer compensation in excess of qualified retirement plan limitations on a pre-tax basis and accumulate tax-deferred earnings to achieve their financial goals.

Participants in the NQDC Plan can contribute between 1% and 50% of their eligible earnings, which includes base salary and bonuses, to the NQDC Plan. Participants in the NQDC Plan are also

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eligible to receive certain employer-provided contributions, including but not limited to matching contributions, retirement contributions, and nonqualified nonelective contributions. Matching contributions and retirement contributions represent contribution amounts that could not be made under the 401(k) Plan due to Internal Revenue Code limitations on tax-qualified plans. We do not provide any subsidized returns or guarantee of returns on compensation deferred by our executives or other participants in the NQDC Plan. For more information regarding this plan, see Executive Compensation Nonqualified Deferred Compensation.

Other Benefits and Perquisites

All of our executive officers are eligible to participate in the same benefit plans available generally to our salaried employees, such as medical, dental, vision, long-term and short-term disability and life insurance. We do not maintain separate executive plans for any of these benefits.

During 2014, Messrs. Jennings, Aron and Damiris (following his appointment as Executive Vice President and Chief Operating Officer in September 2014) were permitted to use the company aircraft for personal travel, subject to a requirement that they reimburse us for all aggregate incremental costs associated with their personal use, including fuel costs, landing fees, catering charges, pilot overnight expenses and other similar charges incurred by us. In addition, we permit an executive s family member to accompany the executive on a flight when the executive is traveling for business. No additional direct operating cost is incurred by us in such situations, but to the extent that Internal Revenue Service guidelines cause us to impute income to the executive for such family member travel, and that travel is not business-related, the associated tax liability is the responsibility of the executive.

In addition, for security reasons as a result of our increased size and value, we reimburse our executive officers up to $9,500 per year for any out-of-pocket expenses related to security training, consulting or technology. During 2014, we also reimbursed club initiation fees and monthly club dues for Messrs. Jennings, Aron and Damiris. The Compensation Committee believes that a club membership assists these executives in performing their responsibilities by providing a means for business entertainment and networking. We also provide reserved parking spaces for our executive officers.

Role of Compensation Committee in Establishing Compensation

The Compensation Committee administers our executive compensation programs. The role of the Compensation Committee is to review and approve the compensation to be paid to executive officers, including the named executive officers, and to review the compensation policies and practices for all of our employees to verify that they do not create unreasonable risks for us or our stockholders.

In setting compensation for executive officers, the Compensation Committee considers, among other things, recommendations by its independent compensation consultant and management and the compensation of similarly situated executives in comparable businesses. In addition, the Compensation Committee annually reviews total compensation paid to the named executive officers for the prior year and, with the assistance of management, proposes long-term incentive compensation awards.

Role of Executive Officers in Establishing Compensation

Our Chief Executive Officer makes compensation recommendations to the Compensation Committee for the executive officers, including the named executive officers (except with respect to his own compensation). Management provides financial and compensation data to the Compensation

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Committee for its review in setting compensation and gives guidance as to how the data impacts performance goals set by the Compensation Committee. This data includes:

- our financial performance for the current year compared to the preceding year;
- performance evaluations of the named executive officers (other than for the Chief Executive Officer, who is evaluated by the Compensation Committee); and
- compensation provided to the named executive officers in previous years.

In addition, management may recommend and provide rationale for discretionary bonuses for named executive officers (other than for the Chief Executive Officer) to the Compensation Committee. Given the day-to-day familiarity that management has with the work performed by the named executive officers, the Compensation Committee values management s recommendations. However, the Compensation Committee makes all final decisions as to the compensation of the named executive officers.

Role of Compensation Committee Consultant in Establishing Compensation

In September 2011, the Compensation Committee retained PM&P as its independent compensation consultant to advise the Compensation Committee on matters related to executive and non-management director compensation. PM&P previously served as the compensation consultant to Frontier s compensation committee. In 2014, the Compensation Committee received competitive market data and related observations and advice from PM&P with respect to the development and structure of our executive compensation program. As discussed above under The Board, its Committees and its Compensation Board Committees Compensation Committee, the Compensation Committee has concluded that we do not have any conflicts of interest with PM&P.

