

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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**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):

No fee required.

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

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

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

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

(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](http://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:

<b>By Internet</b>	<b>By Telephone</b>	<b>By Mail</b>
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**

<b>Proposal</b>	<b>Voting Standard</b>	<b>Effect of Broker Non-Votes and Abstentions</b>	<b>Board's Recommendation</b>	<b>Page</b>
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	<b>FOR</b> 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	<b>FOR</b>	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	<b>FOR</b>	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	<b>FOR</b>	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	<b>FOR</b>	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	<b>AGAINST</b>	99

**BOARD NOMINEES**

Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships					Other Public Company Boards
					AC	CC	NGC	EHSPC	EC	
Douglas Y. Bech	69	2011	Chairman and CEO of Raintree Resorts International	LD		C	ü		ü	<ul style="list-style-type: none"> <li>¡ j2 Global, Inc.</li> <li>¡ CIM Commercial Trust Corporation</li> <li>¡ Moody National REIT II, Inc.</li> </ul>
Leldon E. Echols	59	2009	Investor	ü	C, F	ü				<ul style="list-style-type: none"> <li>¡ Trinity Industries, Inc.</li> <li>¡ EnLink Midstream GP, LLC</li> <li>¡ EnLink Midstream Manager, LLC</li> </ul>
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	<ul style="list-style-type: none"> <li>¡ ION Geophysical Corporation</li> <li>¡ Holly Logistic Services, L.L.C. (general partner of the general partner of Holly Energy Partners, L.P.)</li> </ul>
Robert J. Kostelnik	63	2011	Principal at Glenrock Recovery Partners, LLC	ü			ü		C	<ul style="list-style-type: none"> <li>¡ Methanex Corporation</li> </ul>



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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	ü	Forum Energy Technologies, Inc.
								ü	ION Geophysical Corporation
								ü	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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<b>AC</b>	Audit Committee	<b>EC</b>	Executive Committee
<b>CC</b>	Compensation Committee	<b>C</b>	Chairman
<b>NCGC</b>	Nominating/Corporate Governance Committee	<b>F</b>	Financial Expert
<b>EHSPC</b>	Environmental, Health, Safety, and Public Policy Committee	<b>LD</b>	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:

<b>Name</b>	<b>Position</b>
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

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

None of our executive officers have employment agreements

Double-trigger change in control provisions

Annual advisory vote on executive compensation

Minimal perquisites for our executive officers

Company policy prohibits hedging and pledging of Company stock

Executive officers are subject to significant stock retention requirements

No tax reimbursement provisions in the change in control agreements with our executive officers

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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)	It is the Compensation Committee's policy that perquisites be limited and also serve a business, convenience or security purpose for the Company
		Reimbursement for expenses related to security training, consulting or technology	
		Reserved parking space	

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

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
<b>Total</b>	<b>\$ 2,656,389</b>

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 or 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?*

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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](http://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

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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?***

<b>Proposal</b>	<b>Vote Necessary to Approve Proposal</b>	<b>Broker Discretionary Voting Allowed?</b>	<b>Treatment of Abstentions and Broker Non-Votes</b>
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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<b>Douglas Y. Bech</b>	Director since 2011; age 69.
<i>Principal Occupation:</i>	Chairman and Chief Executive Officer of Raintree Resorts International.
<i>Business Experience:</i>	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.
<i>Additional Directorships:</i>	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.
<i>Qualifications:</i>	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.
<b>Leldon E. Echols</b>	Director since 2009; age 59.
<i>Principal Occupation:</i>	Investor.
<i>Business Experience:</i>	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.
<i>Additional Directorships:</i>	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.
<i>Qualifications:</i>	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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<b>R. Kevin Hardage</b>	Director since 2011; age 53.
<i>Principal Occupation:</i>	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.
<i>Business Experience:</i>	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.
<i>Qualifications:</i>	Mr. Hardage brings to the Board executive and general management experience as well as significant financial expertise.
<b>Robert J. Kostelnik</b>	Director since 2011; age 63.
<i>Principal Occupation:</i>	Principal at Glenrock Recovery Partners, LLC
<i>Business Experience:</i>	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.
<i>Additional Directorships:</i>	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.
<i>Qualifications:</i>	Mr. Kostelnik brings to the Board significant experience and insight into the Company's industry through his extensive experience in the refining industry.
<b>James H. Lee</b>	Director since 2011; age 66.
<i>Principal Occupation:</i>	Managing General Partner and Principal Owner of Lee, Hite & Wisda Ltd.
<i>Business Experience:</i>	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.
<i>Additional Directorships:</i>	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.
<i>Qualifications:</i>	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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<b>Franklin Myers</b>	Director since 2011; age 62.
<i>Principal Occupation:</i>	Investor.
<i>Business Experience:</i>	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.
<i>Additional Directorships:</i>	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.
<i>Qualifications:</i>	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.
<b>Michael E. Rose</b>	Director since 2011; age 68.
<i>Principal Occupation:</i>	Investor.
<i>Business Experience:</i>	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.
<i>Additional Directorships:</i>	Mr. Rose served as a director of Frontier from 2005 until the merger in July 2011.
<i>Qualifications:</i>	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.
<b>Tommy A. Valenta</b>	Director since 2010; age 66.
<i>Principal Occupation:</i>	Former President and Chief Executive Officer of Chaparral Steel Company.
<i>Business Experience:</i>	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.
<i>Qualifications:</i>	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](http://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;

servicing 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



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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.

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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](mailto: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.



**Table of Contents****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.

	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating/ Corporate Governance Committee</b>	<b>Environmental, Health, Safety, and Public Policy Committee</b>	<b>Executive Committee</b>
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***

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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.

**Table of Contents****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.

	<b>Compensation in 2014:</b>
<b>Board Service:</b>	
Annual Restricted Stock Units Award (1)	\$ 135,000
Annual Cash Retainer	90,000
Lead Director Cash Retainer	30,000
Meeting Fee (2)	2,000
<b>Board Committee Service:</b>	
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



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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.

<b>Name (1)</b>	<b>Fees Earned or Paid in Cash</b>	<b>Stock Awards (2)</b>	<b>All Other Compensation</b>	<b>Total</b>
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.

**Table of Contents****Executive Officers**

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

<b>Name</b>	<b>Age</b>	<b>Position</b>
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.

**Table of Contents****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:

<b>Name</b>	<b>Position with HollyFrontier during 2014</b>
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 of 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;



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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.

**Table of Contents****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:

<b>Years of Service</b>	<b>Retirement Contribution (as percentage of eligible compensation)</b>
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," 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.

Devon Energy Corporation

Eastman Chemical Company

Fluor Corporation

Hess Corporation

Huntsman Corporation

LyondellBasell Industries N.V.

Murphy Oil Corporation

ONEOK, Inc.

PPG Industries Inc.

Tesoro Corporation

Western Refining Inc.

Williams Companies, Inc.

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:

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

- (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.

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

<b>Criteria</b>	<b>What It Means</b>
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**

<b>Incentive Peer Group</b>	<b>Bonus Achievement</b>
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:

<b>Criteria</b>	<b>What It Means</b>
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:

<b>Percentage Change</b>	<b>Bonus Achievement</b>
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:

<b>Metric</b>	<b>Threshold</b>	<b>Target</b>	<b>Maximum</b>	<b>Actual for 2014</b>	<b>Bonus Achievement</b>
<b>Financial Measures</b>					<b>99%</b>
<b>(as compared to peer group)</b>					
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	
<b>Environmental, Health and Safety</b>					<b>93%</b>
<b>(as compared to Q4 2012-Q3 2013)</b>					
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	Environmental,	Individual	Total
	Measures	Health and Safety		
<b>Michael C. Jennings</b>	97.0%	26.0%	14.0%	137.0%
<b>Douglas S. Aron</b>	55.4%	14.9%	12.0%	82.3%
<b>George J. Damiris</b>	50.5%	15.8%	17.0%	83.3%
<b>James M. Stump</b>	35.6%	11.2%	12.0%	58.8%
<b>Denise C. McWatters</b>	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.

<b>Name</b>	<b>Number of Shares of Restricted Stock with Time-Based Vesting</b>
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.

<b>Name</b>	<b>Target Number of Performance Share Units Granted</b>
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:

<b>Company v. Incentive Peer Group Performance</b>	<b>Performance Unit Payout</b>
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:

<b>Peer Group Performance Percentage (TSR)</b>	<b>Performance Unit Payout</b>
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.

<b>Name</b>	<b>Number of Shares of Restricted</b>
	<b>Stock with Time-Based Vesting</b>
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:

<b>Officer Position</b>	<b>Value of Shares Owned</b>
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.



**Table of Contents****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.

<b>Name</b>	<b>Number of Shares of Restricted Stock with Time-Based Vesting</b>
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.

**Table of Contents***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.

<b>Name</b>	<b>Target Number of Performance Share Units Granted</b>
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 performance share unit 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 performance share units (at target level). An additional 1,161 performance shares units (at target level) were awarded to Mr. Damiris on November 17, 2014 to correct this oversight.

The Compensation Committee determined that performance metrics for the November 2014 grants would consist of return on capital employed and total shareholder return during the performance period as measured against that of the 2015 incentive peer group. The 2015 incentive peer group consists of the same companies as the 2014 incentive peer group. See 2014 Executive Compensation Decisions Annual Incentive Cash Compensation for a discussion of the 2014 incentive peer group.

The performance period for these performance share unit awards runs from October 1, 2014 through September 30, 2017. The executive officers that received performance share unit awards in November 2014 for the 2015 fiscal year have the right to receive dividends and other distributions with respect to such 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 2014 for the 2015 fiscal year, calculation of the performance metrics is generally made in the same manner as for the performance share unit awards granted in November 2013 for the 2014 fiscal year. The actual number of performance share units earned at the end of the performance period will be determined in the same manner as the performance share unit awards granted in November 2013 for the 2014 fiscal year, except we modified the way we determine the performance unit payout for each of the performance metrics as determined by the Compensation Committee to be appropriate to adequately incentivize our executive officers as described in greater detail below.

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For the return on capital employed metric, our performance unit payout is determined in accordance with the following table:

<b>Company v. Incentive Peer Group Performance</b>	<b>Performance Unit Payout</b>
Less than 0.50 of Incentive Peer Group Average	0%
0.50 of Incentive Peer Group Average	50% of Target (Threshold)
From 0.51 to 0.99 of Incentive Peer Group Average	Interpolate between Threshold and Target
1.00 of Incentive Peer Group Average	100% (Target)
From 1.01 to 1.249 of Incentive Peer Group Average	Interpolate between Target and Stretch
1.25 of Incentive Peer Group Average	150% of Target (Stretch)
From 1.251 to 1.499 of Incentive Peer Group Average	Interpolate between Stretch and Maximum
1.50 or more of Incentive Peer Group Average	200% of Target (Maximum)

For the total shareholder return metric, an ordinal ranking of our total shareholder return versus the total shareholder return of each entity in our incentive peer group will be calculated at the end of the performance period and payout is determined in accordance with the following table:

<b>Company Rank v. Incentive Peer Group</b>	<b>Performance Unit Payout</b>
No. 8	Zero
No. 7	50% of Target (Threshold)
Between (but not including) No. 7 and Median	Interpolate between Threshold and Target
Median	100% (Target)
Between (but not including) Median and No. 2	Interpolate between Target and Maximum
No. 2 or Better	200% of Target (Maximum)

An executive officer that received performance share unit awards in November 2014 for the 2015 fiscal year must be employed by us on December 15, 2017 (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.

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the HollyFrontier Corporation Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

**Members of the Compensation Committee**

Douglas Y. Bech

Leldon E. Echols

R. Kevin Hardage

Franklin Myers

*Chairman*

**Table of Contents****EXECUTIVE COMPENSATION**

The following executive compensation tables and related information are intended to be read together with the more detailed disclosure regarding our executive compensation program presented under Compensation Discussion and Analysis above.

**Summary Compensation Table**

The following table provides information regarding the compensation of our named executive officers.

Name and Principal Position(1)	Year	Salary	Bonus(2)	Stock Awards(3)	Non-Equity Incentive Plan Compensation(4)	All Other Compensation(5)	Total
<b>Michael C. Jennings</b> Chief Executive Officer and President	2014	\$1,060,000	\$166,208	\$ 6,000,079	\$1,304,436	\$285,351	\$ 8,816,074
	2013	990,000		6,690,127	2,364,204	339,444	10,383,775
	2012	920,000		11,310,706	2,318,000	474,398	15,023,104
<b>Douglas S. Aron</b> Executive Vice President and Chief Financial Officer	2014	\$ 560,000	\$122,576	\$ 1,650,041	\$ 393,792	\$133,428	\$ 2,859,837
	2013	530,000	25,000	1,784,155	769,136	165,961	3,274,252
	2012	475,000		3,632,240	665,000	454,755	5,226,995
<b>George J. Damiris (6)</b> Executive Vice President and Chief Operating Officer	2014	\$ 539,923	\$115,328	\$ 2,562,180(7)	\$ 424,320	\$118,897	\$ 3,760,648
	2013	435,000	115,000	836,266	369,054	94,245	1,849,565
	2012	394,385	125,000	1,427,697	381,000	134,756	2,462,838
<b>James M. Stump</b> Senior Vice President, Refining	2014	\$ 468,577	\$ 60,420	\$ 1,262,144(7)	\$ 222,300	\$104,606	\$ 2,118,047
	2013	390,000	64,000	724,946	303,303	105,974	1,588,223
<b>Denise C. McWatters</b> Senior Vice President, General Counsel and Secretary	2014	\$ 400,000	\$124,880	\$ 700,145	\$ 187,200	\$ 71,298	\$ 1,483,523

- (1) As a result of certain changes to our grant timing practices adopted by the Compensation Committee during 2012, our executive officers received two grants of long-term equity incentive awards during 2012 (a) one for the 2012 fiscal year, granted in February 2012, and (b) one for the 2013 fiscal year, granted in November 2012. Because the awards for the 2013 fiscal year were granted during 2012, they are reported in the Stock Awards column of the Summary Compensation Table for 2012 rather than 2013, in accordance with SEC rules, for named executive officers who were also named executive officers in 2012. As a result of this reporting requirement, the amount of compensation awarded to our named executive officers for 2012 is overstated. Long-term equity incentive awards granted in November 2013 for the 2014 fiscal year are reported in the Stock Awards column of the Summary Compensation Table for 2013, and long-term equity incentive awards granted in November 2014 for the 2015 fiscal year are reported in the Stock Awards column of the Summary Compensation Table for 2014, in each case, in accordance with SEC rules. The awards for the 2014 fiscal year are described above in the section titled Compensation Discussion and Analysis 2014 Executive Compensation Decisions Long-Term Equity Incentive Compensation, and the awards for the 2015 fiscal year are described above in the section titled Compensation Discussion and Analysis 2015 Executive Compensation Decisions Long-Term Equity Incentive Compensation.
- (2) Represents the discretionary bonus amount, if any, paid pursuant to the individual performance metric under our annual incentive cash compensation program. Other payments made pursuant to the annual incentive cash compensation program are included in the Non-Equity Incentive Plan Compensation column. For 2014, includes a special one-time cash performance bonus paid to Mr. Jennings (\$17,808), Mr. Aron (\$55,376), Mr. Damiris (\$6,528), Mr. Stump (\$3,420) and Ms. McWatters (\$52,880) in recognition of their extraordinary efforts and contributions to us in 2014.
- (3) Represents the aggregate grant date fair value of awards of restricted stock and performance share units made in the year indicated, calculated in accordance with FASB ASC Topic 718, *Compensation Stock Compensation*, excluding the effects of estimated forfeitures and does not reflect the actual value that may be ultimately realized by the executive. See Note 5 to our consolidated financial statements in our Annual



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Report on Form 10-K for the 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. Please refer to note 1 to the Summary Compensation Table for information regarding the stock awards reported for 2012.

Because the awards for the 2014 fiscal year were granted in November 2013, they are reported in the *Stock Awards* column of the Summary Compensation Table for 2013 rather than 2014, in accordance with SEC rules. Similarly, because the awards for the 2015 fiscal year were granted in November 2014, they are reported in the *Stock Awards* column of the Summary Compensation Table for 2014 rather than 2015, in accordance with SEC rules.

With respect to performance share units awarded in November 2014, in accordance with SEC rules and FASB ASC Topic 718, the performance share units are subject to a *market condition* (the total shareholder return ( *TSR* ) performance metric) and a *performance condition* (the return on capital employed ( *ROCE* ) performance metric). For purposes of determining the grant date fair value of the November 2014 performance share units reported in the table above, we have assumed an aggregate settlement of 100%, which includes a settlement of 54.15% of the *TSR* portion of the award and 45.85% of the *ROCE* portion of the award. If the *ROCE* portion of the award was settled at the maximum payout level of 200% (resulting in settlement of the aggregate award in an amount equal to 154.15%), the grant date fair value of the performance share unit awards would be as follows: Mr. Jennings, \$4,624,561; Mr. Aron, \$1,271,769; Mr. Damiris, \$1,503,180; Mr. Stump, \$501,178; and Ms. McWatters, \$539,637. The maximum payout of the aggregate awards, however, could be up to 200%.

For additional information regarding the awards granted in 2014, see *Compensation Discussion and Analysis 2014 Executive Compensation Decisions Long-Term Equity Incentive Compensation Special One-Time Restricted Stock Awards*, *Compensation Discussion and Analysis 2015 Executive Compensation Decisions Long-Term Equity Incentive Compensation*, *2014 Grants of Plan-Based Awards*, and *Outstanding Equity Awards at Fiscal Year End*.

- (4) For 2014, represents awards made pursuant to the annual incentive cash compensation program with respect to the financial measures and environmental, health and safety measures. Amounts paid pursuant to the individual performance component of the annual incentive cash compensation program and the special one-time cash performance bonus amounts are included in the *Bonus* column. The 2014 awards are described in more detail in *Compensation Discussion and Analysis 2014 Executive Compensation Decisions Annual Incentive Cash Compensation*.
- (5) For 2014, includes compensation as described under *All Other Compensation* below.
- (6) 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.
- (7) Includes a one-time award of restricted stock granted in February 2014 to compensate Messrs. Damiris and Stump for additional responsibilities each of them assumed upon the departure of David L. Lamp, the Company's former Executive Vice President and Chief Operating Officer. See *Compensation Discussion and Analysis 2014 Executive Compensation Decisions Long-Term Equity Incentive Compensation Special One-Time Restricted Stock Awards* for additional information.

**Table of Contents****All Other Compensation**

The table below describes the components of compensation for 2014 included in the All Other Compensation column in the Summary Compensation Table above.

Name	401(k) Plan Retirement Contributions	401(k) Plan Company Matching Contributions	NQDC Plan Retirement Contributions	NQDC Plan Company Matching Contributions	Perquisites (1)	Tax Reimbursements (2)	Total
Michael C. Jennings	\$ 13,650	\$ 15,600	\$ 119,110	\$ 136,125		\$ 866	\$ 285,351
Douglas S. Aron	\$ 13,650	\$ 15,600	\$ 42,817	\$ 48,934	\$ 12,427		\$ 133,428
George J. Damiris	\$ 10,400	\$ 15,600	\$ 32,464	\$ 48,695	\$ 10,178	\$ 1,560	\$ 118,897
James M. Stump	\$ 18,900	\$ 15,600	\$ 40,875	\$ 29,231			\$ 104,606
Denise C. McWatters	\$ 10,400	\$ 15,600	\$ 18,051	\$ 27,076		\$ 171	\$ 71,298

(1) For Mr. Aron, includes \$12,127 for club dues and \$300 for a Company-paid reserved parking spot.

For Mr. Damiris, includes \$2,087 for club dues, \$7,791 for personal security equipment and \$300 for a Company-paid reserved parking spot.

The value of the perquisites provided to our other named executive officers in 2014 did not exceed \$10,000 in the aggregate, and therefore are not included in the table above or described in this footnote.

(2) For Mr. Jennings, Mr. Damiris and Ms. McWatters, represents tax payments made on the executive's behalf with respect to imputed income for family travel on our aircraft when the executive was traveling for business purposes and the family travel was business related.

**2014 Grants of Plan-Based Awards**

The following table provides information about plan-based awards granted to our named executive officers under our equity and non-equity incentive plans during 2014. Certain equity awards reported below were granted in November 2014 for the 2015 fiscal year and are reported in this table as 2014 compensation in accordance with SEC rules. These awards are described in greater detail above under Compensation Discussion and Analysis 2015 Executive Compensation Decisions Long-Term Equity Incentive Compensation. Annual equity awards are made once each year in the fourth quarter of the year preceding the year to which the annual 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. In accordance with SEC rules, the equity awards granted in November 2013 for the 2014 fiscal year were previously reported as 2013 compensation in the Grants of Plan-Based Awards table contained in our proxy statement filed with the SEC on March 27, 2014.

In this table, awards are abbreviated as AICP for awards under the annual incentive cash compensation program (other than with respect to the discretionary individual performance portion of the awards), as RSA for restricted stock awards, and PUA for performance share unit awards. The

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restricted stock and performance share units granted to our named executive officers were granted to the former Holly executives under the LTIP and the former Frontier executives under the Omnibus Plan.

Name	Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All other Stock Awards: Number of Shares of Stock or Units (3)	Grant Date of Stock Awards (4)
			Threshold	Target	Maximum	Threshold	Target	Maximum		
Michael C. Jennings	AICP		\$ 667,800	\$ 1,335,600	\$ 2,671,200					
	RSA	11/11/2014							68,541	\$ 3,000,040
	PUA	11/11/2014				34,271	68,541	137,082		3,000,040
Douglas S. Aron	AICP		\$ 201,600	\$ 403,200	\$ 806,400					
	RSA	11/11/2014							18,849	\$ 825,021
	PUA	11/11/2014				9,425	18,849	37,698		825,021
George J. Damiris	AICP(5)		\$ 217,600	\$ 435,200	\$ 870,400					
	RSA	02/18/2014							13,334	\$ 611,897(6)
		11/11/2014							21,135	925,079
		11/17/2014							1,161	50,062(7)
	PUA	11/11/2014				10,568	21,135	42,270		925,079
James M. Stump		11/17/2014				581	1,161	2,322		50,062(7)
	AICP(5)		\$ 114,000	\$ 228,000	\$ 456,000					
	RSA	02/18/2014							13,334	\$ 611,897(6)
		11/11/2014							7,428	325,124
	PUA	11/11/2014				3,714	7,428	14,856		325,124
Denise C. McWatters	AICP		\$ 96,000	\$ 192,000	\$ 384,000					
	RSA	11/11/2014							7,998	\$ 350,072
	PUA	11/11/2014				3,999	7,998	15,996		350,072

- (1) Represents the potential payouts for awards granted under our annual incentive cash compensation program, which were subject to achieving certain performance targets. Amounts reported (a) in the **Threshold** column reflect 50% of the named executive officer's target award opportunity (other than the portion attributable to individual performance) under the annual incentive cash compensation program, which, in accordance with SEC rules, is the minimum amount payable for a certain level of performance under the award, (b) in the **Target** column reflect 100% of the named executive officer's target award opportunity (other than the portion attributable to individual performance) under the annual incentive cash compensation program, which is the target amount payable under the award, and (c) in the **Maximum** column reflect 200% of the named executive officer's target award opportunity (other than the portion attributable to individual performance) under the annual incentive cash compensation program, which is the maximum amount payable under the award. If less than minimum levels of performance are attained with respect to the financial measures and environmental, health and safety measures under the annual incentive cash compensation program, then 0% of the named executive officer's target award opportunity (other than the portion attributable to individual performance) will be earned.

The performance targets and target awards are described under **Compensation Discussion and Analysis 2014 Executive Compensation Decisions Annual Incentive Cash Compensation**. Amounts reported do not include amounts potentially payable with respect to the discretionary individual performance portion of the awards for the named executive officers. The amount actually paid with respect to the individual performance portion of the award is reported in the **Bonus** column of the Summary Compensation Table for 2014, and the amount actually paid with respect to the awards reported in this table is reported in the **Non-Equity Incentive Plan Compensation** column of the Summary Compensation Table for 2014.

- (2) Represents the potential number of performance share units payable under the LTIP or the Omnibus Plan, as applicable. Amounts reported (a) in the **Threshold** column reflect 50% of the target number of performance share units awarded to each named executive officer, which,



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in accordance with SEC rules, is the minimum amount payable for a certain level of performance under the performance share unit awards, (b) in the Target column reflect 100% of the target number of performance share units awarded to each named executive officer, which is the target amount payable under the performance share unit awards, and (c) in the Maximum column reflect 200% of the target number of performance share units awarded to each named executive officer, which is the maximum amount payable under the performance share unit

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awards. If less than minimum levels of performance are attained with respect to the return on capital employed and total shareholder return performance metrics applicable to the performance unit awards, then 0% of the target number of performance share units awarded will be earned.

The number of shares actually delivered at the end of the performance period may vary from the target number of performance share units, based on our achievement of the specific performance measures. Performance targets and target awards for the awards reported above are described under Compensation Discussion and Analysis 2015 Executive Compensation Decisions Long-Term Equity Incentive Compensation.

- (3) Represents shares of restricted stock subject to time-based vesting conditions granted under the LTIP or the Omnibus Plan, as applicable. The terms of these grants are described under Compensation Discussion and Analysis 2014 Executive Compensation Decisions Long-Term Equity Incentive Compensation Special One-Time Restricted Stock Awards and Compensation Discussion and Analysis 2015 Executive Compensation Decisions Long-Term Equity Incentive Compensation.
- (4) Represents the grant date fair value determined pursuant to FASB ASC Topic 718, based on the closing price of our common stock on the grant date. The closing price of our common stock on February 18, 2014 was \$45.89, on November 11, 2014 was \$43.77 and on November 17, 2014 was \$43.12. With respect to the performance share units, amounts reflect an aggregate probable settlement percentage of 100%. See note 3 to the Summary Compensation Table for additional information regarding the aggregate probable settlement percentage calculation.
- (5) For Mr. Damiris, reflects the increase in base salary and annual incentive cash award opportunity that was effective September 11, 2014. For Mr. Stump, reflects the increase in base salary that was effective February 17, 2014.
- (6) The awards represented on these lines are one-time awards of restricted stock granted in February 2014 to compensate Messrs. Damiris and Stump for additional responsibilities each of them assumed upon the departure of David L. Lamp, the Company's former Executive Vice President and Chief Operating Officer. See Compensation Discussion and Analysis 2014 Executive Compensation Decisions Long-Term Equity Incentive Compensation Special One-Time Restricted Stock Awards for additional information.
- (7) The awards represented on these lines are awards that should have been included in the grants made to Mr. Damiris on November 11, 2014 for the 2015 fiscal year; however, due to an administrative oversight, these awards were inadvertently not included in the original grant for the 2015 fiscal year. See Compensation Discussion and Analysis 2015 Executive Compensation Decisions Long-Term Equity Incentive Compensation for additional information.

**Outstanding Equity Awards at Fiscal Year End**

The following table provides the number and value of outstanding equity awards held by our named executive officers as of December 31, 2014, including awards that were granted prior to 2014. The value of these awards was calculated based on a price of \$37.48 per share, the closing price of our common stock on December 31, 2014.

The number and value of performance share units reported is based on the number of shares payable at the end of the performance period assuming the maximum level of performance is achieved. In this table, awards are abbreviated as RSA for restricted stock awards and PUA for performance share unit awards. The provisions applicable to these awards upon certain terminations of employment

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and/or a change in control are described below in the section titled Potential Payments upon Termination or Change in Control.

Name	Award Type	Number of Shares Or Units of Stock That Have Not Vested (1)	Market Value of Shares or Units Of Stock That Have Not Vested	Equity Incentive Plan Awards:	Equity Incentive Plan Awards: Market
				Number of Unearned Shares, Units or Other Rights That Have Not Vested (2)	or Payout Value Of Unearned Shares, Units or Other Rights That Have Not Vested
Michael C. Jennings	RSA PUA	132,802	\$ 4,977,419	390,312	\$ 14,628,894
Douglas S. Aron	RSA PUA	36,859	\$ 1,381,475	110,466	\$ 4,140,266
George J. Damiris	RSA PUA	43,965	\$ 1,647,808	78,060	\$ 2,925,689
James M. Stump (3)	RSA PUA	27,960	\$ 1,047,941	43,704	\$ 1,638,026
Denise C. McWatters	RSA PUA	14,793	\$ 554,442	42,426	\$ 1,590,126

(1) Includes the following restricted stock awards granted by us:

in November 2012 to Mr. Jennings (60,447), Mr. Aron (18,738), Mr. Damiris (8,463), Mr. Stump (7,254) and Ms. McWatters (6,045), of which one third vested on December 15, 2013, one third vested on December 15, 2014 and the remaining one third vests on December 15, 2015 (or, in each case, the first business day thereafter if such date is a Saturday or a Sunday);

in November 2013 to Mr. Jennings (66,168), Mr. Aron (17,646), Mr. Damiris (8,271), Mr. Stump (7,170), and Ms. McWatters (7,170), of which one third vested on December 15, 2014, one third vests on December 15, 2015 and the remaining one third vests on December 15, 2016 (or, in each case, the first business day thereafter if such date is a Saturday or a Sunday);

in February 2014 to Mr. Damiris (13,334) and Mr. Stump (13,334), of which one half vests on December 15, 2015 and the remaining one half vests on December 15, 2016 (or, in each case, the first business day thereafter if such date is a Saturday or a Sunday); and

in November 2014 to Mr. Jennings (68,541), Mr. Aron (18,849), Mr. Damiris (22,296), Mr. Stump (7,428), and Ms. McWatters (7,998), of which one third vests on December 15, 2015, one third vests on December 15, 2016 and the remaining one third vests on December 15, 2017 (or, in each case, the first business day thereafter if such date is a Saturday or a Sunday).

(2) Includes performance share units awarded as follows (the amounts included in the parentheses reflect the target number of performance share units subject to each award):

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in November 2012 to Mr. Jennings (60,447), Mr. Aron (18,738), Mr. Damiris (8,463), Mr. Stump (7,254), and Ms. McWatters (6,045), with a performance period that ends on September 30, 2015 and a service period that ends on December 15, 2015 (or the first business day thereafter if such date is a Saturday or a Sunday);

in November 2013 to Mr. Jennings (66,168), Mr. Aron (17,646), Mr. Damiris (8,271), Mr. Stump (7,170), and Ms. McWatters (7,170), with a performance period that ends on September 30, 2016 and a service period that ends on December 15, 2016 (or the first business day thereafter if such date is a Saturday or a Sunday); and

in November 2014 to Mr. Jennings (68,541), Mr. Aron (18,849), Mr. Damiris (22,296), Mr. Stump (7,428), and Ms. McWatters (7,998), with a performance period that ends on September 30, 2017 and a service period that ends on December 15, 2017 (or the first business day thereafter if such date is a Saturday or a Sunday).

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For each of these awards, the number of shares of common stock payable is determined by comparing our performance in return on capital employed and total shareholder return to a peer group over the performance period. The Compensation Committee determines our performance percentage as compared to the peer group for each performance measure and multiplies the average of the performance percentages by twice the target number of performance share units awarded.

- (3) Pursuant to a domestic relations order, certain outstanding awards reported in this table for Mr. Stump were transferred, as of May 30, 2014, to Mr. Stump's ex-wife. Specifically, the following awards will, to the extent they become earned and vested, be paid by us directly to Mr. Stump's ex-wife, together with any unpaid dividends or dividend equivalents, subject to the terms of the applicable Equity Plan and award agreement: (a) 443 restricted shares granted in November 2012 and scheduled to vest on December 15, 2015, (b) 77 restricted shares granted in November 2013 and scheduled to vest on December 15, 2015, (c) 52 restricted shares granted in November 2013 and scheduled to vest on December 15, 2016, (d) 18.3% of the performance share units granted in November 2012, and (e) 2.15% of the performance share units granted in November 2013. None of Mr. Stump's other outstanding awards included in this table were impacted by the domestic relations order.

**Option Exercises and Stock Vested**

The following table provides information about the vesting in 2014 of restricted stock, stock unit and performance share unit awards held by the named executive officers. No options were outstanding in 2014.

The value realized from the vesting of restricted stock, stock unit or performance share unit awards is equal to the closing price of our common stock on the vesting date (or, if the vesting date is not a trading day, on the trading day immediately following the vesting date, unless provided otherwise by the applicable award agreement), multiplied by the number of shares acquired on vesting. The value is calculated before payment of any applicable withholding or other income taxes.

Name	Stock Awards (1)	
	Number of Shares Acquired on Vesting	Value Realized Upon Vesting
Michael C. Jennings (2)	227,129	\$9,535,921
Douglas S. Aron (3)	70,515	\$2,946,582
George J. Damiris (4)	15,274	\$ 551,544
James M. Stump (5)	31,246	\$1,357,024
Denise C. McWatters (6)	10,225	\$ 369,225

- (1) With respect to the performance share units granted to Messrs. Jennings, Aron and Stump in March 2011, in the fourth quarter of 2013, pursuant to the terms of the applicable award agreements, the Compensation Committee decided to exclude CVR Energy, Inc. (CVR), which was previously included in the comparator group, due to the fact that CVR is controlled by, and consolidated with, an affiliate of Icahn Enterprises. Likewise, with respect to the performance share units granted to the named executive officers in February 2012, in the third quarter of 2014, pursuant to the terms of the applicable award agreements, the Compensation Committee decided to exclude CVR and Sunoco, Inc. (due to its acquisition by Energy Transfer Partners) from the comparator group.
- (2) Includes (a) 63,987 shares of common stock issued to Mr. Jennings on January 9, 2014 following the Compensation Committee's certification that the applicable performance standards for the 67,354 performance share units granted to Mr. Jennings in March 2011 had been met (based on a performance percentage of 95%) and (b) 65,445 shares of common stock issued to Mr. Jennings on December 15, 2014 following the Compensation Committee's certification that the applicable standards for the 65,445 performance share units granted to Mr. Jennings in February 2012 had been met (based on a performance percentage of 100%).
- (3) Includes (a) 19,196 shares of common stock issued to Mr. Aron on January 9, 2014 following the Compensation Committee's certification that the applicable performance standards for the 20,206



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performance share units granted to Mr. Aron in March 2011 had been met (based on a performance percentage of 95%) and (b) 21,816 shares of common stock issued to Mr. Aron on December 15, 2014 following the Compensation Committee's certification that the applicable standards for the 21,816 performance share units granted to Mr. Aron in February 2012 had been met (based on a performance percentage of 100%).

- (4) Includes 7,272 shares of common stock issued to Mr. Damiris on December 15, 2014 following the Compensation Committee's certification that the applicable performance standards for the 7,272 performance share units granted to Mr. Damiris in February 2012 had been met (based on a performance percentage of 100%).
- (5) Includes (a) 10,969 shares of common stock issued to Mr. Stump on January 9, 2014 following the Compensation Committee's certification that the applicable performance standards for the 11,546 performance share units granted to Mr. Stump in March 2011 had been met (based on a performance percentage of 95%) and (b) 7,272 shares of common stock issued to Mr. Stump on December 15, 2014 following the Compensation Committee's certification that the applicable standards for the 7,272 performance share units granted to Mr. Stump in February 2012 had been met (based on a performance percentage of 100%). Pursuant to a domestic relations order, the following awards that vested in 2014 were transferred to Mr. Stump's ex-wife as of May 30, 2014 and, upon vesting, the earned shares were directly held by and issued to, as applicable, her: (a) 5,485 shares with respect to the performance share units granted in March 2011, (b) 2,402 shares with respect to the performance share units granted in February 2012, (c) 2,695 restricted shares granted in March 2011, (d) 801 restricted shares granted in February 2012, (e) 655 restricted shares granted in November 2012, and (f) 147 restricted shares granted in November 2013.
- (6) Includes 4,365 shares of common stock issued to Ms. McWatters on December 15, 2014 following the Compensation Committee's certification that the applicable performance standards for the 4,365 performance share units granted to Ms. McWatters in February 2012 had been met (based on a performance percentage of 100%).

**Pension Benefits**

None of our named executive officers participates in or has ever participated in any plan sponsored or maintained by us that provides for specified retirement payments or benefits, such as a tax-qualified defined benefit plan or a supplemental executive retirement plan. As described above under Compensation Discussion and Analysis Components of Our Executive Compensation Program 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. The Retirement Plan was liquidated in June 2013.

**Nonqualified Deferred Compensation**

In 2014, all of the named executive officers participated in the NQDC Plan. The NQDC Plan is a nonqualified plan (*i.e.*, not tax-qualified under Section 401 of the Internal Revenue Code) that functions as a pour-over plan, allowing key employees to defer tax on income in excess of Internal Revenue Code limits that apply under the 401(k) Plan. For 2014, the annual deferral contribution limit

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under the 401(k) Plan was \$17,500, and the annual compensation limit was \$260,000. Deferral elections made by eligible employees under the NQDC Plan apply to the total amount of eligible earnings the eligible employees choose to contribute to both the 401(k) Plan and the NQDC Plan. Once eligible employees reach the Internal Revenue Code limits on contributions under the 401(k) Plan, contributions automatically begin being contributed to the NQDC Plan. Federal and state income taxes are generally not payable on income deferred under the NQDC Plan until funds are withdrawn.

Eligible executives may make salary deferral contributions between 1% and 50% of their eligible earnings to the NQDC Plan. Eligible earnings include base pay, bonuses and overtime, but exclude extraordinary pay such as severance, accrued vacation, equity compensation, and certain other items. Eligible participants are required to make catch-up contributions to the 401(k) Plan before any contributions are made to the NQDC Plan. For 2014, the catch-up contribution limit was \$5,500. Deferral elections are irrevocable for an entire plan year and must be made prior to December 31 immediately preceding the plan year. Elections will carry over to the next plan year unless changed or otherwise revoked.

Participants in the NQDC Plan are eligible to receive a matching contribution with respect to their elective deferrals made up to 6% of the participant's eligible earnings for the plan year in excess of the limits under Section 401(k) of the Internal Revenue Code. These matching contributions are 100% vested at all times. In addition, participants are eligible for a retirement contribution ranging from 3% to 8% of the participant's eligible earnings for the plan year in excess of the limits under Section 401(k) of the Internal Revenue Code, based on years of service, as follows:

<b>Years of Services</b>	<b>Retirement Contribution (as percentage of eligible compensation)</b>
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%

These retirement contributions are subject to a three-year cliff vesting period, and will become fully vested in the event of the participant's death or a change in control. Participants may also receive nonqualified nonelective contributions under the NQDC Plan, which contributions may be subject to a vesting schedule determined at the time the contributions are made. Former participants in the Retirement Plan may also be eligible to receive special transition benefit contributions under the NQDC Plan; however, none of our named executive officers participated in the Retirement Plan and, therefore, they are not eligible for transition benefit contributions.

Participating employees 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. During 2014, the investment options offered under the NQDC Plan were the same as the investment options available to participants in the 401(k) Plan, except that the 401(k) Plan offers the Principal Stable Value Fund and the NQDC Plan instead offers the Principal Money Market Fund. Earnings for 2014 with respect to NQDC Plan amounts invested in the Principal Money Market Fund did not exceed 120% of the applicable long-term federal rate (2.60%) and, as a result, no above market or preferential earnings were paid under the



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NQDC Plan for 2014. The following table lists the investment options for the NQDC Plan in 2014 with the annual rate of return for each fund:

<b>Investment Funds</b>	<b>Rate of Return</b>
AllianzGI NFJ Small Cap Value I Fund	2.01%
American Century Mid-Cap Value Instl Fund	16.55%
Buffalo Small Cap Fund	-6.55%
Columbia Acorn International Z Fund	-4.28%
Columbia Acorn Z Fund	0.82%
Fidelity Contrafund	9.56%
Fidelity Low-Priced Stock Fund	7.65%
Harbor Capital Appreciation Inst Fund	9.93%
LargeCap S&P 500 Index Inst Fund	13.50%
MidCap S&P 400 Index Inst Fund	9.51%
Money Market Inst Fund	
Oppenheimer Developing Markets Institutional Fund	-4.39%
PIMCO Total Return Instl Fund	4.69%
PIMCO All Asset All Authority Inst Fund	-2.35%
SmallCap S&P 600 Index Inst Fund	5.52%
T. Rowe Price Retirement Balanced Fund	3.91%
T. Rowe Price Retirement 2005 Fund	4.72%
T. Rowe Price Retirement 2010 Fund	4.99%
T. Rowe Price Retirement 2015 Fund	5.37%
T. Rowe Price Retirement 2020 Fund	5.63%
T. Rowe Price Retirement 2025 Fund	5.84%
T. Rowe Price Retirement 2030 Fund	6.05%
T. Rowe Price Retirement 2035 Fund	6.07%
T. Rowe Price Retirement 2040 Fund	6.18%
T. Rowe Price Retirement 2045 Fund	6.14%
T. Rowe Price Retirement 2050 Fund	6.19%
T. Rowe Price Retirement 2055 Fund	6.18%
Thornburg International Value R6 Fund	-5.37%
Vanguard Equity-Income Adm. Fund	11.38%
Vanguard Total Bond Market Index Admiral Fund	5.89%
Vanguard Total International Stock Index Admiral Fund	-4.17%

Benefits under the NQDC Plan may be distributed upon the earliest to occur of a separation from service (subject to a six month payment delay for certain specified employees under Section 409A of the Internal Revenue Code), the participant's death, a change in control or a specified date selected by the participant in accordance with the terms of the NQDC Plan. Benefits are distributed from the NQDC Plan in the form of a lump sum payment or, in certain circumstances if elected by the participant, in the form of annual installments for up to a five year period.