Market Review

We regularly compare our executive compensation program with market information regarding salary levels and incentive awards and programs. The purpose of this analysis is to provide a frame of reference in evaluating the reasonableness and competitiveness of our executive compensation as compared to that of companies within the energy industry that are generally comparable in size and scope of operations to us.

Market pay levels for our named executive officers are obtained from the SEC filings of the companies in our comparator group. We supplement this data for our named executive officers with, and obtain data for our executive officers from, various sources, including published compensation surveys, which cover our industry sector and labor market. As a component of setting 2014 compensation, in November 2013, the Compensation Committee reviewed a study of compensation paid to our executive officers prepared by PM&P. The following companies comprised the 2014 comparator group reviewed by the Compensation Committee:

Ashland Inc.	Murphy Oil Corporation
Devon Energy Corporation	ONEOK, Inc.
Eastman Chemical Company	PPG Industries Inc.
Fluor Corporation	Tesoro Corporation
Hess Corporation	Western Refining Inc.
Huntsman Corporation	Williams Companies, Inc.
LyondellBasell Industries N.V.	World Fuel Services Corporation

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As compared to our 2013 comparator group, Sunoco, Inc. was removed from the comparator group since it ceased to be a public company following its acquisition by Energy Transfer Partners.

The 2014 comparator group is different than the 2014 incentive peer group, which is used as a market comparison when determining payouts of certain performance-based incentive awards granted to executive officers. See 2014 Executive Compensation Decisions Annual Incentive Cash Compensation for a further discussion of the 2014 incentive peer group and the reasons for the differences from the 2014 comparator group.

2014 Executive Compensation Decisions

The Compensation Committee established 2014 total direct compensation, including base salary, annual incentive cash compensation, and long-term equity incentive compensation awards, for our executive officers at pay levels approximating the middle range of market compensation. The Compensation Committee utilized the market data provided by PM&P and internal evaluations of the executive officers to establish total compensation opportunities for the executive officers that are consistent with this objective.

Based on the 2014 annual review of compensation, the Compensation Committee believes that 2014 compensation for the named executive officers reflects appropriate allocation of compensation between salary, bonuses and equity compensation.

Base Salary

The Compensation Committee establishes base salaries within a competitive range to provide our named executive officers with compensation consistent with their responsibilities, their experience, their individual performance and our peers. In the fourth quarter of 2013, the Compensation Committee conducted its annual review of base salaries and market survey data and determined that increases in the base salaries of all of our named executive officers were warranted based on factors such as our financial performance, market levels of compensation for comparable positions and internal pay equity. The following table sets forth the base salaries for 2013 and 2014 of our named executive officers:

Name and Title	2013 Base Salary	2014 Base Salary (1)	Percentage Increase
Michael C. Jennings *Chief Executive Officer and President*	$ 990,000	$ 1,060,000	7.1%
Douglas S. Aron *Executive Vice President and Chief Financial Officer*	$ 530,000	$ 560,000	5.7%
George J. Damiris *Executive Vice President and Chief Operating Officer*	$ 435,000	$ 640,000	47.1%
James M. Stump *Senior Vice President, Refining*	$ 390,000	$ 475,000	21.8%
Denise C. McWatters *Senior Vice President, General Counsel and Secretary*	$ 370,000	$ 400,000	8.1%

(1) Represents increases effective January 1, 2014, except for Mr. Damiris and Mr. Stump. Effective January 1, 2014, Mr. Damiris s salary was $460,000, which represented a 5.7% increase over his 2013 base salary, and Mr. Stump s salary was $410,000, which represented a 5.1% increase over his 2013 base salary. Effective February 17, 2014, Mr. Damiris s salary was increased to $500,000, and Mr. Stump s salary was increased to $475,000, in each case, to compensate for additional

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responsibilities assumed upon the departure of David L. Lamp, the Company s former Executive Vice President and Chief Operating Officer. Effective September 11, 2014, Mr. Damiris s salary was increased to $640,000 in connection with his promotion and appointment as Executive Vice President and Chief Operating Officer.