**Table of Contents****Nonqualified Deferred Compensation Table**

The following table provides information regarding contributions to, and the year-end balances in, the NQDC Plan for the named executive officers for 2014.

Name	Executive Contributions (1)	Company Contributions (2)	Aggregate Earnings	Aggregate Withdrawals/ Distributions	Aggregate Balance at December 31, 2014 (3)
Michael C. Jennings	\$ 159,513	\$ 255,235	\$ 94,975		\$ 2,056,443
Douglas S. Aron	\$ 47,034	\$ 91,751	\$ 13,582		\$ 728,311
George J. Damiris	\$ 196,818	\$ 81,159	\$ 74,255		\$ 803,533
James M. Stump	\$ 27,331	\$ 70,106	\$ 4,290	\$ 154,508(4)	\$ 261,435
Denise C. McWatters	\$ 53,627	\$ 45,127	\$ 12,783		\$ 295,415

- (1) The amounts reported were deferred at the election of the named executive officers and are also included in the amounts reported in the Salary, Bonus and Non-Equity Incentive Plan Compensation columns of the Summary Compensation Table for 2014.
- (2) These amounts are included in the Summary Compensation Table in 2014 in the All Other Compensation column for the named executive officers.
- (3) The aggregate balance for each named executive officer reflects the cumulative value, as of December 31, 2014, of the executive and company-provided contributions to the named executive officer's account in the NQDC Plan, and any earnings on these amounts, since the named executive officer began participating in the NQDC Plan. Amounts accumulated by Messrs. Jennings, Aron and Stump in the NQDC Plan prior to the effective time of the merger with Frontier were distributed to them at the effective time of the merger, and Messrs. Jennings, Aron and Stump began accumulating new balances in the NQDC Plan in 2011 following the effective time of the merger. The other named executive officers began participating in the NQDC Plan in 2012. We previously reported executive and company contributions for Messrs. Jennings, Aron, Damiris and Stump in the Summary Compensation Table in the following aggregate amounts: (a) Mr. Jennings - \$72,000 (for 2011), \$661,306 (for 2012) and \$526,940 (for 2013), (b) Mr. Aron - \$35,550 (for 2011), \$224,592 (for 2012) and \$182,007 (for 2013), (c) Mr. Damiris - \$159,258 (for 2012) and \$232,566 (for 2013), and (d) Mr. Stump - \$100,316 (for 2013).
- (4) Pursuant to a domestic relations order, a portion of Mr. Stump's balance in the NQDC Plan was transferred to his ex-wife and was distributed to her on April 24, 2014.

**Potential Payments Upon Termination or Change in Control**

We have agreements with our executive officers that provide for severance compensation or accelerated vesting in the event of certain terminations of employment, including in connection with a change in control, which are summarized below. Currently, none of the 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.

**Change in Control Severance Agreements**

*Agreement with Mr. Damiris.* Holly initially entered into a change in control severance agreement with Mr. Damiris in May 2007. The initial term of this agreement expired on May 15, 2010, but was automatically extended for an additional year on that date and will continue to be automatically extended for successive one year periods unless a cancellation notice is given by us 60 days prior to the applicable expiration date. 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. Please see Compensation



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Discussion and Analysis Components of Our Executive Compensation Program Severance and Change in Control Benefits Agreements Entered into with Former Holly Executives for additional information.

Under his change in control severance agreement, Mr. Damiris is not entitled to receive payments or other benefits under the agreement unless there is a change in control and his employment is either terminated by us without cause, by him for good reason or as a condition of the transaction constituting the change in control, in each case within two years of the change in control. If Mr. Damiris is entitled to payments under the change in control agreement, he will receive:

an amount equal to 2.0 times (a) the greater of his base salary on the date of termination or the date immediately prior to the change in control, plus (b) his annual bonus amount, calculated as the average annual bonus paid to him for the prior three years;

a cash payment equal to unpaid base salary and expenses and accrued vacation pay; and

continued participation by him and his dependents in our medical and dental benefit plans for two years.

*Agreements with Messrs. Jennings, Aron and Stump and Ms. McWatters.* We assumed change in control severance agreements and executive severance agreements with Messrs. Jennings, Aron and Stump in connection with the merger with Frontier, and Messrs. Jennings, Aron and Stump entered into new change in control severance agreements with us on February 21, 2012. 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. Mr. Stump entered into the same amendment to his change in control severance agreement in October 2013. In addition, Holly initially entered into a change in control severance agreement with Ms. McWatters in January 2008. 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. Please see Compensation Discussion and Analysis Components of Our Executive Compensation Program Severance and Change in Control Benefits for additional information. The change in control severance agreements with Messrs. Jennings, Aron and Stump and Ms. McWatters are described below.

The term of these change in control agreements is generally three years from the date the change in control agreement is entered into, but the term of the agreement will be automatically extended for an additional two year period beginning on the second anniversary of the date of the change in control agreement and any anniversary thereafter, unless a cancellation notice is given by us 60 days prior to the applicable expiration date.

Under the change in control agreement, an executive is not entitled to receive payments or other benefits under the agreement unless there is a change in control and the executive's employment is either terminated by us without cause, by the officer for good reason or as a condition of the transaction constituting the change in control, in each case during the six months preceding the change in control or within two years of the change in control. If the officer is entitled to payments under the change in control agreement, he or she will receive:

an amount equal to a multiple (the severance multiplier) of (a) the greater of the officer's base salary on the date of termination or the date immediately prior to the change in control, plus (b) the officer's annual bonus amount, calculated as the average annual bonus paid to the officer for the prior three years. The severance multiplier is 3.0 for Mr. Jennings, 2.0 for Mr. Aron and 1.75 for Mr. Stump and Ms. McWatters;

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a cash payment equal to unpaid base salary and expenses and accrued vacation pay;

continued participation by the officer and his or her dependents in our medical and dental benefit plans for a period of one year following the later of the date of termination or the date of the change in control; and

unless the applicable award agreement provides otherwise, all outstanding equity-based compensation awards shall become immediately vested (at target level, with respect to performance based awards not intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code, and, with respect to awards that are intended to qualify as performance-based compensation, such awards shall remain outstanding until the end of the applicable performance period and shall be payable based on actual achievement of the performance measures as if the officer had remained continuously employed).

*Definitions.* Under the change in control severance agreements, a change in control generally occurs if:

a person or group of persons becomes the beneficial owner of more than 40% (50% in the case of Mr. Damiris) of the combined voting power of our then outstanding securities or more than 40% (50% in the case of Mr. Damiris) of our outstanding common stock;

a majority of our Board is replaced during a 12-month period by directors who were not endorsed by a majority of the previous board members;

the consummation of a merger, consolidation or recapitalization of us or one of our subsidiaries resulting in our stockholders prior to the merger owning less than 60% (50% in the case of Mr. Damiris) of the voting power of the new merged company or a recapitalization where no one owns more than 60% (50% in the case of Mr. Damiris) of the voting power; or

our stockholders approve a plan of complete liquidation or dissolution or an agreement for the sale or disposition of all or substantially all of our assets.

Under the change in control severance agreements, cause is defined as:

the engagement in any act of willful gross negligence or willful misconduct on a matter that is not inconsequential; or

the conviction of a felony.

Under the change in control severance agreements, good reason is defined as, without the consent of the executive:

a material reduction in the executive's (or his supervisor's) authority, duties or responsibilities;

a material reduction in the executive's base compensation;

the relocation of the executive to an office or location more than 50 miles from the location at which the executive normally performed the executive's services, except for travel reasonably required in the performance of the executive's responsibilities;



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if applicable, a failure of the executive to be re-elected or appointed as an officer or to the board of directors;

for named executive officers other than Mr. Damiris, a material diminution in the budget or other spending over which the executive has authority; or

for named executive officers other than Mr. Damiris, a material breach of the terms of the change in control severance agreement.

The executive must provide notice to us of the alleged good reason event within 90 days of its occurrence and we have 30 days to cure.

*Obligations of the Officer.* Payments and benefits under the change in control agreements are conditioned on the execution of a general release of claims by the former officer in favor of us and our related entities and agents. In addition, the change in control agreements contain confidentiality provisions pursuant to which each executive agrees not to disclose or otherwise use our confidential information during his or her employment with us and thereafter, as well as (for named executive officers other than Mr. Damiris) non-disparagement and non-solicitation covenants. Violation of these provisions entitles us to complete relief, including injunctive relief, and may result in the executive being terminated for cause (provided the breach constituted willful gross negligence or misconduct on the executive's part that is not inconsequential). The agreements do not prohibit the waiver of a breach of these covenants.

***Long-Term Equity Incentive Awards***

Special Involuntary Termination. The outstanding long-term equity incentive awards granted by us under the Equity Plans vest upon a special involuntary termination, which means that, within 60 days prior to or at any time after a change in control:

the executive is terminated by us, other than for cause; or

the executive resigns within 90 days after an adverse change has occurred.

Under the long-term equity incentive award agreements, a change in control generally occurs if:

a person or group of persons becomes the beneficial owner of more than 40% of the combined voting power of our then outstanding securities;

a majority of our Board is replaced by directors who were not endorsed by two-thirds of our prior board members;

the consummation of a merger or consolidation of us or any of our subsidiaries other than (a) a merger or consolidation resulting in our voting securities outstanding immediately prior to the transaction continuing to represent at least 60% of the combined voting power of our voting securities or the voting securities of the surviving entity outstanding immediately after the transaction, or (b) a merger or consolidation effected to implement a recapitalization of us in which no person or group becomes the beneficial owner of our securities representing more than 40% of the combined voting power of our then outstanding securities; or

our stockholders approve a plan of complete liquidation or dissolution or an agreement for the sale or disposition of all or substantially all of our assets.

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Under the long-term equity incentive award agreements, "cause" is defined as:

an act of dishonesty constituting a felony or serious misdemeanor and resulting (or intended to result) in personal gain or enrichment to the recipient at our expense;

gross or willful and wanton negligence in the performance of the recipient's material duties; or

conviction of a felony involving moral turpitude.

Under the long-term equity incentive award agreements, an "adverse change" means, without the consent of the recipient:

a material change in the geographic location at which the recipient is required to work regularly;

a substantial increase in travel requirements of employment;

a material reduction in the duties performed by the recipient; or

a material reduction in the recipient's base compensation (other than bonuses and other forms of discretionary compensation, or a general reduction applicable generally to executives).

*Performance Share Units upon Termination.* In the event of a voluntary separation or termination for cause, the recipient will forfeit any outstanding performance share units.

In the event of death, disability or termination by us other than for cause, the recipient becomes vested in a number of performance share units equal to the percentage of time the recipient was employed during the vesting period multiplied by the number of performance share units otherwise earned at the end of the applicable performance period. If the recipient dies or is disabled, the Compensation Committee, in its sole discretion, may determine the performance percentage in an amount up to 200%.

In the event of a special involuntary termination before the end of the performance period, the recipient remains eligible to receive normal payment of the performance share units at the normal vesting date based upon our actual achievement of the performance measure.

*Restricted Stock upon Termination.* In the event of a retirement, voluntary separation or termination by the Company with or without cause, the recipient will forfeit the unvested portion of the restricted stock award.

In the event of death or disability, the recipient becomes vested in a number of shares of restricted stock equal to the percentage of time the recipient was employed during the vesting period multiplied by the total number of shares of restricted stock the recipient was awarded. The Compensation Committee may decide to vest all of the shares of restricted stock.

In the event of a special involuntary termination before the full vesting of restricted stock awards, all restrictions lapse and the shares become fully vested and delivered to the recipient as soon as practicable thereafter.



**Table of Contents*****Quantification of Benefits***

The following table summarizes the compensation and other benefits that would have become payable to each named executive officer assuming his or her employment terminated on December 31, 2014, given the named executive officer's base salary as of that date, and, if applicable, the closing price of our common stock on December 31, 2014, which was \$37.48. In addition, the following table summarizes the compensation that would become payable to the named executive officers assuming that a change in control occurred on December 31, 2014.

In reviewing these tables, please note the following:

Accrued vacation for a specific year is not allowed to be carried over to a subsequent year, so we assumed all accrued vacation for the 2014 year was taken prior to December 31, 2014. Because we accrue vacation in any given year for the following year, amounts reported as Cash Severance include accrued vacation amounts accrued in 2014 for the 2015 year.

The row entitled Performance Units reports amounts payable with respect to outstanding performance share unit awards issued by us. For amounts payable to the named executive officers with respect to performance share unit awards, we assumed the performance share units would settle at 200%. The number of units paid at the end of the performance period may vary from the amounts reflected in the following tables, based on our actual achievement compared to the performance targets. For additional information regarding the potential payouts, see Compensation Discussion and Analysis 2014 Executive Compensation Decisions Long-Term Equity Incentive Compensation Performance Share Unit Awards, Compensation Discussion and Analysis 2015 Executive Compensation Decisions Long-Term Equity Incentive Compensation Performance Share Unit Awards, Executive Compensation 2014 Grants of Plan-Based Awards and Executive Compensation Outstanding Equity Awards at Fiscal Year End.

For the amounts shown in the row entitled Restricted Stock under the column entitled Death or Disability, we have reflected no accelerated vesting for awards made by us because, in such circumstances, accelerated vesting is pro rata based on the length of employment during the vesting period and the executive officers would have no additional vesting beyond the December 15, 2014 vesting date.

The amounts shown in the row entitled Medical and Dental Benefits represent amounts equal to the monthly premium payable pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), for medical and dental premiums, multiplied by (i) 24 months for Mr. Damiris and (ii) 12 months for Messrs. Jennings, Aron and Stump and Ms. McWatters.

No amounts potentially payable pursuant to the NQDC Plan are included in the table below since neither the form nor amount of any such benefits would be enhanced or vesting or other provisions accelerated in connection with any of the triggering events disclosed below. Please refer to the section titled Nonqualified Deferred Compensation for additional information regarding these benefits.

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Benefits and Payments	Change in Control and Involuntary Termination Without Cause or Voluntary Departure for Good Reason or a Special Involuntary Termination		
		Without Cause	Death or Disability
<b>Michael C. Jennings</b>			
Cash Severance	\$ 9,443,743		
Performance Units	14,628,894	\$ 4,674,056	\$ 4,674,056
Restricted Stock	4,977,419		
Medical and Dental Benefits	19,616		
<b>Total</b>	<b>\$ 29,069,672</b>	<b>\$ 4,674,056</b>	<b>\$ 4,674,056</b>
<b>Douglas S. Aron</b>			
Cash Severance	\$ 2,514,190		
Performance Units	4,140,266	\$ 1,377,315	\$ 1,377,315
Restricted Stock	1,381,475		
Medical and Dental Benefits	19,616		
<b>Total</b>	<b>\$ 8,055,547</b>	<b>\$ 1,377,315</b>	<b>\$ 1,377,315</b>
<b>George J. Damiris</b>			
Cash Severance	\$ 2,282,139		
Performance Units	2,925,689	\$ 629,589	\$ 629,589
Restricted Stock	1,647,808		
Medical and Dental Benefits	27,782		
<b>Total</b>	<b>\$ 6,883,418</b>	<b>\$ 629,589</b>	<b>\$ 629,589</b>
<b>James M. Stump</b>			
Cash Severance	\$ 1,426,878		
Performance Units (1)	1,638,026	\$ 541,661	\$ 541,661
Restricted Stock (1)	1,047,941		
Medical and Dental Benefits	19,616		
<b>Total</b>	<b>\$ 4,132,461</b>	<b>\$ 541,661</b>	<b>\$ 541,661</b>
<b>Denise C. McWatters</b>			
Cash Severance	\$ 1,247,513		
Performance Units	1,590,126	\$ 481,243	\$ 481,243
Restricted Stock	554,442		
Medical and Dental Benefits	19,616		
<b>Total</b>	<b>\$ 3,411,697</b>	<b>\$ 481,243</b>	<b>\$ 481,243</b>

- (1) Amounts reported include the value of the following underlying shares that were transferred to Mr. Stump's ex-wife effective May 30, 2014 pursuant to a domestic relations order: (a) 443 restricted shares granted in November 2012 and scheduled to vest on December 15, 2015, (b) 77 restricted shares granted in November 2013 and scheduled to vest on December 15, 2015, (c) 52 restricted shares granted in November 2013 and scheduled to vest on December 15, 2016, (d) 18.3% of the performance share units granted in November 2012 to the

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extent such performance share units become earned and vested, and (e) 2.15% of the performance share units granted in November 2013 to the extent such performance share units become earned and vested.

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### **Compensation Practices and Risk Management**

Certain members of our management are responsible for annually reviewing the relationship between our risk assessment guidelines and our compensation programs. In addition, certain members of our management and the Compensation Committee annually review the features and characteristics of our compensation programs, including particular areas that could encourage employees to take excessive risk or focus on short-term results at the expense of long-term value creation, to confirm that our compensation programs do not encourage excessive and unnecessary risk taking. As a part of this review, the Compensation Committee and certain members of management review salaries, annual incentive bonus awards, including the targets established for the annual incentive bonus awards, and long-term equity incentive awards, including the performance measures used for a portion of the long-term equity incentive awards, at all levels of the Company.

Although the majority of the compensation provided to the named executive officers is performance-based, we believe our compensation programs do not encourage excessive and unnecessary risk taking by executive officers (or other employees) because these programs are designed to encourage employees to remain focused on both our short- and long-term operational and financial goals. In addition, we explicitly include Company safety and environmental performance in determining potential payouts under our annual incentive cash plan for our senior executives.

While annual cash-based incentive bonus awards play an appropriate role in the executive compensation program, the Compensation Committee believes that payment determined based on an evaluation of our performance on a variety of measures, including our performance compared to our industry peers, mitigates excessive risk-taking that could produce unsustainable gains in one area of performance at the expense of our overall long-term interests. In addition, performance goals reflect our past performance and market conditions affecting our industry.

An appropriate part of total compensation is fixed for the named executive officers, while another portion is variable and linked to performance. A portion of the variable compensation we provide is comprised of long-term incentives. A portion of the long-term incentives we provide is in the form of restricted stock subject to time-based vesting conditions, which retains value even in a depressed market, so executives are less likely to take unreasonable risks. With respect to our performance share unit awards, assuming achievement of at least a minimum level of performance, payouts result in some compensation at levels below full target achievement, in lieu of an all or nothing approach.

As discussed above, while a portion of our potential annual compensation is incentive based, we have also instituted policies and programs designed to discourage unnecessary risk-taking, which is not in our long-term interests. For example, our stock ownership policy requires our executives to hold at least a specified level of stock (in addition to any unsettled performance based equity awards), which aligns our executives interests with those of our long-term stockholders.

Based on the foregoing and our annual review of our compensation programs, we do not believe that our compensation policies and practices are reasonably likely to have a material adverse effect on the Company or our stockholders.

**Table of Contents****STOCK OWNERSHIP**

The tables below provide information regarding the beneficial ownership of the Company's common stock as of March 11, 2015 for:

each of our directors;

each of our named executive officers;

all directors and executive officers as a group; and

each known beneficial owner of more than five percent of the Company's common stock.

The tables below list the number of shares and percentage of shares beneficially owned based on 195,324,869 shares of common stock outstanding as of March 11, 2015. Each of our directors and executive officers owns less than 1.0% of the Company's common stock.

Beneficial ownership of the Company's common stock is determined in accordance with SEC rules and regulations and generally includes voting power or investment power with respect to securities held. Except as indicated and subject to applicable community property laws, to our knowledge the persons named in the tables below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

**Directors and Named Executive Officers**

<b>Name of Beneficial Owner</b>	<b>Number of Shares</b>
Michael C. Jennings (1)(2)	409,238
Douglas S. Aron (1)(2)	155,327
Douglas Y. Bech (3)	146,812
James H. Lee (2)(3)	59,050
George J. Damiris (1)	53,427
James M. Stump (1)	42,217
Leldon E. Echols (3)	38,656
Franklin Myers (3)	36,538
Denise C. McWatters (1)(2)	33,059
Tommy A. Valenta (3)	28,796
Robert J. Kostelnik (3)	22,268
R. Kevin Hardage (3)	19,750
Michael E. Rose (3)	19,038
All directors and executive officers as a group (13 persons)(3)(4)	1,064,176

- (1) The number reported includes shares of restricted stock for which the executive officer has sole voting power but no dispositive power, as follows: Mr. Jennings (132,802 shares), Mr. Aron (36,859 shares), Mr. Damiris (43,965 shares), Mr. Stump (27,388 shares) and Ms. McWatters (14,793 shares). The number does not include unvested performance share units.

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- (2) Mr. Jennings, Mr. Aron, Mr. Lee and Ms. McWatters each own common units of HEP, a subsidiary of the Company. Each of these individuals own common units of HEP as set forth in the following table:

<b>Name of Beneficial Owner</b>	<b>Number of Units</b>
Douglas S. Aron (a)	7,340
Michael C. Jennings	7,000
Denise C. McWatters	4,881
James H. Lee (b)	238
<b>Total</b>	<b>19,459</b>

- (a) Includes 420 common units held by Mr. Aron as custodian for his son in an account under the Uniform Transfer to Minors Act and 420 common units held by Mr. Aron as custodian for his daughter in an account under the Uniform Transfer to Minors Act. Mr. Aron disclaims beneficial ownership of these common units.
- (b) Represents common units held by Mr. Lee's spouse for which Mr. Lee shares voting and disposition power. Mr. Lee disclaims beneficial ownership as to the common units owned by his spouse.

As of March 11, 2015, there were 58,657,048 HEP common units outstanding. Mr. Jennings, Mr. Aron, Mr. Lee and Ms. McWatters each own less than 1% of the outstanding common units of HEP.

- (3) The number reported includes 3,079 shares of common stock to be issued to the non-employee director upon settlement of restricted stock units, which may vest and be settled within 60 days of March 11, 2015 under certain circumstances. Until settled, the non-employee director has no voting or dispositive power over the restricted stock units.
- (4) The Company's directors and executive officers, as a group, own 0.54% of the Company's common stock. The number reported also includes 255,807 shares of unvested restricted stock held by executive officers for which they have sole voting power, but no dispositive power, and 24,632 shares of common stock to be issued to non-employee directors upon settlement of restricted stock units, which may vest and be settled within 60 days of March 11, 2015 under certain circumstances. Until settled, the non-employee directors have no voting or dispositive power over the restricted stock units.

**Five Percent Holders**

The following table sets forth information regarding the number and percentage of shares of common stock held by all entities and other persons known by the Company to beneficially own five percent or more of the Company's outstanding common stock. The number of shares of common stock reported as beneficially owned by each of the entities identified below is included in reliance on reports filed with the SEC by these entities.

<b>Name of Beneficial Owner</b>	<b>Number of Shares</b>	<b>Percentage of Outstanding Shares</b>
BlackRock, Inc. (1)	20,048,364	10.26%
TCTC Holdings, LLC (2)	14,301,098	7.32%
The Vanguard Group (3)	12,460,306	6.38%

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- (1) According to a Schedule 13G/A filed on January 9, 2015 by Blackrock, Inc. ( Blackrock ), Blackrock has sole voting power with respect to 18,791,365 shares and sole dispositive power with respect to 20,048,364 shares. The address for Blackrock is 55 East 52nd Street, New York, New York 10022.

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- (2) According to a Schedule 13D/A filed on September 6, 2011 by TCTC Holdings, LLC ( TCTC ) and its two wholly-owned subsidiaries Turtle Creek Trust Company ( Trust Company ) and Trust Creek Management, LLC ( Management ), (a) TCTC may be deemed to beneficially own 14,301,098 shares and has sole voting power with respect to 13,644,898 shares and sole dispositive power with respect to 14,301,098 shares, (b) Trust Company may be deemed to beneficially own and has sole voting and dispositive power with respect to 13,644,898 shares, and (c) Management may be deemed to beneficially own and has sole dispositive power, but no voting power, with respect to 656,200 shares. Mr. Hardage is the Chief Executive Officer of Trust Company. Mr. Hardage is not deemed to beneficially own shares reported by TCTC, because he does not have voting or dispositive power for such shares. The address for TCTC, Trust Company and Management is 3838 Oak Lawn, Suite 1650, Dallas, Texas 75219.
- (3) According to a Schedule 13G/A filed on February 10, 2015 by The Vanguard Group ( Vanguard ), Vanguard has sole voting power with respect to 184,159 shares, sole dispositive power with respect to 12,299,607 shares and shared dispositive power with respect to 160,699 shares. The address for Vanguard is 100 Vanguard Boulevard. Malvern, Pennsylvania 19355.



**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

We currently maintain two equity compensation plans for the benefit of our employees, directors and consultants: (i) the HollyFrontier Corporation Long-Term Incentive Compensation Plan (the "LTIP") and (ii) the HollyFrontier Corporation Omnibus Incentive Compensation Plan (the "Omnibus Plan").

The Omnibus Plan was assumed by us in connection with the merger of Holly and Frontier. Although approved by Frontier's stockholders, this plan has not been approved by our stockholders. As a result, under SEC regulations we are required to show shares under this plan as having not been approved by stockholders.

The following table sets forth certain information regarding the plans as of December 31, 2014.

<b>Plan Category(1)</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by stockholders	660,778 (2)		1,171,802
Equity compensation plans not approved by stockholders	789,330 (3)		3,779,625
<b>Total</b>	<b>1,450,108</b>		<b>4,951,427</b>

- (1) All stock-based compensation plans, including any stock-based compensation plan that was not approved by our stockholders, are described in Note 5 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. In addition, the principal features of the LTIP are described below under "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)" and the principal features of the Omnibus Plan are described below under "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)."
- (2) Represents shares subject to performance share unit awards granted to our key employees under the LTIP assuming a maximum payout level at the time of vesting. If the performance share unit awards are paid at the target payout level, 330,389 shares would be issued upon the vesting of such performance share unit awards. There were no options outstanding under the LTIP as of December 31, 2014.
- (3) Represents shares granted to our key employees under the Omnibus Plan that are subject to performance share unit awards assuming a maximum payout level at the time of vesting. If the performance share unit awards are paid at the target payout level, 394,665 shares would be issued upon the vesting of such performance share unit awards. There were no options outstanding under the Omnibus Plan as of

December 31, 2014.

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**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

**Related Party Transactions**

The Company provides various general and administrative services to HEP under the terms of an Omnibus Agreement. Under the Omnibus Agreement, HEP pays the Company an annual fee, currently \$2.4 million. The administrative fee may increase in connection with the expansions of HEP's operations through the acquisition or construction of new assets or businesses.

The administrative fee covers expenses the Company incurs in performing centralized corporate functions for HEP, such as executive services, tax, legal, accounting, treasury, information technology and other corporate services, including the administration of employee benefit plans. The fee does not include salaries of personnel who perform services for HLS or the cost of their employee benefits, such as 401(k), pension, and health insurance benefits.

In addition, under a secondment arrangement with HLS, effective January 1, 2015, the Company seconded certain of its employees to HLS to provide operational and maintenance services with respect to certain of HEP's pipelines and terminals at the Cheyenne and El Dorado refineries, including routine operational and maintenance activities. During their period of secondment, the seconded employees are under the management and supervision of HLS. HLS is required to reimburse the Company for the cost of the seconded employees, including their wages and benefits, based on the percentage of the employee's time spent working for HLS.

**Review, Approval or Ratification of Transactions with Related Persons**

The Audit Committee is charged with the responsibility of reviewing and approving all transactions with related persons, when required by the Company's Code of Business Conduct and Ethics. This responsibility is set forth in the Audit Committee's charter. In addition, pursuant to the Code of Business Conduct and Ethics, an employee should disclose any potential conflict of interest to a supervisor who does not have a conflict of interest. The supervisor should make all significant decisions with respect to the proposed decision or arrangement on behalf of the Company and report in writing the action taken to the office of the General Counsel. If a director has a potential conflict of interest, the transaction or relationship must be disclosed to the Board or a committee of the Board that does not include such director.

In determining whether to approve or disapprove entry into a related party transaction, the Audit Committee considers factors it deems appropriate, which may include, among others, whether the related party transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, the extent of the related party's interest in the transaction, and whether the terms of the transaction are in the best interest of the Company. All related party transactions that are approved by the Audit Committee are disclosed to the Board.

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**RATIFICATION OF APPOINTMENT OF ERNST & YOUNG LLP**

**(PROPOSAL 3)**

The Audit Committee has appointed Ernst & Young LLP, an independent registered public accounting firm, to be the Company's auditor for fiscal year 2015. The Board is asking stockholders to ratify this appointment. SEC regulations and the NYSE listing requirements require the Company's independent registered public accounting firm to be engaged, retained, and supervised by the Audit Committee. However, the Board considers the selection of an independent registered public accounting firm to be an important matter to stockholders. Accordingly, the Board considers a proposal for stockholders to ratify this appointment to be an opportunity for stockholders to provide input to the Audit Committee and the Board on a key corporate governance issue. If the stockholders do not ratify the selection of Ernst & Young LLP, the Audit Committee will reconsider the selection of that firm as the Company's independent registered public accounting firm.

Ernst & Young LLP has conducted the Company's audits since 1977. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and will have the opportunity to make a statement. They will also be available to respond to appropriate questions. For additional information regarding our independent registered public accounting firm, see Independent Public Accountants.

**Required Vote and Recommendation**

The ratification of the appointment of Ernst & Young LLP requires the approval of a majority of the votes cast on the proposal.

**Table of Contents****INDEPENDENT PUBLIC ACCOUNTANTS****Selection**

Ernst & Young LLP served as our independent registered public accounting firm for 2014 and has been appointed by the Audit Committee to continue to serve in that capacity for 2015.

**Audit and Non-Audit Fees**

The following table sets forth the fees paid to Ernst & Young LLP for services provided during 2014 and 2013. All of the fees paid were approved by the Audit Committee.

	<b>2014</b>	<b>2013</b>
Audit Fees (1)	\$ 2,025,807	\$ 1,978,979
Audit-Related Fees		
Tax Fees (2)	628,444	712,391
All Other Fees (3)	2,138	
<b>Total</b>	<b>\$ 2,656,389</b>	<b>\$ 2,691,370</b>

- (1) Represents fees for professional services provided in connection with the audits of the Company's annual financial statements and internal control over financial reporting, statutory and regulatory filings and review of the Company's quarterly financial statements.
- (2) Represents fees for professional services in connection with tax compliance and planning.
- (3) Represents fees related to access to Ernst & Young LLP's online research services.

**Pre-Approval Policies and Procedures**

The Audit Committee's policy is to pre-approve all audit services performed by the independent auditor to assure that performing such services does not impair the auditor's independence.

The Audit Committee may also pre-approve fees related to other non-recurring services or it may delegate its pre-approval authority for non-recurring services, up to \$75,000, to one or more of the Audit Committee's members or to the Company's Chief Accounting Officer. Any decisions made under this delegation must be reported to the Audit Committee.

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**AUDIT COMMITTEE REPORT**

The Company's management is responsible for preparing our financial statements and for our system of internal control over financial reporting. Ernst & Young LLP, our independent registered public accounting firm, is responsible for performing an independent audit of our consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board ( PCAOB ), and to issue a report thereon. The Audit Committee is responsible for overseeing management's conduct of the financial reporting process and system of internal control. The Audit Committee also is responsible for selecting, engaging and overseeing the work of the Company's independent registered public accounting firm, which reports directly to the Audit Committee, and evaluating its qualifications and performance. Among other things, to fulfill its responsibilities, the Audit Committee:

reviewed and discussed with both management and Ernst & Young LLP our quarterly unaudited consolidated financial statements and annual audited financial statements for the year ended December 31, 2014, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements, including those in management's discussion and analysis thereof;

discussed with Ernst & Young LLP the matters required to be discussed by the Auditing Standards No. 16, Communications with Audit Committees, as adopted by the PCAOB;

discussed with Ernst & Young LLP matters relating to its independence and received the written disclosures and letter from Ernst & Young LLP required by applicable requirements of PCAOB regarding the independent accountant's communications with the Audit Committee concerning the firm's independence;

discussed with our internal auditors and Ernst & Young LLP the overall scope and plans for their respective audits (the Audit Committee meets with the internal auditors and Ernst & Young LLP, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting); and

considered whether Ernst & Young LLP's provision of non-audit services to the Company is compatible with the auditor's independence.

Taking all of these reviews and discussions into account, the Audit Committee recommended to the Board that the audited financial statements for the year ended December 31, 2014 be included in our Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the SEC.

**Audit Committee of the Board of Directors**

Leldon E. Echols

James H. Lee

Michael E. Rose

Tommy A. Valenta

*Chairman*

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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 OF 1986, AS AMENDED (PROPOSAL 4)**

At the Annual Meeting, our stockholders will be asked to approve the First Amendment (the *First Amendment*) to the HollyFrontier Corporation Omnibus Incentive Compensation Plan (the *Omnibus Plan*), which sets forth the material terms of the Omnibus 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 First Amendment is advisable in order to allow us to grant awards under the Omnibus Plan that may qualify as *performance-based compensation* under Section 162(m). We are not requesting an increase in the number of shares available under the Omnibus Plan.

**Background and Purpose of the Proposal**

The use of stock-based awards under the Omnibus Plan has been a key component of our compensation program since our assumption of the Omnibus Plan effective July 1, 2011 in connection with the merger (the *Merger*) with Frontier Oil Corporation (*Frontier*). The Omnibus Plan provides a means through which we and our subsidiaries may attract and retain able persons as employees, directors and consultants and provides a means whereby those persons, upon whom the responsibilities of the successful administration and management rest and whose present and potential contributions to our welfare are of importance, can acquire and maintain stock ownership or awards, the value of which is tied to our performance and the performance of our common stock. The closing market price of our common stock as of March 11, 2015 was \$38.87 per share as reported on the NYSE.

The Omnibus Plan is designed, in part, to allow us to provide *performance-based compensation* that may be tax-deductible by us and our subsidiaries without regard to the limits of Section 162(m) in the event we choose to structure compensation in a manner that will satisfy the exemption. Under Section 162(m), the federal income tax deductibility of compensation paid to the Chief Executive Officer and the three other most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) determined pursuant to the executive compensation disclosure rules of the SEC (the *Covered Employees*) may be limited to the extent such compensation exceeds \$1,000,000 in any taxable year. However, we may deduct compensation paid to the Covered Employees in excess of that amount if it qualifies for exemption as *performance-based compensation* under Section 162(m).

In addition to certain other requirements, in order to qualify for this exemption, the material terms of the Omnibus Plan must be periodically disclosed to and approved by our stockholders. Under Section 162(m), the material terms of the Omnibus Plan are (i) the maximum amount of compensation that may be paid to an individual under the Omnibus Plan during any calendar year, (ii) the employees eligible to receive compensation under the Omnibus Plan, and (iii) the list of business criteria on which performance goals may be based. Accordingly, we are asking our stockholders to approve the First Amendment setting forth the material terms of the Omnibus Plan to be effective as of May 13, 2015. The First Amendment does not change the maximum amount of, or the employees eligible to receive, compensation under the Omnibus Plan, but does add additional business criteria that may be utilized in setting performance goals under the Omnibus Plan.

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### **Consequences of Failing to Approve the Proposal**

Failure of our stockholders to approve the this proposal will mean that our Covered Employees may not receive the compensation that we intended to provide them under the Omnibus Plan and that the deductibility of awards granted to Covered Employees after the Annual Meeting will potentially be limited. If the First Amendment is not approved by stockholders, the Omnibus Plan will remain in effect in its current form. As discussed above under Compensation Discussion and Analysis Impact of Regulatory Compliance, the Compensation Committee of the Board of Directors (the Committee) retains the ability to evaluate varying corporate goals in determining appropriate compensation for the Covered Employees, even if some of it may be non-deductible, although no compensation will be payable to the Covered Employees under the Omnibus Plan after the Annual Meeting if our stockholders do not approve this proposal.

### **Summary of the Omnibus Plan**

A summary of the principal features of the Omnibus Plan, as amended by the First Amendment, is provided below but does not purport to be a complete description of the all the provisions of the Omnibus Plan. The summary below should be read in conjunction with, and is qualified in its entirety by reference to, the full text of (i) the Omnibus Plan, which is incorporated by reference to Exhibit 10.5 of our Current Report on Form 8-K filed July 8, 2011 (File No. 1-03876), and (ii) the First Amendment, which is attached to this proxy statement as Annex 1 and incorporated by reference in this proposal.

**Purposes of the Omnibus Plan.** The purpose of the Omnibus Plan is to enhance our profitability and value for the benefit of our stockholders by enabling us to offer employees, consultants and directors upon who our success depends both stock-denominated and cash-denominated awards, thereby creating a means to attract, retain and reward such individuals and also strengthen the mutuality of interests between them and our stockholders. Under the Omnibus Plan, we may grant to eligible individuals a variety of awards consisting of shares of common stock, and other stock-denominated and cash-denominated awards that may be payable in common stock and/or cash. Awards under the Omnibus Plan may be in the form of Stock Options, Stock Appreciation Rights ( SARs ), Restricted Stock, Stock Units, Bonus Shares, Dividend Equivalent Rights, Other Stock-Based Awards, Substitute Awards and Performance Awards. Each type of award available under the Omnibus Plan may be granted either alone or in any combination with all other types of awards under the Omnibus Plan.

**Administration.** The Plan is administered by the Committee. The Committee is intended to consist of two or more non-employee directors, each of whom shall be, to the extent required by Rule 16b-3 under Section 16(b) of the Exchange Act ( Rule 16b-3 ) and for the exception for performance-based compensation under Section 162(m), a non-employee director as defined in Rule 16b-3 and an outside director as defined under Section 162(m), except that if and to the extent that no Committee exists which has the authority to administer the Plan, the functions of the Committee will be exercised by the Board. If for any reason the Committee does not satisfy the requirements of Section 162(m) or Rule 16b-3, such noncompliance will not affect the validity of any awards, grants, interpretations or other actions of the Committee. The Committee has the authority to administer the Omnibus Plan in accordance with its terms and to exercise all the powers and authorities either specifically granted to it under the Omnibus Plan or necessary or advisable in the administration of the Omnibus Plan. The Committee has the authority to adopt, alter or repeal administrative rules, guidelines and practices governing the Omnibus Plan including, without limitation, adoption of special



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guidelines and provisions for persons who are residing in, or subject to, the taxes of countries other than the United States to comply with applicable tax and securities laws. The Committee has the full authority to make grants under the Plan, to determine the persons to whom and the time or times at which awards will be granted and all terms and conditions relating to any award. All decisions, determinations and interpretations of the Committee shall be final, binding and conclusive on all persons, including us, the participants (or persons claiming any rights under the Omnibus Plan from or through any participant) and the stockholders.

***Eligibility to Participate.*** Consistent with certain provisions of Section 162(m), the employees eligible to receive compensation must be set forth in the plan and approved by our stockholders. All of our employees and consultants and employees and consultants of our subsidiaries and all non-employee members of the Board are eligible to receive awards under the Omnibus Plan as determined by the Committee in its sole discretion (other than any employee, consultant or director who was, immediately prior to the Merger, a service provider to Holly Corporation or its subsidiaries). As of March 11, 2015, we had approximately 620 employees, five non-employee directors and zero consultants who would be eligible to participate in the Omnibus Plan. Eligible employees, directors or consultants who receive an award under the Omnibus Plan are referred to as participants.