Annual Incentive Cash Compensation

In the fourth quarter of 2013, the Compensation Committee approved target awards under the annual incentive cash compensation program and the remaining terms of the annual incentive cash compensation awards granted to our executive officers for 2014. These awards were subject to our achievement of specified levels of performance with respect to certain financial and environmental, health and safety measures, as well as individual performance measures.

After considering target awards for comparable positions at our comparator group companies, for 2014, the Compensation Committee decided to make the following changes to the annual incentive cash compensation program for our named executive officers: (i) add an individual performance criterion for Messrs. Jennings and Aron, (ii) increase Mr. Damiris s target and maximum award opportunities from 60% and 120%, respectively, to 65% and 130% (and, subsequently, in connection with his promotion to Executive Vice President and Chief Operating Officer, his target and maximum award opportunities were further increased to 85% and 170%), and (iii) increase Mr. Stump s target and maximum award opportunities from 55% and 110%, respectively, to 60% and 120%. The following table sets forth the threshold, target and maximum award opportunities (as a percentage of annual base salary) for our named executive officers for 2014, and the portion of each named executive officer s target award opportunity that is allocated to each performance measure.

	Award Opportunities			Allocation Among Performance Measures		
Name	**Minimum**	**Target**	**Maximum**	**Financial Measures**	**Environmental, Health and Safety**	**Individual**
Michael C. Jennings	0%	140.0%	280.0%	98.0%	28.0%	14.0%
Douglas S. Aron	0%	80.0%	160.0%	56.0%	16.0%	8.0%
George J. Damiris	0%	85.0%	170.0%	51.0%	17.0%	17.0%
James M. Stump	0%	60.0%	120.0%	36.0%	12.0%	12.0%
Denise C. McWatters	0%	60.0%	120.0%	36.0%	12.0%	12.0%

The financial measures are weighted more heavily than the environmental, health and safety measures in order to incentivize and reward the executive officers for overall company performance as compared to its peers and to promote stockholder value creation. Awards are capped to avoid encouraging an excessive short-term focus, potentially at the expense of long-term performance.

To facilitate timely determination of award payouts, the measurement period for each of the above metrics covers four consecutive quarters starting with the fourth quarter of the preceding year (2013) and ending with the third quarter of the current year (2014).

Financial Measures. The Compensation Committee allocates the majority of the executives bonus opportunity to financial performance in order to align the financial interests of our executive officers with the interests of our stockholders. Our performance with respect to the following equally-weighted criteria, as compared to the performance of the 2014 incentive peer group (calculated as the

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average of the performance of each company in the incentive peer group with respect to each criteria), is used to determine overall performance under the financial measures metric:

Criteria	What It Means
Return on Capital Employed	Net income plus after-tax interest expense, divided by the sum of shareholders equity, plus minority interest, plus debt, less goodwill and intangible assets, less cash (excludes gains or losses attributable to first-in, first-out inventory valuation and intangible asset impairment expenses).
Return on Assets	Earnings before interest, taxes, depreciation and amortization (EBITDA) divided by total assets, excluding goodwill and intangible assets (excludes gains or losses attributable to first-in, first-out inventory valuation and intangible asset impairment expenses).
Operating Income	Total revenues less cost of goods sold less cash operating costs less depreciation and amortization, divided by total revenues (excludes gains or losses attributable to first-in, first-out inventory valuation).

For 2014, the non-cash pension termination charge taken by the Corporation in the fourth quarter of 2013 was excluded from consideration in calculating our performance for all three measures above, and any similar non-cash pension termination charges known for any entity in the incentive peer group were also excluded.

For 2014, the incentive peer group included:

Alon USA Energy, Inc.	Tesoro Corporation
Delek U.S. Holdings, Inc.	Valero Energy Corp.
Marathon Petroleum Corporation	Western Refining Company
PBF Energy Corporation	

We compare our own financial performance against that of these companies because their collective performance reflects external economic conditions we are facing as a company and as an industry as a whole, and they are also companies with which both management and investment analysts compare our results. The 2014 incentive peer group differs from the 2014 comparator group because the 2014 incentive peer group includes companies that are too large in size (Valero Energy Corp.) or that significantly differ in ownership and management composition from us (Alon USA Energy, Inc.) to be suitable comparisons for considering total compensation packages.

The companies included in the 2014 incentive peer group are the same companies included in the 2013 incentive peer group, except that Phillips 66 Corporation was removed from the incentive peer group and PBF Energy Corporation was added to the incentive peer group since we determined PBF Energy Corporation is more comparable to us in size and scope of operations than Phillips 66 Corporation.

For the financial measures metric of the annual bonus, our performance in each of the three criteria noted above is compared to the 2014 incentive peer group and the equally-weighted average of those three criteria determines our performance. The table below sets forth the percentage of a named executive officer s total potential financial measures target that is payable to the named executive

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officer based on the equally-weighted average of our performance as compared to the incentive peer group with respect to the financial measures metrics:

Ratio of Company Performance Compared to Incentive Peer Group	Bonus Achievement
less than 0.75	Zero
0.75	50% of Target Percentage (Minimum)
0.751 to 1.049	Linear Interpolation between Minimum and Target
1.05	Target Percentage
1.051 to 1.349	Linear Interpolation between Target and Maximum
1.35 or greater	200% of Target Percentage (Maximum)

The chart below shows our performance with respect to each financial measure as compared to the performance of the incentive peer group for 2014:

Environmental, Health and Safety Measures. The Compensation Committee selected this metric because it reflects one of our key business objectives, drives our overall performance and promotes accountability. Our performance with respect to the following equally-weighted criteria, as compared to our performance for the prior year, is used to determine performance under the environmental, health and safety metric:

Criteria	What It Means
Personal Safety	Measured by the OSHA 300 recordable incident rate (for our employees).
Process Safety	Measured by the severity-adjusted annual process safety incident rate (using API 754 Tier 1 and Tier 2 incident reporting) and a qualitative assessment of accomplishment versus stated objectives.
Environmental Events	Measured by the number of release, spills, permit exceedances, violations and community complaints.

For environmental, health and safety measures, the number of incidents for each component will be compared to the number of incidents in the prior 12-month period and the total percentage change in the number of incidents will determine the environmental, health and safety performance. The table below sets forth the percentage of the named executive officer s total potential

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environmental, health and safety measures target that is payable to the named executive officer based on the percentage change in the number of incidents as compared to the prior 12-month period:

Percentage Change	Bonus Achievement
Increase in number of Incidents	Zero
0%	50% of Target Percentage (Threshold)
Decrease greater than 0% and less than 5%	Linear Interpolation between Threshold and Target
Decrease of 5%	Target Percentage
Decrease greater than 5% but less than 10%	Linear Interpolation between Target and Maximum
Decrease of 10% or more	200% of Target Percentage (Maximum)

However, for any plant not at the American Fuel & Petrochemical Manufacturers average recordable incident ratio of 0.64 on a trailing 12-month basis as of September 30, 2013, the threshold level for personal safety is a 15% reduction, target is a 20% reduction and maximum is a 25% reduction in the OSHA 300 recordable incident ratio.

Individual Performance Measures. In addition to the metrics mentioned above, a portion of the award for each of the executive officers is based on the Compensation Committee s evaluation of the executive officer s individual performance during the year. The Committee considers various criteria such as interpersonal effectiveness, business conduct, professional and technical development, leadership, and results orientation. The evaluation is discretionary and based on a wide range of considerations which often change over the course of the year. Further, the Committee may exercise its discretion and increase, decrease, or eliminate awards based on individual performance for any executive officer.