***Individual Limitations on Awards.*** Consistent with certain provisions of Section 162(m), restrictions on the maximum amount of compensation that may be awarded to an individual in a specified period must be provided for in the plan and approved by our stockholders. The maximum number of shares of common stock that may be granted to any person during any calendar year under all forms of stock-denominated awards is 1,443,300 shares of common stock, subject to adjustment from time to time pursuant to the anti-dilution terms of the Omnibus Plan. The maximum amount of dollar-denominated awards that may be granted to any person during any calendar year is \$5,000,000.

***Number of Shares Subject to the Omnibus Plan.*** Subject to certain adjustments as provided in the Omnibus Plan, a maximum of 7,448,510 shares of common stock may be issued pursuant to the Omnibus Plan, which is equal to (a) 12,632,184 shares of Frontier common stock that were not previously issued or subject to outstanding awards granted under the Frontier Oil Corporation Omnibus Incentive Compensation Plan (the Prior Plan) prior to the Merger, and (b) 2,850,064 shares of Frontier common stock that were subject to outstanding awards originally made by Frontier under the Prior Plan and that were assumed by us in connection with the consummation of the Merger (the Assumed Awards), in each case, multiplied by an exchange ratio of 0.4811 and rounded, if necessary, down to the nearest whole share of common stock. However, awards granted as Substitute Awards (as described below) do not affect the number of shares in the share pool. Of the 7,448,510 shares, (i) 616,890 shares subject to Assumed Awards (the Initial Pool) will be reduced by 1.7 times the number of shares subject to each award, and (ii) the other 6,831,620 shares (the New Pool) will be reduced by 1.6 times the number of shares subject to each award (other than a Stock Option or SAR, which will reduce the share pool on a 1.0 for 1.0 basis). Shares will be delivered first from the Initial Pool and then from the New Pool. If an award is paid in cash, forfeited or otherwise lapses, expires, terminates or is canceled without the delivery of shares, then the number of shares subject to the award will be added back to the applicable share pool and be available for the grant of future awards on the basis of 1.7 shares or 1.6 shares, as applicable (or on a 1.0 for 1.0 basis, in the case of Stock Options and SARs). As of March 13, 2014, all Assumed Awards had fully vested. Shares withheld or received by us to satisfy tax withholding or other payment obligations will not again be available for future awards, and SARs settled in shares will be counted in full against the number of shares available for delivery regardless of the number of shares actually issued in settlement. No more than 3,848,800 shares may be granted and delivered with respect to Incentive Stock Options.

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The 7,448,510 shares include, as of March 11, 2015, (a) awards currently outstanding with respect to 501,174 Restricted Stock awards, 92,933 Stock Units and 637,310 performance share unit awards (target units awarded) (in each case, reported using the 1.6 multiplier discussed above), and (b) 3,778,991 shares remaining available for future grants. Shares delivered pursuant to an award may consist of authorized and unissued shares or treasury shares. The fair market value of a share of common stock on a given date for purposes of the Omnibus Plan will generally be the closing sales price of a share of common stock on the date on which determination of fair market value is being made or if no shares were traded on such date then the last trading date prior thereto.

**Stock Options.** A Stock Option is a right to purchase a specific number of shares of common stock under set terms, including a set purchase price. A Stock Option can be either an Incentive Stock Option or a Non-Qualified Stock Option. Incentive Stock Options are Stock Options that qualify for special federal income tax consequences pursuant to Section 422 of the Code. Stock Options that do not qualify under Section 422 are referred to as Non-Qualified Stock Options. The Committee determines the purchase price of the shares covered by each Stock Option (the Option Exercise Price) in its discretion, except that the Option Exercise Price may generally not be less than 100% of the fair market value of the common stock on the date the Stock Option is granted (the Option Grant Date). Stock Options are exercisable at such time or times and subject to such terms and conditions as determined by the Committee at grant; however, no Stock Option will be exercisable more than 10 years after the Option Grant Date. The Committee may provide in the option agreement that the term of an option is accelerated (will terminate early) upon the optionee's termination of service with us and our subsidiaries. Notice of exercise must be accompanied by payment in full of the Option Exercise Price in cash or paid through a cashless exercise procedure with a broker through a program approved by us.

**Stock Appreciation Rights.** A Stock Appreciation Right or SAR is a right to receive the excess of the fair market value of a share of common stock on the date of exercise over the exercise price of the SAR, with the excess paid in cash and/or shares in the discretion of the Committee. The Committee has the discretion to determine the number of SARs to be granted, the exercise price, the conditions and limitations applicable to the exercise of the SAR, including performance goals, if any, and any additional terms and conditions not inconsistent with the terms of the Omnibus Plan. The exercise price of a SAR may generally not be less than 100% of the fair market value of the common stock on the date the SAR is granted. The term of a SAR may not exceed 10 years.

**Restricted Stock.** Restricted Stock is a share of common stock that is subject to forfeiture if separation from service occurs before a specified date, if pre-established performance goals for a specified period are not attained and/or upon such other factors or criteria as the Committee may determine in its sole discretion. The period that the Restricted Stock is subject to a risk of forfeiture is referred to as the Restricted Period. During the Restricted Period, the shares are also subject to restrictions on transfer. Unless otherwise set forth in the award agreement, during the Restricted Period a participant will have the right to receive any dividends paid with respect to such shares and will have the right to vote the shares of Restricted Stock.

**Stock Units.** An award of Stock Units represents a conditional right to receive a certain number of shares of common stock in the future or, as determined by the Committee in its sole discretion, the cash equivalent of such number of future or phantom shares after the end of a specified period. The Committee will condition the vesting of Stock Units on the attainment of pre-established performance goals, upon the expiration of a relevant vesting period and/or upon satisfaction of such other nonperformance factors or criteria, such as a period of service, as it decides in its sole

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discretion. Upon the expiration of an applicable vesting period, the Committee shall determine the extent to which the goals, factors and/or other criteria have been attained and the number of Stock Units that have been become vested and payable. A participant will not have rights as a stockholder with respect to any Stock Units award. However, the Committee may, in its sole discretion, award the right to receive Dividend Equivalent Rights. Such amounts, if awarded, will be paid when the related Stock Unit vests or when the dividends are paid, as set forth in the award agreement.

**Bonus Stock.** The Committee may grant shares of common stock as a bonus in lieu of or in addition to a cash bonus or other compensation. These shares will be fully vested when paid.

**Dividend Equivalents.** Dividend Equivalents ( DERs ) are conditional rights that will, upon their vesting, entitle a participant to be paid an amount of cash equal to the value of any dividends paid on a share of common stock while the DER is outstanding. DERs may only be granted in tandem with a Stock Unit.

**Other Stock-Based Awards.** The Committee may grant other awards, not specifically provided for above, the value of which is determined in whole or in part on the value of shares of common stock. The award may be subject to such vesting, performance criteria, period of service and/or other criteria as the Committee may determine in its sole discretion. To the extent vested or earned, an Other Stock-Based Award may be payable in shares of common stock, Restricted Stock, cash or any combination thereof as determined by the Committee in its discretion.

**Performance Awards.** Performance Awards represent a conditional right to receive a specified dollar amount, established by the Committee at the time of grant, after the end of a fixed period (the Performance Period ) to the extent the Performance Award is earned. The Committee will condition the vesting conditions of Performance Awards on the attainment of pre-established performance goals, upon the expiration of a relevant service period and/or upon the satisfaction of such other factors or criteria as determined by the Committee in its sole discretion. Upon the expiration of a Performance Period, the Committee will determine the extent to which the goals, factors and/or other vesting criteria have been attained and the percentage of each Performance Award that has been earned. Subject to the terms of the award agreement, the participant will receive cash, shares of common stock and/or Restricted Stock or any combination thereof, as determined by the Committee, in payment of a vested Performance Award. In addition, the Committee may designate that the grant, vesting, exercise or settlement of another award under Omnibus Plan will be based on attainment of pre-established performance goals, which such award may also be referred to as a Performance Award.

If the Committee determines that an eligible participant is a Covered Employee under Section 162(m), then the Committee may grant the Covered Employee a contemplated Performance Award intended to qualify as performance-based compensation under Section 162(m). Consistent with certain provisions of Section 162(m), the business criteria on which performance goals applicable to performance-based compensation may be based must be provided for in the plan and approved by our stockholders. With respect to Performance Awards intended to constitute performance-based compensation, performance goals will be designed to be objective, substantially uncertain of achievement at the date of grant and to otherwise meet the requirements of Section 162(m). In addition, one or more of the following business criteria for us, on a consolidated basis, and/or for specified subsidiaries, divisions or business or geographical units (except with respect to the total stockholder return and earnings per share criteria), will be used by the Committee in establishing performance goals: (i) earnings, earnings per share, earnings before interest, taxes, depreciation and/or amortization and/or operating earnings after interest expense and/or before incentives, service fees and extraordinary

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or special items; (ii) gross or net income, net income per share or income per share from operations; (iii) revenues; (iv) cash flow, cash flow per share, cash flow from operating activities, cash flow before financing activities or cash flow return; (v) targeted cash balances; (vi) return on net assets; (vii) return on assets; (viii) return on investment; (ix) return on capital or return on capital employed; (x) return on equity; (xi) stock price; (xii) cost controls; (xiii) economic value added; (xiv) gross margin; (xv) reductions or savings; (xvi) operating income; (xvii) safety performance and/or incidence rate; including process safety performance, reliability, capacity utilization and lost economic opportunity; (xviii) total stockholder return; (xix) debt reduction or management or compliance with debt covenants, (xx) net profit margin; (xxi) refinery reliability; (xxii) operating margin; (xxiii) contribution margin; (xxiv) market share; (xxv) effective equipment utilization; (xxvi) achievement of savings from business improvement projects; (xxvii) capital projects deliverables; (xxviii) performance against environmental targets; (xxix) satisfactory internal or external audits; (xxx) operating expense; (xxxi) cost management; and (xxxii) any of the above goals determined on an absolute or relative basis, as a ratio with other business criteria or as compared to the performance of a published or special index deemed applicable by the Committee, including Standard & Poor's 500 Stock Index or a group of comparable companies, pre-tax or after-tax, before or after special charges, or any combination of the foregoing. In addition, to the extent consistent with Section 162(m), in establishing a performance goal, the Committee may provide for the manner in which performance will be measured to reflect the impact of any of the following events or occurrences: (i) asset write-downs or impairments to assets; (ii) litigation, claims, judgments or settlements; (iii) the effect of changes in tax law or other such laws or regulations affecting reported results; (iv) accruals for reorganization and restructuring programs; (v) any extraordinary, unusual or nonrecurring items as described in Accounting Standards Codification Topic 225; (vi) any change in accounting principles as defined in Accounting Standards Codification Topic 250; (vii) any loss from a discontinued operation as described in Accounting Standards Codification Topic 360; (viii) goodwill impairment charges; (ix) operating results for any business acquired during the calendar year; (x) third party expenses associated with any investment or acquisition; (xi) any amounts pursuant to management bonus plans or cash profit sharing plans and related employer payroll taxes for the fiscal year; (xii) any discretionary or matching contributions made to a savings and deferred profit-sharing plan or deferred compensation plan for the fiscal year; (xiii) interest, expenses, taxes, depreciation and depletion, amortization and accretion charges; or (xiv) marked-to-market adjustments for financial instruments. The Committee may establish an unfunded pool, with the amount of such pool calculated using an objective formula based upon the level of achievement of a performance goal or goals with respect to one or more of the business criteria above during the given performance period. The Committee may not increase the amount of a Performance Award that is intended to constitute performance-based compensation under Section 162(m) but may exercise discretion to reduce any such award.

***Substitute Awards.*** An individual who becomes an eligible employee as a result of a merger or purchase by us and who would otherwise lose an equity award granted by a prior employer as a result of that transaction may be granted a replacement or Substitute Award. Generally, Substitute Awards will be similar to the type of Award lost and will have similar terms.

***Tax Withholding.*** We and our subsidiaries are authorized to withhold from any award granted, or any payment relating to an award under the Omnibus Plan, including from a distribution of common stock, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an award and to take any other action the Committee may deem advisable to enable us and participants to satisfy obligations for the payment of withholding taxes and other tax obligations related to an award. The Committee may provide for the satisfaction of such tax withholding obligations through the withholding of shares otherwise to be acquired upon the exercise or payment of an award.

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***Recapitalization; Change of Control.*** If the Committee determines that there has been a change in our capital structure or business that affects the common stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of participants under the Omnibus Plan, then the Committee will make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (i) the number and kind of shares of common stock which may thereafter be issued in connection with awards to participants, (ii) the number and kind of shares of common stock or other property (including cash) to be issued upon the exercise of an outstanding Stock Option granted under the Omnibus Plan to a participant and the purchase price thereof, (iii) the number and kind of shares subject to awards and (iv) the exercise price, grant price or purchase price relating to any award under the Omnibus Plan. Adjustments will be made automatically if there is a stock dividend or stock split with respect to the common stock. No fractional shares of common stock will result from any adjustment. Upon a Change of Control (as defined in the Omnibus Plan) the exercisability and vesting of all outstanding awards are automatically accelerated in full and all performance goals are deemed to have been met at target, unless an award agreement specifically provides to the contrary. In addition, the Committee may provide that all outstanding awards will, upon a Change of Control, (a) terminate on such Change of Control, (b) be assumed by the successor or a parent thereof, or (c) be surrendered in exchange for substantially economically equivalent substitute awards with the same material terms from the successor or a parent thereof. A Change of Control means, in very general terms, that (i) 25% or more of our voting power is acquired by another person or entity, (ii) there is more than a 50% change in the members of the Board during any 24-month period, or (iii) we sell, lease or otherwise dispose of substantially all of our assets or approve a plan of complete or substantially complete liquidation. However, with respect to awards that are subject to Section 409A of the Internal Revenue Code, such as Stock Units and Performance Awards, a change of control shall instead have the meaning set forth in as guidance issued under Section 409A.

***Amendment.*** The Board or the Committee can make various changes to the Omnibus Plan in its discretion; however, no changes may, without a participant's consent, adversely affect any of the participant's rights under a previously granted award. However, certain changes may require stockholder approval.

***Term and Termination of the Omnibus Plan.*** No awards may be granted under the Omnibus Plan after April 26, 2016, or, if earlier, the date the Omnibus Plan is terminated by the Board or the Committee or shares are no longer available for delivery pursuant to awards under the Omnibus Plan's share pool.

***Transferability of Awards.*** Awards granted under the Omnibus Plan may not be transferred by the participant to anyone else, except (i) in the case of death, and (ii) awards (other than Incentive Stock Options) may be transferred to a family member, subject to our approval.

***No Repricing.*** The Committee may not take any action under the Omnibus Plan that would permit the exercise price of any outstanding Stock Option that exceeds the then fair market value of a share of common stock to be reduced or for such Stock Option to be cancelled and replaced with a new award.

**Certain Federal Income Tax Consequences**

The following discussion is for general information only and is intended to summarize briefly the U.S. federal income tax consequences of certain transactions contemplated under the Omnibus Plan. This description is based on current laws in effect on March 11, 2015, which are subject to

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change (possibly retroactively). The tax treatment of participants in the Omnibus Plan may vary depending on each participant's particular situation and may, therefore, be subject to special rules not discussed below. No attempt has been made to discuss any potential foreign, state or local tax consequences. Participants are advised to consult with a tax advisor concerning the specific tax consequences of participating in the Omnibus Plan.

**Stock Options and Stock Appreciation Rights.** Participants will not realize taxable income upon the grant of a Stock Option or a SAR. Upon the exercise of a Non-Qualified Stock Option or a SAR, a participant will recognize ordinary compensation income (subject to withholding if an employee) in an amount equal to the excess of (i) the amount of cash and the fair market value of the common stock received, over (ii) the exercise price of the award. A participant will generally have a tax basis in any shares of common stock received pursuant to the exercise of a Non-Qualified Stock Option or SAR that equals the fair market value of such shares on the date of exercise. Subject to the discussion under Tax Consequences to HollyFrontier below, we will be entitled to a deduction for federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by a participant under the foregoing rules. When a participant sells the common stock acquired as a result of the exercise of a Non-Qualified Stock Option or SAR, any appreciation (or depreciation) in the value of the common stock after the exercise date is treated as long- or short-term capital gain (or loss) for federal income tax purposes, depending on the holding period. The common stock must be held for more than 12 months to qualify for long-term capital gain treatment.

Participants eligible to receive a Stock Option intended to qualify as an Incentive Stock Option under Section 422 of the Internal Revenue Code will not recognize taxable income on the grant of an Incentive Stock Option. Upon the exercise of an Incentive Stock Option, a participant will not recognize taxable income, although the excess of the fair market value of the shares of common stock received upon exercise of the Incentive Stock Option ( ISO Stock ) over the exercise price will increase the alternative minimum taxable income of the participant, which may cause such participant to incur alternative minimum tax. The payment of any alternative minimum tax attributable to the exercise of an Incentive Stock Option would be allowed as a credit against the participant's regular tax liability in a later year to the extent the participant's regular tax liability is in excess of the alternative minimum tax for that year.

Upon the disposition of ISO Stock that has been held for the required holding period (generally, at least two years from the date of grant and one year from the date of exercise of the Incentive Stock Option), a participant will generally recognize capital gain (or loss) equal to the excess (or shortfall) of the amount received in the disposition over the exercise price paid by the participant for the ISO Stock. However, if a participant disposes of ISO Stock that has not been held for the requisite holding period (a Disqualifying Disposition ), the participant will recognize ordinary compensation income in the year of the Disqualifying Disposition in an amount equal to the amount by which the fair market value of the ISO Stock at the time of exercise of the Incentive Stock Option (or, if less, the amount realized in the case of an arm's length disposition to an unrelated party) exceeds the exercise price paid by the participant for such ISO Stock. A participant would also recognize capital gain to the extent the amount realized in the Disqualifying Disposition exceeds the fair market value of the ISO Stock on the exercise date. If the exercise price paid for the ISO Stock exceeds the amount realized (in the case of an arm's-length disposition to an unrelated party), such excess would ordinarily constitute a capital loss.

We will generally not be entitled to any federal income tax deduction upon the grant or exercise of an Incentive Stock Option, unless a participant makes a Disqualifying Disposition of the

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ISO Stock. If a participant makes a Disqualifying Disposition, we will then, subject to the discussion below under Tax Consequences to HollyFrontier, be entitled to a tax deduction that corresponds as to timing and amount with the compensation income recognized by a participant under the rules described in the preceding paragraph.

Under current rulings, if a participant transfers previously held shares of common stock (other than ISO Stock that has not been held for the requisite holding period) in satisfaction of part or all of the exercise price of a Stock Option, whether a Non-Qualified Stock Option or an Incentive Stock Option, no additional gain will be recognized on the transfer of such previously held shares in satisfaction of the Non-Qualified Stock Option or Incentive Stock Option exercise price (although a participant would still recognize ordinary compensation income upon exercise of a Non-Qualified Stock Option in the manner described above). Moreover, that number of shares of common stock received upon exercise which equals the number of shares of previously held common stock surrendered in satisfaction of the Non-Qualified Stock Option or Incentive Stock Option exercise price will have a tax basis that equals, and a capital gains holding period that includes, the tax basis and capital gains holding period of the previously held shares of common stock surrendered in satisfaction of the Non-Qualified Stock Option or Incentive Stock Option exercise price. Any additional shares of common stock received upon exercise will have a tax basis that equals the amount of cash (if any) paid by the participant, plus the amount of compensation income recognized by the participant under the rules described above.

The Omnibus Plan generally prohibits the transfer of awards other than by will or according to the laws of descent and distribution or pursuant to a qualified domestic relations order, but the Omnibus Plan allows the Committee to permit the transfer of awards (other than Incentive Stock Options) in limited circumstances, in its discretion. For income and gift tax purposes, certain transfers of Non-Qualified Stock Options should generally be treated as completed gifts, subject to gift taxation.

The Internal Revenue Service has not provided formal guidance on the income tax consequences of a transfer of Non-Qualified Stock Options (other than in the context of divorce) or SARs. However, the Internal Revenue Service has informally indicated that after a transfer of Stock Options (other than in the context of divorce pursuant to a domestic relations order), the transferor will recognize income, which will be subject to withholding, and FICA/FUTA taxes will be collectible at the time the transferee exercises the Stock Options. If a Non-Qualified Stock Option is transferred pursuant to a domestic relations order, the transferee will recognize ordinary income upon exercise by the transferee, which will be subject to withholding, and FICA/FUTA taxes (attributable to and reported with respect to the transferor) will be collectible from the transferee at such time.