2014 Performance. The threshold, target and maximum performance levels and actual results for the performance measures are set forth in the table below:

Metric	Threshold	Target	Maximum	Actual for 2014	Bonus Achievement
Financial Measures **(as compared to peer group)**					**99%**
Return on Capital Employed	.75	1.05	1.35	0.84	
Return on Assets	.75	1.05	1.35	0.84	
Operating Income	.75	1.05	1.35	1.25	
Environmental, Health and Safety **(as compared to Q4 2012-Q3 2013)**					**93%**
Personal Safety	no change	decrease by 5%	decrease by 10%	decrease by 3%	
Process Safety	no change	decrease by 5%	decrease by 10%	decrease by 29%	
Environmental Events	no change	decrease by 5%	decrease by 10%	increase by 14%	

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The following table sets forth the actual payouts to the named executive officers for 2014 as a percentage of base salary, including payments made based on our performance and discretionary bonuses awarded for individual performance.

Name	Financial Measures	Environmental, Health and Safety	Individual	Total
Michael C. Jennings	97.0%	26.0%	14.0%	137.0%
Douglas S. Aron	55.4%	14.9%	12.0%	82.3%
George J. Damiris	50.5%	15.8%	17.0%	83.3%
James M. Stump	35.6%	11.2%	12.0%	58.8%
Denise C. McWatters	35.6%	11.2%	18.0%	64.8%

In addition, for 2014, we awarded special one-time discretionary bonuses to each of the named executive officers in recognition of their extraordinary efforts and contributions to us in 2014 in the following amounts: (i) Mr. Jennings ($17,808), (ii) Mr. Aron ($55,376), (iii) Mr. Damiris ($6,528), (iv) Mr. Stump ($3,420) and (v) Ms. McWatters ($52,880).

Long-Term Equity Incentive Compensation

Our long-term equity incentive program currently consists of annual grants of restricted stock and performance share unit awards for our executive officers. At its last regular meeting in 2012, the Compensation Committee decided to make certain changes to its long-term equity award grant process, including changes to the timing of annual grants for each year. Specifically, the Compensation Committee determined that annual grants of long-term equity incentive awards for 2013 and later years will be made in the fourth quarter of the preceding year, rather than in the first quarter of the year to which the award relates, in order to align the timing of the long-term equity incentive award grants with the timing of the other compensation decisions made for our executive officers and, with respect to performance share unit awards, to align the timing of the grant with the quarter in which the performance period commences. Pursuant to SEC rules, the long-term equity incentive awards granted in November 2013 for the 2014 fiscal year are disclosed as 2013 compensation in the Summary Compensation Table (with respect to those named executive officers who were also named executive officers for 2013) and are not included in the 2014 Grants of Plan-Based Awards table included in this proxy statement; however, because these awards relate to the 2014 fiscal year, they are described in greater detail below. The long-term equity incentive awards granted in November 2014 for the 2015 fiscal year are discussed below under 2015 Executive Compensation Decisions.

Restricted Stock Awards

At its November 2013 meeting, the Compensation Committee approved grants of restricted stock with time-based vesting conditions to our executive officers for the 2014 fiscal year. The award is initially approved by the Compensation Committee as a dollar amount established according to the pay grade of the executive officer. The award is then converted into a number of shares by dividing the dollar amount by the closing price of our common stock on the grant date of the award. The following

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table sets forth the number of shares of restricted stock with time-based vesting conditions that were awarded for the 2014 fiscal year to each of the named executive officers.

Name	Number of Shares of Restricted Stock with Time-Based Vesting
Michael C. Jennings	66,168
Douglas S. Aron	17,646
George J. Damiris	8,271
James M. Stump	7,170
Denise C. McWatters	7,170

The restricted stock awards granted in November 2013 for the 2014 fiscal year vest in three equal annual installments on December 15, 2014, 2015 and 2016 (or the first business day thereafter if December 15 falls on a Saturday or Sunday), subject to continued employment. Each executive officer has the right to receive dividends and other distributions paid with respect to such shares of restricted stock.

Performance Share Unit Awards

At its November 2013 meeting, the Compensation Committee also approved grants of performance share unit awards to our executive officers for the 2014 fiscal year. Each executive officer was granted a target number of performance share units. The target award is initially approved by the Compensation Committee as a dollar amount established according to the pay grade of the executive officer. The target award is then converted into a number of shares by dividing the targeted dollar amount by the closing price of our common stock on the grant date of the award. The following table sets forth the target number of performance share units that were awarded for the 2014 fiscal year to each of the named executive officers.

Name	Target Number of Performance Share Units Granted
Michael C. Jennings	66,168
Douglas S. Aron	17,646
George J. Damiris	8,271
James M. Stump	7,170
Denise C. McWatters	7,170

The Compensation Committee determined that performance metrics for the November 2013 grants for the 2014 fiscal year would consist of return on capital employed and total shareholder return during the performance period as measured against that of the 2014 incentive peer group. See 2014 Executive Compensation Decisions Annual Incentive Cash Compensation for a discussion of our 2014 incentive peer group. The performance period for these performance share unit awards runs from October 1, 2013 through September 30, 2016. The executive officers have the right to receive dividends and other distributions with respect to such outstanding performance share units, based on the target level of payout, and these dividends are paid at approximately the same time as dividends are received by our common stockholders.

For the performance share unit awards granted in November 2013 for the 2014 fiscal year:

return on capital employed is calculated the same as return on capital employed for purposes of the 2014 annual incentive cash awards.

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total shareholder return is defined as (i) the appreciation in our stock price during the performance period (in dollars) plus cumulative dividends paid during the performance period plus any additional value or compensation received by shareholders such as stock received from spinoffs, divided by (ii) the closing price of our stock on the first business day of the performance period.

The actual number of performance share units earned at the end of the performance period will be equal to (a) the target number of performance share units granted multiplied by (b) our average performance unit payout with respect to the performance metrics. The average performance unit payout is determined by adding our performance unit payout percentage with respect to each performance metric and dividing the sum by two. For the return on capital employed metric, our performance unit payout is determined in accordance with the following table:

Company v. Incentive Peer Group Performance	Performance Unit Payout
Less than 0.75 of Incentive Peer Group Average	0%
0.75 of Incentive Peer Group Average	50% of Target (Threshold)
From 0.751 to 1.049 of Incentive Peer Group Average	Interpolate between Threshold and Target
1.05 of Incentive Peer Group Average	100% (Target)
From 1.051 to 1.349 of Incentive Peer Group Average	Interpolate between Target and Stretch
1.35 of Incentive Peer Group Average	150% of Target (Stretch)
From 1.351 to 1.749 of Incentive Peer Group Average	Interpolate between Stretch and Maximum
1.75 or more of Incentive Peer Group Average	200% of Target (Maximum)

For the total shareholder return metric, our performance unit payout is determined in accordance with the following table:

Peer Group Performance Percentage (TSR)	Performance Unit Payout
Less than 0.95 of Incentive Peer Group Average	0%
0.95 of Incentive Peer Group Average	50% of Target (Threshold)
From 0.9501 to 0.99 of Incentive Peer Group Average	Interpolate between Threshold and Target
Incentive Peer Group Average Return	100% (Target)
From 1.01 to 1.049 of Incentive Peer Group Average	Interpolate between Target and Stretch
1.05 of Incentive Peer Group Average	150% of Target (Stretch)
From 1.0501 to 1.099 of Incentive Peer Group Average	Interpolate between Stretch and Maximum
1.10 or more of Incentive Peer Group Average	200% of Target (Maximum)

An executive officer that received performance share unit awards in November 2013 for the 2014 fiscal year must be employed by us on December 15, 2016 (or the first business day thereafter if such date falls on a Saturday or Sunday) to receive payment of the earned performance share unit awards, except as described below in Executive Compensation Potential Payments Upon Termination or Change in Control. Earned performance share unit awards will be paid in the form of fully vested shares of our common stock.