In addition, if a participant transfers a vested Non-Qualified Stock Option to another person and retains no interest in or power over it, the transfer is treated as a completed gift. The amount of the transferor's gift (or generation-skipping transfer, if the gift is to a grandchild or later generation) equals the value of the Non-Qualified Stock Option at the time of the gift. The value of the Non-Qualified Stock Option may be affected by several factors, including the difference between the exercise price and the fair market value of the stock, the potential for future appreciation or depreciation of the stock, the time period of the Non-Qualified Stock Option and the illiquidity of the Non-Qualified Stock Option. The transferor will be subject to a federal gift tax, which will be limited by (i) the annual exclusion of \$14,000 per donee (for 2015, subject to adjustment in future years), (ii) the transferor's lifetime unified credit, or (iii) the marital or charitable deductions. The gifted Non-Qualified Stock Option will not be included in the participant's gross estate for purposes of the federal estate tax or the generation-skipping transfer tax.

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This favorable tax treatment for vested Non-Qualified Stock Options has not been extended to unvested Non-Qualified Stock Options. Whether such consequences apply to unvested Non-Qualified Stock Options or to SARs is uncertain and the gift tax implications of such a transfer is a risk the transferor will bear upon such a disposition.

**Other Awards: Restricted Stock, Stock Units, Bonus Stock, DERs and Cash Awards.** A participant will recognize ordinary compensation income upon receipt of cash pursuant to a cash award or, if earlier, at the time the cash is otherwise made available for the participant to draw upon. Individuals will not have taxable income at the time of grant of a Stock Unit, but rather, will generally recognize ordinary compensation income at the time he or she receives cash or shares of common stock in settlement of the Stock Unit award, as applicable, in an amount equal to the cash or the fair market value of the common stock received. The DERs, if any, received with respect to a Stock Unit will be taxable as ordinary compensation income, not dividend income, when paid.

A recipient of Restricted Stock or Bonus Stock generally will be subject to tax at ordinary income tax rates on the fair market value of the common stock when it is received, reduced by any amount paid by the recipient; however, if the common stock is not transferable and is subject to a substantial risk of forfeiture when received, a participant will recognize ordinary compensation income in an amount equal to the fair market value of the common stock (i) when the common stock first becomes transferable and is no longer subject to a substantial risk of forfeiture, in cases where a participant does not make a valid election under Section 83(b) of the Internal Revenue Code, or (ii) when the award is received, in cases where a participant makes a valid election under Section 83(b) of the Internal Revenue Code. If a Section 83(b) election is made and the shares are subsequently forfeited, the recipient will not be allowed to take a deduction for the value of the forfeited shares. If a Section 83(b) election has not been made, any dividends received with respect to Restricted Stock that is subject at that time to a risk of forfeiture or restrictions on transfer generally will be treated as compensation that is taxable as ordinary income to the recipient; otherwise the dividends will be treated as dividends.

A participant who is an employee will be subject to withholding for federal, and generally for state and local, income taxes at the time he recognizes income under the rules described above. The tax basis in the common stock received by a participant will equal the amount recognized by him as compensation income under the rules described in the preceding paragraph, and the participant's capital gains holding period in those shares will commence on the later of the date the shares are received or the restrictions lapse. Subject to the discussion below under Tax Consequences to HollyFrontier, we will be entitled to a deduction for federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by a participant under the foregoing rules.

**Code Section 409A.** Awards under the Omnibus Plan are intended to be designed, granted and administered in a manner that is either exempt from the application of or complies with the requirements of Section 409A of the Internal Revenue Code in an effort to avoid the imposition of taxes and/or penalties. To the extent that an award under the Omnibus Plan fails to comply with Section 409A, such award will to the extent possible be modified to comply with such requirements.

**Tax Consequences to HollyFrontier.** In order for the amounts described above to be deductible by us (or a subsidiary), such amounts must constitute reasonable compensation for services rendered or to be rendered and must be ordinary and necessary business expenses. In addition, our ability (or the ability of one of our subsidiaries) to obtain a deduction for future payments under the



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Omnibus Plan could also be limited by the golden parachute rules of Section 280G of the Internal Revenue Code, which prevent the deductibility of certain excess parachute payments made in connection with a change in control of an employer-corporation.

Our ability (or the ability of one of our subsidiaries) to obtain a deduction for amounts paid under the Omnibus Plan could be limited by Section 162(m). Section 162(m) limits our ability to deduct compensation, for federal income tax purposes, paid during any year to a Covered Employee in excess of \$1,000,000. However, an exception applies to this limitation in the case of certain performance-based compensation. In order to exempt performance-based compensation from the \$1,000,000 deductibility limitation, the grant, vesting, exercise or settlement of the award must be based on the satisfaction of one or more performance goals selected by the Committee and certain other requirements must be met, including stockholder approval requirements. To allow awards under the Omnibus Plan to qualify as performance-based compensation, we are seeking stockholder approval of the First Amendment to the Omnibus Plan setting forth the material terms thereof, including the maximum amount of compensation that may be paid under the Omnibus Plan. Performance Awards intended to be performance-based compensation under Section 162(m) may not be granted in a given period if such awards relate to a number of shares of common stock that exceeds a specified limitation or, alternatively, result in cash compensation that exceeds a specified limitation. Under the terms of the Omnibus Plan, a Covered Employee who receives an award intended to be performance-based compensation may not receive awards relating to more than (i) 1,443,300 shares of common stock in a given calendar year in the case of stock-denominated awards (subject to adjustment in a manner consistent with the other provisions of the Omnibus Plan), or (ii) \$5,000,000 in a given calendar year with respect to cash-denominated awards. Although the Omnibus Plan has been drafted to satisfy the requirements for the performance-based compensation exception, we may determine that it is in our best interests not to satisfy the requirements for the exception in certain situations.

The above summary relates to U.S. federal income tax consequences only and applies to U.S. citizens and foreign persons who are U.S. residents for U.S. federal income tax purposes.

## **New Plan Benefits**

The future awards, if any, that will be made to eligible individuals under the Omnibus Plan are subject to the discretion of the Committee, and thus we cannot currently determine the benefits or number of shares subject to awards that may be granted to participants in the future under the Omnibus Plan. Therefore, the New Plan Benefits Table is not provided. As of March 11, 2015, there were no Stock Options outstanding under the Omnibus Plan.

## **Required Vote and Recommendation**

The approval of the First Amendment setting forth the material terms of the Omnibus Plan for purposes of complying with certain requirements of Section 162(m) requires the approval of a majority of the votes cast on the proposal.

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**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)**

At the Annual Meeting, our stockholders will be asked to approve the Fourth Amendment (the Fourth Amendment ) to the HollyFrontier Corporation Long-Term Incentive Compensation Plan (the LTIP ), which sets forth the material terms of the LTIP 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 Fourth Amendment is advisable in order to allow us to grant awards under the LTIP that may qualify as performance-based compensation under Section 162(m). We are not requesting an increase in the number of shares available under the LTIP.

**Background and Purpose of the Proposal**

The use of stock-based awards under the LTIP has been a key component of our compensation program since its initial adoption and approval by our stockholders at our annual meeting on December 14, 2000 as the Holly Corporation 2000 Stock Option Plan. The LTIP was amended and restated in its current form, and approved by our stockholders effective May 24, 2007. The LTIP was amended on December 31, 2008, effective January 1, 2005, pursuant to the First Amendment. The Second Amendment to the LTIP, extending the term of the LTIP until December 31, 2020, was approved by our stockholders on May 12, 2011, to be effective January 1, 2011. The LTIP was subsequently amended on November 9, 2012, pursuant to the Third Amendment to reflect certain clarifying changes to the LTIP. The LTIP provides a means through which we and our subsidiaries may attract and retain able persons as employees, directors and consultants and provides a means whereby those persons, upon whom the responsibilities of the successful administration and management rest and whose present and potential contributions to our welfare are of importance, can acquire and maintain stock ownership or awards, the value of which is tied to our performance and the performance of our common stock. The closing market price of our common stock as of March 11, 2015 was \$38.87 per share as reported on the NYSE.

The LTIP is designed, in part, to allow us to provide performance-based compensation that may be tax-deductible by us and our subsidiaries without regard to the limits of Section 162(m) in the event we choose to structure compensation in a manner that will satisfy the exemption. Under Section 162(m), the federal income tax deductibility of compensation paid to the Chief Executive Officer and the three other most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) determined pursuant to the executive compensation disclosure rules of the SEC (the Covered Employees ) may be limited to the extent such compensation exceeds \$1,000,000 in any taxable year. However, we may deduct compensation paid to the Covered Employees in excess of that amount if it qualifies for exemption as performance-based compensation under Section 162(m).

In addition to certain other requirements, in order to qualify for this exemption, the material terms of the LTIP must be periodically disclosed to and approved by our stockholders. Under Section 162(m), the material terms of the LTIP are (i) the maximum amount of compensation that may be paid to an individual under the LTIP during any calendar year, (ii) the employees eligible to receive compensation under the LTIP, and (iii) the list of business criteria on which performance goals may be based. Accordingly, we are asking our stockholders to approve the Fourth Amendment setting forth the

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material terms of the LTIP to be effective as of May 13, 2015. The Fourth Amendment does not change the maximum amount of, or the employees eligible to receive, compensation under the LTIP, but does add additional business criteria that may be utilized in setting performance goals under the LTIP.

**Consequences of Failing to Approve the Proposal**

Failure of our stockholders to approve the this proposal will mean that our Covered Employees may not receive the compensation that we intended to provide them under the LTIP and that the deductibility of awards granted to Covered Employees after the Annual Meeting will potentially be limited. If the Fourth Amendment is not approved by stockholders, the LTIP will remain in effect in its current form. As discussed above under Compensation Discussion and Analysis Impact of Regulatory Compliance, the Compensation Committee retains the ability to evaluate varying corporate goals in determining appropriate compensation for the Covered Employees, even if some of it may be non-deductible, although no compensation will be payable to the Covered Employees under the LTIP after the Annual Meeting if our stockholders do not approve this proposal.

**Summary of the LTIP**

A summary of the principal features of the LTIP, as amended by the Fourth Amendment, is provided below but does not purport to be a complete description of the all the provisions of the LTIP. The summary below should be read in conjunction with, and is qualified in its entirety by reference to, the full text of (i) the LTIP, which is incorporated by reference to Exhibit 10.4 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed February 27, 2009 (File No. 1-03876); (ii) the First Amendment to the LTIP, which is incorporated by reference to Exhibit 10.5 of our Annual Report on Form 10-K for fiscal year ended December 31, 2008, filed February 27, 2009 (File No. 1-03876); (iii) the Second Amendment to the LTIP, which is incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed May 18, 2011 (File No. 1-03876); (iv) the Third Amendment to the LTIP, which is incorporated by reference to Exhibit 4.6 of our Registration Statement on Form S-8, filed November 9, 2012 (File No. 333-184877); and (v) the Fourth Amendment, which is attached to this proxy statement as Annex 2 and incorporated by reference into this proposal.

**Purposes of the LTIP.** The purpose of the LTIP is to advance our interests by strengthening our ability and the ability of our subsidiaries to attract, retain and motivate able people of high caliber as employees, directors and consultants through arrangements that relate the compensation for such persons to our long-term performance. The LTIP achieves this purpose by permitting grants of Incentive Options, Non-Qualified Options (together with Incentive Options, Options), Stock Appreciation Rights (SARs), Restricted Stock, Phantom Stock, Bonus Stock, and Performance Awards payable upon the satisfaction of performance goals, all of which are collectively referred to as awards.

**Administration.** The Board and the Compensation Committee of the Board (the Committee) have full and final authority to administer the LTIP pursuant to its terms and all applicable state, federal, or other rules or laws. The Committee has broad discretion to administer the LTIP, interpret its provisions, and adopt policies for implementing the LTIP. This discretion includes the power to determine when and to whom awards will be granted, determine the amount of such awards (measured in cash, shares of common stock or as otherwise designated), prescribe and interpret the terms and provisions of each award agreement (the terms of which may vary), delegate duties under the LTIP, terminate, modify or amend the LTIP, and execute all other responsibilities permitted or required under the LTIP. The Committee has full and final authority to construe, interpret and administer the

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provisions of the LTIP and the specific provisions of the award agreements granted thereunder. The actions and determinations of the Committee are final, binding and conclusive.

***Eligibility to Participate.*** Consistent with certain provisions of Section 162(m), the employees eligible to receive compensation must be set forth in the plan and approved by our stockholders. Any person who is a current or proposed officer, director or key employee or consultant whose services are deemed to be of potential benefit to us or to any of our subsidiaries may be granted awards under the LTIP by the Committee. An employee on leave of absence may be considered still employed by us for determining eligibility under the LTIP. However, Incentive Options can be granted only to a person who is an employee of the Company or one of our subsidiaries. Additional restrictions apply in the case of an Incentive Option granted to a person owning more than 10% of the outstanding shares of our common stock. As of March 11, 2015, we had approximately 1,283 employees, eight non-employee directors and zero consultants who would be eligible to participate in the LTIP (certain of these employees, non-employee directors and consultants are also eligible to participate in the Omnibus Plan discussed under Approval of Amendment Setting Forth the Material Terms of the 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) ). Any individual who receives an award under the LTIP will be a participant.

***Individual Limitations on Awards.*** Consistent with certain provisions of Section 162(m), restrictions on the maximum amount of compensation that may be awarded to an individual in a specified period must be provided for in the plan and approved by our stockholders. Awards to Covered Employees subject to the limitations of Section 162(m) may not receive, in any fiscal year or 12 month period, awards denominated in shares in excess of 1,200,000 shares of common stock, or cash awards with a value at the time of payment in excess of the fair market value of 1,200,000 shares of common stock valued as of the date of grant of the award, in each case subject to the adjustment provisions of the LTIP.

***Number of Shares Subject to the LTIP.*** The maximum aggregate number of shares of common stock that may be granted for any and all awards under the LTIP, since its inception, shall not exceed 12,000,000 shares (subject to any adjustment due to recapitalization or reorganization permitted under the LTIP), and the total number of shares of common stock received and available for delivery in connection with Incentive Options under the LTIP, since its inception, will not exceed 12,000,000 shares. If common stock subject to any award is not issued or transferred, or ceases to be issuable or transferable for any reason, including (but not exclusively) because an award is forfeited, terminated, expires unexercised, is settled in cash in lieu of common stock or is otherwise terminated without a delivery of shares to a participant, including the number of shares withheld or surrendered in payment of any exercise price of an award or taxes relating to awards, then the shares of common stock that were subject to that award will again be available for issue, transfer or exercise pursuant to awards under the LTIP to the extent allowable by law.

The 12,000,000 shares include, as of March 11, 2015, (a) awards currently outstanding with respect to 241,342 Restricted Stock awards, 59,491 Phantom Stock awards and 324,147 performance share unit awards (target units awarded), and (b) 1,174,548 shares remaining available for future grants. The common stock subject to awards pursuant to the LTIP may be authorized but unissued shares, shares held by us in treasury, or shares that have been reacquired by us, including shares that have been bought on the market for the purposes of the LTIP. The fair market value of a share of common stock on a given date for purposes of the LTIP will generally be the closing price of a share of common stock on the date on which determination of fair market value is being made or if no shares were traded on such date then the last trading date prior thereto, as quoted on the NYSE.

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**Options.** Options may be granted under the LTIP to eligible persons, including (i) Incentive Options that comply with Section 422 of the Internal Revenue Code and (ii) Non-Qualified Options. The exercise price of each Option will be determined at the time the Option is granted and may not be less than the par value per share; provided, however, that the exercise price per share for an Option that is intended to be performance-based compensation under Section 162(m) or an Incentive Option shall not be less than the fair market value of a share as of the effective date of grant of the Option. Options may be exercised as the Committee determines except that no Incentive Option will be exercisable at any time after the expiration of ten years from the date of grant. The Committee will determine the methods and form of payment for the exercise price of an Option (including, in the discretion of the Committee, payment in common stock, other awards, or other property) and the methods and forms in which common stock will be delivered to a participant.

**Stock Appreciation Rights.** A SAR is the right to receive an amount in cash equal to the excess of the fair market value of one share of common stock on the date of exercise over the grant price of the SAR, as determined by the Committee. The Committee determines at the date of grant or thereafter the time or times at which and the circumstances under which a SAR may be exercised. The Committee also determines the method of exercise and form of payment. SARs may be awarded in connection with or separate from an Option. SARs awarded in connection with an Option will entitle the holder, upon exercise, to surrender the related Option or portion thereof relating to the number of shares for which the SAR is exercised. The surrendered Option or portion thereof will then cease to be exercisable. However, a SAR awarded in connection with an Option is exercisable only to the extent that the related Option is exercisable. SARs granted independently of an Option will be exercisable as the Committee determines.

**Restricted Stock Awards.** Restricted Stock awards are shares subject to such restrictions as the Committee may impose. Except to the extent set forth in a particular award, a person granted a Restricted Stock award will have all of the rights of a stockholder, including the right to vote the restricted shares and the right, subject to possible reinvestment conditions, to receive dividends thereon. However, during any period that shares of Restricted Stock are subject to restrictions imposed by the Committee, the restricted shares may not be transferred or encumbered by an award holder. Except as determined otherwise by the Committee, upon termination of employment during the restricted period, Restricted Stock will be forfeited and reacquired by us. Certificates evidencing restricted shares may bear a legend making reference to the restrictions imposed on such shares. The Committee determines the time or times at which and the circumstances under which any restrictions imposed on the restricted shares will lapse.

**Phantom Stock Awards.** Phantom Stock awards are rights to receive in cash an amount equal to the market value of a specified number of shares at the end of a specified period. The Committee determines when imposed restrictions will lapse and whether restrictions will lapse separately, in combination, in installments or otherwise.

**Bonus Stock Awards.** The Committee is authorized to grant shares to eligible persons as a bonus. Such a Bonus Stock award will be subject to such other terms and conditions as the Committee may determine.

**Performance Awards.** The Committee is authorized to grant eligible persons rights to receive cash or shares upon the satisfaction of performance conditions, established by the Committee, measured over a period of not less than six months and not more than ten years. Performance Awards granted under the LTIP have been principally performance share units payable either in shares or in cash depending on the terms of the particular award.

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If the Committee determines that an eligible participant is a Covered Employee under Section 162(m), then the Committee may grant the Covered Employee a contemplated Performance Award intended to qualify as performance-based compensation under Section 162(m). Consistent with certain provisions of Section 162(m), the business criteria on which performance goals applicable to performance-based compensation may be based must be provided for in the plan and approved by our stockholders. With respect to Performance Awards intended to constitute performance-based compensation, performance goals will be designed to be objective, substantially uncertain of achievement at the date of grant and to otherwise meet the requirements of Section 162(m). In addition, one or more of the following business criteria for us, on a consolidated basis, and/or for specified subsidiaries, divisions or business or geographical units (except with respect to the total stockholder return and earnings per share criteria), will be used by the Committee in establishing performance goals: (i) earnings, earnings per share, earnings before interest, taxes, depreciation and/or amortization and/or operating earnings after interest expense and/or before incentives, service fees and extraordinary or special items; (ii) gross or net income, net income per share or income per share from operations; (iii) revenues; (iv) cash flow, cash flow per share, cash flow from operating activities, cash flow before financing activities or cash flow return; (v) targeted cash balances; (vi) return on net assets; (vii) return on assets; (viii) return on investment; (ix) return on capital or return on capital employed; (x) return on equity; (xi) stock price; (xii) cost controls; (xiii) economic value added; (xiv) gross margin; (xv) reductions or savings; (xvi) operating income; (xvii) safety performance and/or incidence rate; including process safety performance, reliability, capacity utilization and lost economic opportunity; (xviii) total stockholder return; (xix) debt reduction or management or compliance with debt covenants, (xx) net profit margin; (xxi) refinery reliability; (xxii) operating margin; (xxiii) contribution margin; (xxiv) market share; (xxv) effective equipment utilization; (xxvi) achievement of savings from business improvement projects; (xxvii) capital projects deliverables; (xxviii) performance against environmental targets; (xxix) satisfactory internal or external audits; (xxx) operating expense; (xxxi) cost management; and (xxxii) any of the above goals determined on an absolute or relative basis, as a ratio with other business criteria or as compared to the performance of a published or special index deemed applicable by the Committee, including Standard & Poor's 500 Stock Index or a group of comparable companies, pre-tax or after-tax, before or after special charges, or any combination of the foregoing. In addition, to the extent consistent with Section 162(m), in establishing a performance goal, the Committee may provide for the manner in which performance will be measured to reflect the impact of any of the following events or occurrences: (i) asset write-downs or impairments to assets; (ii) litigation, claims, judgments or settlements; (iii) the effect of changes in tax law or other such laws or regulations affecting reported results; (iv) accruals for reorganization and restructuring programs; (v) any extraordinary, unusual or nonrecurring items as described in Accounting Standards Codification Topic 225; (vi) any change in accounting principles as defined in Accounting Standards Codification Topic 250; (vii) any loss from a discontinued operation as described in Accounting Standards Codification Topic 360; (viii) goodwill impairment charges; (ix) operating results for any business acquired during the calendar year; (x) third party expenses associated with any investment or acquisition; (xi) any amounts pursuant to management bonus plans or cash profit sharing plans and related employer payroll taxes for the fiscal year; (xii) any discretionary or matching contributions made to a savings and deferred profit-sharing plan or deferred compensation plan for the fiscal year; (xiii) interest, expenses, taxes, depreciation and depletion, amortization and accretion charges; or (xiv) marked-to-market adjustments for financial instruments. The Committee may establish an unfunded pool, with the amount of such pool calculated using an objective formula based upon the level of achievement of a performance goal or goals with respect to one or more of the business criteria above during the given performance period. The Committee may not increase the amount of a Performance Award that is intended to constitute performance-based compensation under Section 162(m) but may exercise discretion to reduce any such award.

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***Tax Withholding.*** We (or any of our subsidiaries) are authorized to withhold from any award granted, or any payment relating to an award under the LTIP, including from a distribution of shares, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an award, and to take other action as the Committee may deem advisable to enable us and participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any award. This authority includes authority to withhold or receive shares or other property and to make cash payments in respect thereof in satisfaction of a participant's tax obligations, either on a mandatory or elective basis in the discretion of the Committee.

***Recapitalization; Change in Control.*** In the event of certain transactions affecting shares of common stock or in the event of stock splits, stock dividends or changes in our capital structure, the total number of shares of common stock that may be subject to awards under the LTIP and the number of shares subject to awards that have theretofore been granted under the LTIP may be proportionately adjusted, as determined to be appropriate to prevent dilution or enlargement of award rights. Unless otherwise specifically provided in a particular award agreement, the LTIP authorizes us, in the event of an acquisition of substantially all of our assets or of a greater than 80% stock interest in us by an entity in which we do not have a 50% or greater interest prior to such acquisition or in the event of a merger, consolidation, recapitalization or other similar transaction involving a fundamental change in our capital structure, to terminate some or all outstanding awards under the LTIP, whether or not currently exercisable by or otherwise payable to the holders of the awards, upon payment to each holder of an award so terminated of an amount equal to the value of the award based on the current market value of the shares or, if applicable, the value of the award based upon the extent to which performance criteria associated with the award have been satisfied as of the date of termination of the award. Alternatively, we may elect in such circumstances to cause some or all awards to be assumed by the surviving or acquiring corporation.

***Amendment.*** The Board may amend or terminate the LTIP without the consent of stockholders or eligible persons, except that any amendment to the LTIP will be subject to the approval of our stockholders no later than the annual meeting next following such Board action if such stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the shares may then be listed or quoted. The Board may, in its discretion, submit other changes to the LTIP to stockholders for approval. However, without the consent of an affected award holder, no Board or stockholder action may materially and adversely affect the rights of such award holder under any previously granted and outstanding award. The Committee may amend or terminate any award under the LTIP provided that, and notwithstanding any other provisions described herein, no such Committee action may materially and adversely affect the rights of such award holder under such award unless either the power to take such action is reserved in the agreement granting the award in question or the affected holder of the award consents to the amendment or termination.

***Term and Termination of the LTIP.*** The LTIP will continue in effect, unless earlier terminated in accordance with certain provisions of the LTIP; provided, however, that no award shall be granted under the LTIP after December 31, 2020.

***Transferability of Awards.*** In accordance with rules prescribed by the Committee, the Committee may permit a person to transfer awards granted under the LTIP (other than Incentive Options) by gift to certain permitted transferees specified in the LTIP as well as transfers pursuant to a domestic relations order. Otherwise, awards are not transferable other than by will or the laws of descent and distribution. Following the transfer of an award, the award will remain subject to the same

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terms and conditions as were applicable to the award immediately prior to the transfer, provided that the transferee will be substituted for the transferor to the extent appropriate to enable the transferee to exercise the transferred award. When transferred awards are exercised by a transferee, the shares received as a result of the exercise may be subject to the resale restrictions specified above. Any holder of an award desiring to transfer an award must make application for transfer and comply with such other requirements as the Committee may require.

**No Repricing.** The Committee will not, without the approval of our stockholders, reduce the grant price per share of an Option or a SAR after it is granted, cancel an Option or SAR when the grant price per share exceeds the fair market value of one share in exchange for cash or another award (other than in connection with a change in control or a corporate transaction as provided for in the LTIP), or take any other action with respect to an Option or SAR that would be treated as a repricing under the NYSE rules and regulations.

## **Certain Federal Income Tax Consequences**

The U.S. federal income tax consequences of transactions contemplated under the LTIP are the same as the consequences described above with respect to the Omnibus Plan under Approval of Amendment Setting Forth the Material Terms of the 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) Certain Federal Income Tax Consequences.

## **New Plan Benefits**

The future awards, if any, that will be made to eligible individuals under the LTIP are subject to the discretion of the Committee, and thus we cannot currently determine the benefits or number of shares subject to awards that may be granted to participants in the future under the LTIP. Therefore, the New Plan Benefits Table is not provided. As of March 11, 2015, there were no Options outstanding under the LTIP.

## **Required Vote and Recommendation**

The approval of the of the Fourth Amendment setting forth the material terms of the LTIP for purposes of complying with certain requirements of Section 162(m) requires the approval of a majority of the votes cast on the proposal.



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**STOCKHOLDER PROPOSAL**

**(PROPOSAL 6)**

We expect the following proposal to be presented by Mercy Investment Services, Inc., 2039 North Geyer Road, St. Louis, Missouri, 63131, at the Annual Meeting. As of November 25, 2014, Mercy Investment Services is the holder of 1,201 shares of common stock of the Company. Following SEC rules, other than minor formatting changes, we are reprinting the proposal and supporting statement as they were submitted to us. We take no responsibility for them.

**RESOLVED:** Shareholders request that HollyFrontier Corporation (HollyFrontier) issue a sustainability report describing the company's environmental, social and governance (ESG) performance and goals, including greenhouse gas (GHG) reduction goals. The report should be available on the company website by November 1, 2015, prepared at reasonable cost, omitting proprietary information.

**WHEREAS:** We believe tracking and reporting ESG practices makes a company more responsive to a global business environment characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities, develop company-wide communications, recruit and retain employees, and receive feedback.

HollyFrontier states environmental stewardship is a core value and that the company strive[s] for continual improvement in minimizing our environmental footprint by reducing waste, emissions and other releases. However, investors currently do not have access to evaluative data in order to assess performance. Industry peers including Ashland Inc., Eastman Chemical Company, Fluor Corporation, Hess Corporation, Huntsman Corporation, LyondellBasell Industries, PPG Industries, and Sunoco, issue sustainability reports, report on their GHG emissions, or both. Unfortunately, HollyFrontier lags behind, does not issue a sustainability report, has not set GHG reduction goals and also has not responded to CDP's Investor or Water requests.

Support and demand for sustainability reporting continues to gain momentum:

In 2013, KPMG found that of 4,100 surveyed global companies seventy-one percent had ESG reports.

Investors with \$92 trillion in assets support CDP's (formerly Carbon Disclosure Project) annual request for disclosure from over 6,000 companies on disclosure of carbon emissions, reduction goals, and climate change strategies to address these risks. CDP received over an 80% response rate in 2013. In 2013, 75 percent of the 334 S&P 500 company respondents disclosed emission reduction targets.

CDP Water respondents in the energy sector reported that water poses a substantive risk to their business, which include physical risks such as water stress, scarcity and seasonal variability.

Creating clear-cut goals can help HollyFrontier to significantly reduce its carbon footprint by implementing a disciplined business strategy to cut emissions and to better manage environmental, regulatory and license to operate risks. Additionally, reporting on issues such as water can help HollyFrontier and investors track water risk and water management in refining operations that can both potentially reduce volume and costs and also reductions in wastewater flow. Data on occupational safety and health, vendor and labor standards, and waste reduction targets are other important factors.

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**SUPPORTING STATEMENT:** We recommend the report include a company-wide review of policies, practices and metrics related to ESG performance [using the Global Reporting Initiative (GRI) Guidelines as a flexible framework] and that HollyFrontier commit to continuous improvement in reporting. The GRI Guidelines are an adaptable and globally accepted sustainability reporting framework.

### **Required Vote and Recommendation**

The stockholder proposal requires the approval of a majority of the votes cast on the proposal.

Environmental stewardship, health, safety and corporate citizenship are core values of HollyFrontier. We are committed to providing the consumer with transportation fuels produced in a safe and environmentally responsible manner. We are actively investing to reduce the environmental impact of our operations by reducing waste, emissions and other releases, while obeying the law, promoting sustainable social and economic benefits wherever we operate, upholding high standards of business ethics and integrity and enforcing strict principles of corporate governance. We aim to achieve our environmental and social responsibility objectives while also making sound business decisions that provide a financial return to our stockholders.

Last year, the same shareholder submitted a similar proposal asking us to issue a report detailing the Company's quantitative goals for reducing total greenhouse gas emissions from our products and operations. This proposal was defeated at our 2014 Annual Meeting, receiving only 22.7% of the votes cast on the proposal.

This year, the shareholder proposal requests that the Company use its resources to produce a detailed written report, based on the Global Reporting Initiative guidelines, to describe the Company's environmental, social, and governance performance and goals, including greenhouse gas reduction goals. A report prepared in accordance with these complex and vague guidelines would require extensive and detailed scientific and technical analyses, demanding substantial funds and time, while adding no benefit to our efforts to improve our environmental performance, comply with existing environmental mandates or create shareholder value through our efforts to profitably grow the business.

The Company and our Board take the issues raised by this proposal very seriously, but believe that, in light of the various measures already taken by HollyFrontier to promote strong environmental, social, safety and governance practices, conducting a special review of these practices for purposes of preparing an additional report to shareholders would be unnecessary. The report would require HollyFrontier to gather, analyze and disclose information that significantly exceeds any requirement of the Securities and Exchange Commission, the New York Stock Exchange, the Environmental Protection Agency and the numerous other agencies that already regulate our business.

As demonstrated by our values, we have a strong history of protecting the environment, supporting the communities in which we operate, emphasizing health and safety and following sound governance

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principles, all of which we have undertaken without adopting arbitrary goals. Below are examples of how we honor these values in day-to-day operations:

**The Environment.** A cornerstone of our effort to reduce waste, emissions and other releases is the effective management of the energy that we use to manufacture and deliver the fuels necessary to satisfy the needs of our customers. Below are some examples of the projects our subsidiaries have undertaken to improve energy efficiency:

- i Our Woods Cross Refinery is currently being expanded from 31,000 barrels per day to 45,000 barrels per day, while technology is being installed to reduce total criteria pollutant emissions (which includes nitrogen oxides and sulfur oxides) across the entire refinery.
  
- i Our water conservation initiatives have reduced water usage at the Navajo Refinery to less than 45 gallons of water per barrel of crude refined nearly half the industry average.
  
- i We installed a flare gas recovery system at the Tulsa West Refinery, which recovers approximately 250,000 standard cubic feet of flare gas per day.
  
- i Greenhouse Gas. The Board does not believe that setting absolute goals to reduce greenhouse gas emissions is the most effective way to manage climate risks. To be useful, goals for absolute greenhouse gas emissions would need to reflect the impact of largely unpredictable factors that influence year-to-year changes in market demand, including macroeconomic issues, weather, and responses by our competitors as well as changing legal and regulatory requirements. The Board does not believe that it is a valuable use of the Company's resources to continuously pursue these constantly changing factors. We have undertaken several projects to reduce greenhouse gas emissions. The following are examples of just a few:

We assigned corporate level Energy Coordinators to provide oversight of refinery operations for energy conservation.

We partnered with third party fired heater experts to deliver ongoing training to refinery operators in the efficient operation of fired heaters and boilers and to identify and implement heater efficiency improvement projects.

We have either upgraded or are in the process of upgrading numerous fired heaters and boilers to state of the art design for increased efficiency. For example, the crude unit heater at the Woods Cross Refinery is being replaced with a new, state of the art heater in 2015, which is expected to increase efficiency by 15% and reduce carbon dioxide emissions by approximately 6,150 tons per year.

**In the Community.** We understand that it is a privilege to conduct our business in the communities where we operate. HollyFrontier is committed to promoting sustainable social and economic benefits in these communities. As such, we strive to give back to these communities and to improve the lives of those who share the community where our employees live and work. We support a number of nonprofit organizations, both through

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volunteerism and charitable giving. Some examples of the various causes we support and the organizations to which we donate volunteer hours are listed below:

- i HollyFrontier has been a proud supporter of the American Heart Association since 2010. HollyFrontier organizes a variety of employee events throughout the year to promote a healthy lifestyle, hosts an annual charity golf tournament and participates in the annual Heart Walk.
- i The Navajo Refinery is a proud partner of the 7024U Youth Outreach Center, whose mission is to give Artesia's at-risk youth the necessary tools to become productive members of the community.
- i The Cheyenne Refinery is actively involved in the Cheyenne Boys and Girls Club by sponsoring after school math tutoring.
- i The Tulsa Refinery recently launched the annual Webster High School STEM Scholarship program and participates in Junior Achievement by sponsoring BizTown, a simulated town that educates students on commerce and the economy.
- i The Woods Cross Environmental Best Practices Committee supports the City of Bountiful pond by cleaning trash and debris and helping maintain the facilities.

**Health and Safety.** We put health and safety first we conduct our business with primary emphasis on the health and safety of our employees, contractors and neighboring communities. These efforts have been recognized by the industry. In 2013, our Tulsa Refinery was recognized for outstanding safety performance by the American Fuel and Petrochemical Manufacturers Association, a trade association representing high-tech American manufacturers of virtually the entire U.S. supply of gasoline, diesel, jet fuel, other fuels and home heating oil, as well as petrochemicals ( AFPM ). In 2014, both the Tulsa Refinery and the Woods Cross Refinery received AFPM's Meritorious Safety Performance Award. This award was given to refineries that achieved an employee total recordable incident rate of 0.6 or less at their sites during calendar year 2013 and did not have any process safety events that resulted in days away from work or restricted work, third party or employee fatalities, community evacuations, and community shelter-in-place. Over 10% of our annual capital expenditure is spent on safety improvements and risk reduction. Some examples of our achievements with respect to health and safety are listed below:

- i In 2014, employees and contractors at our Woods Cross Refinery worked over a combined 1.3 million man hours without a lost time injury.
- i Our Tulsa Refinery has a three-year total recordable injury rate of 0.59, which is below the industry average of 0.89.
- i We achieved a 41% reduction in Tier 1 and Tier 2 Process Safety Events over the last two years.
- i In 2014, employees at our refineries participated in Managing Risk training, which provided tools and insight into better hazard recognition and accident prevention.

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**Our Employees.** We treat all of our employees equally and with respect. We do not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, or veteran status. We believe that investing in our employees benefits both the employee individually and the organization as a whole. One of our greatest assets is our reputation for behaving ethically. To that end, our Board has adopted a Code of Business Conduct and Ethics, which is available on our website and applies to all of our directors and employees.

**Governance.** Our Board believes that good governance practices and policies provide an important framework for the operation of the Company. Our governance practices and policies reflect our mission to sustain long-term prosperity for our employees, communities, and shareholders. As reflected earlier in this proxy statement, the following are examples of our strong corporate governance principles:

- i Eight of our nine directors are independent.
  
- i Our By-Laws provide for a majority voting and director resignation policy in uncontested elections.
  
- i We have an independent lead director who has authority and responsibility over Board governance and operations.
  
- i Our Company policy prohibits officers and directors from hedging or pledging Company stock.
  
- i All of our directors stand for reelection annually.
  
- i Our officers and directors are subject to our stock ownership policy.
  
- i Our Board is involved in CEO succession planning and risk management.
  
- i We have a mandatory retirement age of 75 for our directors.
  
- i Our independent directors meet quarterly without management present.

Another core value at HollyFrontier is continuous improvement. We actively and continuously monitor our environmental, social, health and safety and governance practices and policies and make improvements as needed.

As we look to meet the demand for low cost and dependable transportation fuels, the Board believes that the long-term interests of stockholders are best served by the Company growing, managing and operating the businesses in a responsible manner that is focused on long-term value creation and strong environmental and social stewardship and governance principals rather than adopting arbitrary goals and publishing reports based on vague and unnecessary criteria.

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**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

The members of the Compensation Committee of the Board during all or some portion of the year ending December 31, 2014 were Mr. Bech, Chairman, Mr. Buford P. Berry (retired in May 2014), Mr. Echols, Mr. Robert G. McKenzie (retired in May 2014), Mr. Hardage and Mr. Myers. None of the members of the Compensation Committee were officers or employees of the Company or any of its subsidiaries during 2014. None of the members who served on the Compensation Committee at any time during fiscal 2014 had any relationship requiring disclosure under the section of this proxy statement entitled "Certain Relationships and Related Party Transactions - Related Party Transactions." No executive officer of the Company served as a member of the compensation committee of another entity that had an executive officer serving as a member of our Board or our Compensation Committee.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and holders of more than 10% of its shares of common stock to file with the SEC initial reports of ownership of shares of common stock and reports of changes in such ownership. Based solely on a review of the copies of such forms furnished to the Company, the Company believes that during 2014 all Section 16(a) filing requirements applicable to its directors, executive officers and greater than 10% stockholders were met.

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**ADDITIONAL INFORMATION**

**Stockholder Proposals**

For a stockholder proposal to be included in the Company's proxy materials for the 2016 annual meeting of stockholders, the proposal must be received in writing by the Company at the Company's principal executive offices by November 27, 2015, and otherwise comply with all requirements of the SEC for stockholder proposals and the Company's By-Laws.

Notice of proposals to be considered at next year's meeting, but not included in the proxy statement, must be in compliance with the notice procedures and informational requirements set forth in Article II, Section 2 of the Company's By-Laws. These notices must be submitted to the Secretary of the Company at the Company's principal executive offices. To be timely, notice of business, including nomination of a director must be submitted not less than 90 calendar days (February 15, 2016) nor more than 120 calendar days (January 14, 2016) prior to the anniversary date of the prior year's annual meeting of stockholders. A copy of the Company's By-Laws may be obtained from the Secretary of the Company at 2828 N. Harwood, Suite 1300, Dallas, Texas 75201.

**Annual Report**

A copy of our Annual Report for the year ended December 31, 2014 was made available to you on or about March 26, 2015 with this proxy statement and is available at [www.proxyvote.com](http://www.proxyvote.com). Additional copies of the Annual Report and this Notice of Annual Meeting, proxy statement and accompanying proxy card may be obtained from the Secretary of the Company at 2828 N. Harwood, Suite 1300, Dallas, Texas 75201.

COPIES OF OUR ANNUAL REPORT ON FORM 10-K FILED WITH THE SEC MAY BE OBTAINED WITHOUT CHARGE TO EACH PERSON TO WHOM A NOTICE OF INTERNET AVAILABILITY IS DELIVERED UPON WRITTEN REQUEST ADDRESSED TO DENISE C. MCWATTERS, SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY, HOLLYFRONTIER CORPORATION, 2828 N. HARWOOD, SUITE 1300, DALLAS, TEXAS 75201.

**Stockholders with the Same Address**

Each registered stockholder received one copy of the Notice of Internet Availability per account even if at the same address, unless the Company has received contrary instructions from one or more of such stockholders. This procedure called "householding" reduces our printing and distribution costs. Upon written or oral request by writing to Denise C. McWatters, Senior Vice President, General Counsel and Secretary, HollyFrontier Corporation, 2828 N. Harwood, Suite 1300, Dallas, Texas 75201, or by telephoning 214-871-3555, the Company will promptly deliver a separate copy of these documents to a stockholder at a shared address to which a single copy has been delivered. A stockholder can notify the Company at the address and phone number listed above if the stockholder wishes to receive separate copies in the future. In addition, stockholders sharing an address who are currently receiving multiple copies may also notify the Company at such address or phone number if they wish to receive only a single copy.