Special One-Time Restricted Stock Awards

In February 2014, the Compensation Committee awarded a one-time grant of restricted stock with time-based vesting conditions to Messrs. Damiris and Stump. These awards were made to compensate Messrs. Damiris and Stump for additional responsibilities each assumed upon the departure of David L. Lamp, the Company s former Executive Vice President and Chief Operating Officer, in February 2014. In light of these additional responsibilities, the Committee determined that the grants were appropriate to incentivize increased and continued performance by Messrs. Damiris

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and Stump. The following table sets forth the number of shares of restricted stock that were awarded to Messrs. Damiris and Stump in February 2014.

Name	Number of Shares of Restricted Stock with Time-Based Vesting
George J. Damiris	13,334
James M. Stump	13,334

The restricted stock awards granted in February 2014 to Messrs. Damiris and Stump vest in two equal annual installments on December 15, 2015 and 2016 (or the first business day thereafter if December 15 falls on a Saturday or Sunday), subject to continued employment. Each of Messrs. Damiris and Stump has the right to receive dividends and other distributions paid with respect to such shares of restricted stock.

Stock Ownership and Retention Policy

Our Board, the Compensation Committee and our executive officers recognize that ownership of our common stock is an effective means by which to align the interests of our directors and officers with those of our stockholders. In February 2012, the Nominating/Corporate Governance Committee recommended, and the Board approved, a new stock ownership policy. The terms of the stock ownership policy for our executive officers are summarized below.

Under the stock ownership policy, our officers are required to hold shares of our common stock as follows:

Officer Position	Value of Shares Owned
Chief Executive Officer	6x Base Salary
Executive Vice Presidents	3x Base Salary
Senior Vice Presidents	2x Base Salary
Vice Presidents	1x Base Salary

Our officers are required to meet the applicable requirements within five years of employment or promotion.

Officers are required to continuously own sufficient shares to meet the stock ownership requirements once attained. Until the officers attain compliance with the stock ownership policy, the officers will be required to hold 50% of the shares of common stock received from any equity award, net of any shares used to pay tax withholdings. If an officer attains compliance with the stock ownership policy and subsequently falls below the requirement because of a decrease in the price of our common stock, the officer will be deemed in compliance provided that the officer retains the shares then held.

As of December 31, 2014, all of our named executive officers were in compliance with the stock ownership policy.

Anti-Hedging and Anti-Pledging Policy

All of our employees, including our named executive officers, are subject to our Insider Trading Policy, which, among other things, prohibits employees from entering into short sales or hedging or pledging shares of our common stock.

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Recoupment of Compensation

To date, the Board has not adopted a formal clawback policy to recoup incentive based compensation upon the occurrence of a financial restatement, misconduct, or other specified events. However, our change in control severance agreements with Messrs. Jennings, Aron and Stump and Ms. McWatters include language providing that amounts paid or payable pursuant to such agreements may be forfeited and/or recouped to the extent required by applicable law or any clawback policy that we adopt. The Compensation Committee will evaluate the practical, administrative and other implications of adopting, implementing and enforcing a clawback policy.

Impact of Regulatory Compliance

In designing and implementing programs applicable to executives, the Compensation Committee considers the anticipated tax treatment to us and our executive officers of various payments and benefits, and the effects of applicable provisions of the Internal Revenue Code, including Section 162(m) and Section 280G.

Section 162(m) limits the deductibility by a company of compensation in excess of $1,000,000 paid to certain executive officers. Performance-based compensation that has satisfied certain stockholder approval requirements is excluded from the $1,000,000 limit if, among other requirements, the compensation is payable only upon attainment of pre-established, objective performance goals. We intend that certain awards granted under our Equity Plans (such as the performance share unit grants) qualify as performance-based compensation that is exempt from limitations of Section 162(m) to the extent practicable. However, the deductibility of compensation depends on the timing of an executive s vesting or exercise of previously granted awards, as well as interpretations and changes in the tax laws and other factors beyond the Compensation Committee s control. For these and other reasons, including the need to maintain flexibility in compensating our executive officers in a manner designed to promote varying corporate goals, the Compensation Committee will not necessarily limit executive compensation to that which is deductible under Section 162(m). For additional information regarding Section 162(m) and its application to the Equity Plans, please see Approval of Amendment Setting Forth the Material Terms of the HollyFrontier Corporation Omnibus Incentive Compensation Plan for Purposes of Complying with Certain Requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (Proposal 4) and Approval of Amendment Setting Forth the Material Terms of the HollyFrontier Corporation Long-Term Incentive Compensation Plan for Purposes of Complying with Certain Requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (Proposal 5).

Section 280G of the Internal Revenue Code prohibits the deduction of any excess parachute payment. Benefits payable under the change in control severance agreements entered into with certain of our executives, including all of our named executive officers, as well as accelerated vesting under restricted stock and performance share unit awards could result in excess parachute payments that are not deductible by us. For more information regarding amounts payable and benefits available upon the occurrence of a change in control, see Executive Compensation Potential Payments Upon Termination or Change in Control. None of the change in control severance agreements we have with our named executive officers contain any tax reimbursement provisions in the event a named executive officer receives potential parachute payments under Section 280G of the Internal Revenue Code.

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2015 Executive Compensation Decisions

Long-Term Equity Incentive Compensation

In November 2014, the Compensation Committee approved grants of restricted stock with time-based vesting conditions and performance share units to our executive officers for the 2015 fiscal year. The long-term incentive awards were allocated between award types as reflected below:

Pursuant to SEC rules, the long-term equity incentive awards granted in November 2014 for the 2015 fiscal year are disclosed as 2014 compensation in the Summary Compensation Table and are reported in the 2014 Grants of Plan-Based Awards table included in this proxy statement. These awards are described in greater detail below.

Restricted Stock Awards

In November 2014, the Compensation Committee approved grants of restricted stock with time-based vesting conditions to our executive officers for the 2015 fiscal year. The number of shares of restricted stock awarded to our executive officers was determined in the same manner as previously described for the restricted stock awards granted in November 2013 for the 2014 fiscal year. The following table sets forth the number of shares of restricted stock with time-based vesting awarded in November 2014 for the 2015 fiscal year to each of the named executive officers, which will vest in three equal installments on December 15 of 2015, 2016 and 2017 (or the first business day thereafter if December 15 falls on a Saturday or Sunday), subject to continued employment.

Name	Number of Shares of Restricted Stock with Time-Based Vesting
Michael C. Jennings	68,541
Douglas S. Aron	18,849
George J. Damiris (1)	22,296
James M. Stump	7,428
Denise C. McWatters	7,998

(1) The restricted stock grants to the named executive officers were made on November 11, 2014; however, due to an administrative error, the grant made to Mr. Damiris on November 11, 2014 included only 21,135 shares of restricted stock. An additional 1,161 shares of restricted stock were awarded to Mr. Damiris on November 17, 2014 to correct this oversight.

Each executive officer has the right to receive dividends and other distributions paid with respect to such shares of restricted stock.

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Performance Share Unit Awards

In November 2014, the Compensation Committee granted performance share unit awards to our executive officers for the 2015 fiscal year. Each executive officer was granted a target number of performance share units, which was determined in the same manner as previously described for the performance share unit awards granted in November 2013 for the 2014 fiscal year. The following table sets forth the target performance share units granted to the named executive officers in November 2014 for the 2015 fiscal year.

Name	Target Number of Performance Share Units Granted
Michael C. Jennings	68,541
Douglas S. Aron	18,849