**Other Matters**

The Board does not know of any other matters to be acted upon at the Annual Meeting. However, if any other matter properly comes before the Annual Meeting, the persons voting the proxies will vote them in accordance with their best judgment.

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ANNEX 1

**FIRST AMENDMENT TO THE  
HOLLYFRONTIER CORPORATION  
OMNIBUS INCENTIVE COMPENSATION PLAN**

THIS FIRST AMENDMENT (the *First Amendment* ) to the HollyFrontier Corporation Omnibus Incentive Compensation Plan, as amended from time to time (the *Plan* ), is made by HollyFrontier Corporation (the *Company* ).

**WITNESSETH:**

**WHEREAS**, the Company previously adopted the Plan, under which the Company is authorized to grant equity-based incentive awards to certain employees and other service providers of the Company and its subsidiaries;

**WHEREAS**, Section 7(a) of the Plan provides that the Company's board of directors (the *Board* ) or the Committee (as defined in the Plan) may amend the Plan from time to time without approval of the stockholders of the Company, except that any amendment to the Plan of which approval of the stockholders is required by any federal or state law or regulation or the rules of any stock exchange on which the shares of the Company are listed or quoted must be approved by the stockholders of the Company;

**WHEREAS**, the Board has determined that it is desirable to submit for approval to the stockholders of the Company, at the Company's 2015 Annual Meeting of Stockholders, the material terms of the Plan, including the employees eligible to participate therein, the maximum compensation payable under the Plan and the business criteria that may be used for setting performance goals under the Plan, for purposes of satisfying the performance-based compensation exemption under section 162(m) of the Internal Revenue Code of 1986, as amended (the *Code* ), which requires the material terms of the Plan to be disclosed to and approved by the Company's stockholders no later than the first stockholder meeting that occurs in the fifth year following the year in which the stockholders previously approved the Plan;

**WHEREAS**, in connection with such approval, the Board has determined that it is desirable to adopt the First Amendment, effective as of May 13, 2015 (the *Effective Date* ) and subject to approval by the stockholders of the Company, to (i) restate (without any making any changes thereto, other than to reflect where applicable the two for one stock split effected by the Company on August 31, 2011) the employees eligible to participate in the Plan and the maximum compensation payable under the Plan, (ii) add additional business criteria that may be used for setting performance goals under the Plan, and (iii) reflect the adjustment, in accordance with the adjustment provisions set forth in Section 4(c) of the Plan, to the other share limitations in the Plan as a result of the two for one stock split effected by the Company on August 31, 2011.

**NOW, THEREFORE**, the Plan shall be amended as of the Effective Date, subject to approval by the Company's stockholders, as set forth below:

1. The defined term "Employee" in Section 2 of the Plan is hereby restated in its entirety as follows:

Employee shall mean any employee of the Company or a Subsidiary.



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2. The defined term **Performance Criteria** in Section 2 of the Plan is hereby deleted in its entirety and replaced with the following:

**Performance Criteria** shall mean one or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Subsidiaries, divisions or business or geographical units of the Company (except with respect to the total stockholder return and earnings per share criteria): (A) earnings, earnings per share, earnings before interest, taxes, depreciation and/or amortization and/or operating earnings after interest expense and/or before incentives, service fees and extraordinary or special items; (B) gross or net income, income per share or income per share from operations; (C) revenues; (D) cash flow, cash flow per share, cash flow from operating activities, cash flow before financing activities, or cash flow return; (E) targeted cash balances; (F) return on net assets; (G) return on assets; (H) return on investment; (I) return on capital or return on capital employed; (J) return on equity; (K) stock price; (L) cost controls; (M) economic value added; (N) gross margin; (O) reductions or savings; (P) operating income; (Q) safety performance and/or incidence rate, including process safety performance, reliability, capacity utilization and lost economic opportunity; (R) total stockholder return; (S) debt reduction or management or compliance with debt covenants; (T) net profit margin; (U) refinery reliability; (V) operating margin; (W) contribution margin; (X) market share; (Y) effective equipment utilization; (Z) achievement of savings from business improvement projects; (AA) capital projects deliverables; (BB) performance against environmental targets; (CC) satisfactory internal or external audits; (DD) operating expense; (EE) cost management; and (FF) any of the above goals determined on an absolute or relative basis, as a ratio with other business criteria or as compared to the performance of a published or special index deemed applicable by the Committee, including Standard & Poor's 500 Stock Index or a group of comparable companies, pre-tax or after-tax, before or after special charges, or any combination of the foregoing. Performance goals based on stock price shall be proportionately adjusted for any changes in the price due to a stock split. A performance goal need not be based upon an increase or positive result under a business criterion and may be based upon limiting economic losses or maintaining the status quo.

3. Section 4(a) of the Plan is hereby deleted in its entirety and replaced with the following:

(a) **Shares Available.** Subject to adjustment as provided below and in Section 4(c), the maximum aggregate number of Shares that may be delivered with respect to Awards granted under the Plan shall be 7,448,510 Shares, which includes (a) 12,632,184 shares of Frontier common stock that were not previously issued and were not subject to outstanding awards granted under the Prior Plan, and (b) 2,850,064 shares of Frontier common stock that were subject to outstanding awards originally made by Frontier under the Prior Plan that were assumed by the Company in connection with the consummation of the Merger (the **Assumed Awards**), in each case, multiplied by an exchange ratio of 0.4811 and rounded, if necessary, down to the nearest whole Share and subsequently further adjusted to reflect the Company's two for one stock split effected on August 31, 2011. Of the 7,448,510 Shares that may be subject to Awards under the Plan, 616,890 Shares (all of which are subject to Assumed Awards) (the **Initial Pool**) shall be subject to adjustment as follows: with respect to each stock-denominated Award, the number of Shares in such Initial Pool shall be reduced by 1.7 times the number of Shares subject to such Award. The other 6,831,620 Shares (the **New Pool**) shall be subject to adjustment as follows: with respect to each stock-denominated Award, other than an Option or SAR, granted from the New Pool, the number of Shares in the New Pool shall be reduced by 1.6 times the number of Shares subject to such Award. With

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respect to each Option or SAR granted under the Plan, the number of Shares in such pool shall be reduced on a 1.0 for 1.0 basis for each Share that is subject to such Award. SAR Awards to be settled in Shares shall be counted in full against the number of Shares available for delivery under the Plan regardless of the number of Shares actually issued in settlement of any SAR. If any stock-denominated Award is paid in cash, forfeited or otherwise lapses, expires, terminates or is canceled without the delivery of Shares, then the number of Shares subject to such Award, if not an Option or SAR, shall be added back to the Share pool from which Award was granted and be available for future Awards thereunder on the basis of 1.7 Shares or 1.6 Shares per Share subject to such Award, as applicable, and on a 1.0 for 1.0 basis if such Award was an Option or SAR. With respect to a dollar-denominated Award that is paid in Shares, the Share pool shall be reduced by 1.7 times or 1.6 times the number of Shares delivered with respect to such dollar-denominated Award, based on the applicable pool from which the Award is satisfied.

Notwithstanding the foregoing, Substitute Awards granted in connection with a business acquisition made by the Company or a Subsidiary, whether an asset purchase, merger or stock acquisition, shall not reduce the number of Shares available in a Share pool. In addition, Shares withheld or received by the Company to satisfy tax withholding or other payment obligations shall not again be available for future Awards. Further, no more than 3,848,800 Shares may be granted and delivered with respect to Options that are Incentive Stock Options. Shares shall be delivered first from the Initial Pool, if any, as adjusted, and then from the New Pool.

4. Section 5 of the Plan is hereby deleted in its entirety and replaced with the following:

**Section 5. Eligibility and Award Limits**

(a) **Eligible Individuals.** Any Employee, Consultant or Director (other than an Employee, Consultant or Director who was, immediately prior to the Merger, a service provider to the Company, formerly named Holly Corporation, or entities that were its subsidiaries) shall be eligible to be designated a Participant by the Committee.

(b) **Individual Limits.** No individual may be granted stock-denominated Awards in any calendar year with respect to more than 1,443,300 Shares. No individual may be paid cash-denominated Awards of more than \$5 million in the aggregate in any calendar year.

5. Section 6(j)(vii) of the Plan is hereby deleted in its entirety and replaced with the following:

(vii) **Performance Criteria.** The Committee shall establish the performance goals based on the Performance Criteria applicable to those Awards (including an award of cash), the payment of which is intended by the Committee to qualify as performance-based compensation as described in Section 162(m)(4)(C) of the Code ( Section 162(m) Awards ). Nothing in the Plan shall prevent the Committee from establishing other performance-based criteria for Awards not intended to qualify as performance-based compensation under Section 162(m), including, without limitation, Awards being granted to an individual who is not a covered employee for purposes of Section 162(m). The Committee may, at the time the performance goals in respect of a Section 162(m) Award are established, provide for the manner in which actual performance and performance goals with regard to the business criteria selected will reflect the impact of specified events during the relevant performance period, which may mean excluding the impact of any or all of the following events or occurrences for such performance period: (a) asset write-downs or impairments to assets; (b) litigation, claims, judgments or settlements; (c) the effect of changes in tax law or other such laws or regulations affecting reported results; (d) accruals for reorganization and restructuring programs; (e) any

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extraordinary, unusual or nonrecurring items as described in the Accounting Standards Codification Topic 225, as the same may be amended or superseded from time to time; (f) any change in accounting principles as defined in the Accounting Standards Codification Topic 250, as the same may be amended or superseded from time to time; (g) any loss from a discontinued operation as described in the Accounting Standards Codification Topic 360, as the same may be amended or superseded from time to time; (h) goodwill impairment charges; (i) operating results for any business acquired during the calendar year; (j) third party expenses associated with any investment or acquisition by the Company or any Subsidiary; (k) any amounts accrued by the Company or its Subsidiaries pursuant to management bonus plans or cash profit sharing plans and related employer payroll taxes for the fiscal year; (l) any discretionary or matching contributions made to a savings and deferred profit-sharing plan or deferred compensation plan for the fiscal year; (m) interest, expenses, taxes, depreciation and depletion, amortization and accretion charges; and (n) marked-to-market adjustments for financial instruments. The adjustments described in this paragraph shall only be made, in each case, to the extent that such adjustments in respect of a Section 162(m) Awards would not cause the award to fail to qualify as performance-based compensation under section 162(m) of the Code.

6. A new Section 6(j)(viii) is hereby added to the Plan to read as follows:

(viii) Section 162(m) Awards Pool. The Committee may establish an unfunded pool, with the amount of such pool calculated using an objective formula based upon the level of achievement of a performance goal or goals with respect to one or more of the business criteria selected from the list set forth in Section 2 during the given performance period, as specified by the Committee. The pool may be funded as to a specified dollar amount or a number of Shares. The Committee may specify the amount of the pool as a percentage of any of such business criteria, a percentage in excess of a threshold amount with respect to such business criteria, or as another amount which need not bear a direct relationship to one or several business criteria but shall be objectively determinable and calculated based upon the level of achievement of pre-established goals with regard to the business criteria.

**RESOLVED FURTHER**, that except as provided above, the Plan shall continue to read in the current state.

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ANNEX 2

**FOURTH AMENDMENT TO THE  
HOLLYFRONTIER CORPORATION  
LONG-TERM INCENTIVE COMPENSATION PLAN**

**(Formerly designated the Holly Corporation Long-Term Incentive Compensation Plan)**

THIS FOURTH AMENDMENT (the *Fourth Amendment*) to the HollyFrontier Corporation Long-Term Incentive Compensation Plan, as amended from time to time (the *Plan*), is made by HollyFrontier Corporation (the *Company*).

**WITNESSETH:**

**WHEREAS**, the Company previously adopted the Plan, under which the Company is authorized to grant equity-based incentive awards to certain employees and other service providers of the Company and its subsidiaries;

**WHEREAS**, Section 10(f) of the Plan provides that the Company's board of directors (the *Board*) may amend the Plan from time to time without approval of the stockholders of the Company, except that any amendment to the Plan of which approval of the stockholders is required by any federal or state law or regulation or the rules of any stock exchange on which the shares of the Company are listed or quoted must be approved by the stockholders of the Company;

**WHEREAS**, the Board has determined that it is desirable to submit for approval to the stockholders of the Company, at the Company's 2015 Annual Meeting of Stockholders, the material terms of the Plan, including the employees eligible to participate therein, the maximum compensation payable under the Plan and the business criteria that may be used for setting performance goals under the Plan, for purposes of satisfying the performance-based compensation exemption under section 162(m) of the Internal Revenue Code of 1986, as amended (the *Code*), which requires the material terms of the Plan to be disclosed to and approved by the Company's stockholders no later than the first stockholder meeting that occurs in the fifth year following the year in which the stockholders previously approved the Plan;

**WHEREAS**, in connection with such approval, the Board has determined that it is desirable to adopt the Fourth Amendment, effective as of May 13, 2015 (the *Effective Date*) and subject to approval by the stockholders of the Company, to (i) restate (without any making any changes thereto) the employees eligible to participate in the Plan and the maximum compensation payable under the Plan, and (ii) add additional business criteria that may be used for setting performance goals under the Plan.

**NOW, THEREFORE**, the Plan shall be amended as of the Effective Date, subject to approval by the Company's stockholders, as set forth below:

1. The defined term *Eligible Person* in Section 2(j) of the Plan is hereby restated in its entirety as follows:

(j) *Eligible Person* means any current or proposed officer, director, or key employee or consultant whose services are deemed to be of potential benefit to the Company or any of its Subsidiaries. An employee on leave of absence may be considered as still in the employ of the Company or a Subsidiary for purposes of eligibility for participation in the Plan.

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2. Section 5 of the Plan is hereby restated in its entirety as follows:

**5. Eligibility; Per Person Award Limitations.** Awards may be granted under the Plan only to Eligible Persons. In each fiscal year or 12-month period, as applicable, during any part of which the Plan is in effect, an Eligible Person may not be granted (a) Awards, provided for in Sections 6 and 7 of the Plan, relating to more than 1,200,000 Shares, subject to adjustment in a manner consistent with any adjustment made pursuant to Section 10 of the Plan, or (b) Awards, provided for in Section 8 of the Plan, with a value at the time of payment which exceeds the Fair Market Value of 1,200,000 Shares as of the date of grant of the Award.

3. Section 8(b)(ii) of the Plan is hereby deleted in its entirety and replaced with the following:

(ii) Business Criteria. One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Subsidiaries, divisions or business or geographical units of the Company (except with respect to the total stockholder return and earnings per share criteria), shall be used by the Committee in establishing performance goals for Performance Awards granted to a Covered Employee: (A) earnings, earnings per share, earnings before interest, taxes, depreciation and/or amortization and/or operating earnings after interest expense and/or before incentives, service fees and/or extraordinary or special items; (B) gross or net income, income per share or income per share from operations; (C) revenues; (D) cash flow, cash flow per share, cash flow from operating activities, cash flow before financing activities or cash flow return; (E) targeted cash balances; (F) return on net assets; (G) return on assets; (H) return on investment; (I) return on capital or return on capital employed; (J) return on equity; (K) stock price; (L) cost controls; (M) economic value added; (N) gross margin; (O) reductions or savings; (P) operating income; (Q) safety performance and/or incidence rate, including process safety performance, reliability, capacity utilization and lost economic opportunity; (R) total stockholder return; (S) debt reduction or management or compliance with debt covenants, (T) net profit margin; (U) refinery reliability; (V) operating margin; (W) contribution margin; (X) market share; (Y) effective equipment utilization; (Z) achievement of savings from business improvement projects; (AA) capital projects deliverables; (BB) performance against environmental targets; (CC) satisfactory internal or external audits; (DD) operating expense, (EE) cost management, and (FF) any of the above goals determined on an absolute or relative basis, as a ratio with other business criteria or as compared to the performance of a published or special index deemed applicable by the Committee, including, but not limited to, the Standard & Poor's 500 Stock Index or a group of comparable companies, pre-tax or after-tax, before or after special charges, or any combination of the foregoing. The Committee may, at the time the performance goals in respect of a Performance Award are established, provide for the manner in which actual performance and performance goals with regard to the business criteria selected will reflect the impact of specified events during the relevant performance period, which may mean excluding the impact of any or all of the following events or occurrences for such performance period: (a) asset write-downs or impairments to assets; (b) litigation, claims, judgments or settlements; (c) the effect of changes in tax law or other such laws or regulations affecting reported results; (d) accruals for reorganization and restructuring programs;

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(e) any extraordinary, unusual or nonrecurring items as described in the Accounting Standards Codification Topic 225, as the same may be amended or superseded from time to time; (f) any change in accounting principles as defined in the Accounting Standards Codification Topic 250, as the same may be amended or superseded from time to time; (g) any loss from a discontinued operation as described in the Accounting Standards Codification Topic 360, as the same may be amended or superseded from time to time; (h) goodwill impairment charges; (i) operating results for any business acquired during the calendar year; (j) third party expenses associated with any investment or acquisition by the Company or any Subsidiary; (k) any amounts accrued by the Company or its Subsidiaries pursuant to management bonus plans or cash profit sharing plans and related employer payroll taxes for the fiscal year; (l) any discretionary or matching contributions made to a savings and deferred profit-sharing plan or deferred compensation plan for the fiscal year; (m) interest, expenses, taxes, depreciation and depletion, amortization and accretion charges; and (n) marked-to-market adjustments for financial instruments. In addition, Performance Awards may be adjusted by the Committee in accordance with the provisions of Section 10. The adjustments described in this paragraph shall only be made, in each case, to the extent that such adjustments in respect of a Performance Award would not cause the Award to fail to qualify as performance-based compensation under section 162(m) of the Code.

4. A new Section 8(c) is hereby added to the Plan to read as follows:

(c) Performance Award Pool. The Committee may establish an unfunded pool, with the amount of such pool calculated using an objective formula based upon the level of achievement of a performance goal or goals with respect to one or more of the business criteria selected from the list set forth in this Section 8 during the given performance period, as specified by the Committee. The pool may be funded as to a specified dollar amount or a number of Shares. The Committee may specify the amount of the pool as a percentage of any of such business criteria, a percentage in excess of a threshold amount with respect to such business criteria, or as another amount which need not bear a direct relationship to one or several business criteria but shall be objectively determinable and calculated based upon the level of achievement of pre-established goals with regard to the business criteria.

**RESOLVED FURTHER**, that except as provided above, the Plan shall continue to read in the current state.

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***HOLLYFRONTIER CORPORATION***

***2828 N. HARWOOD***

***SUITE 1300***

***DALLAS, TX 75201-1507***

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on May 12, 2015. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on May 12, 2015. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M86005-P60975

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED  
AND DATED.**

**HOLLYFRONTIER CORPORATION**

**The Board of Directors  
recommends you vote FOR the  
following:**

1. Election of Directors	<b>For</b>	<b>Against</b>	<b>Abstain</b>	
1a. Douglas Bech	..	..	..	
1b. Leldon Echols	..	..	..	
1c. Kevin Hardage	..	..	..	
1d. Michael Jennings	..	..	..	
1e. Robert Kostelnik	..	..	..	
1f. James Lee	..	..	..	
1g. Franklin Myers	..	..	..	
1h. Michael Rose	..	..	..	
1i. Tommy Valenta	..	..	..	
				<b>The Board of Directors recommends you vote FOR proposals 2, 3, 4 and 5:</b>
				<b>For Against Abstain</b>
				2. Approval, on an advisory basis, of the compensation of the Company's named executive officers.
				.. .. ..
				3. Ratification of the appointment of Ernst & Young LLP as the Company's registered public accounting firm for the 2015 fiscal year.
				.. .. ..
				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.
				.. .. ..
				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.
				.. .. ..



**The Board of Directors  
recommends you vote  
AGAINST proposal 6:**

For address change/comments,  
mark here. (see reverse for  
instructions)

..

6. Stockholder proposal, if  
properly presented at  
the Annual Meeting.

..

..

..

Please indicate if you plan to  
attend this meeting

.. ..

**Yes No**

**NOTE:** Transaction of  
such other business as may  
properly come before the  
meeting or any  
adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor,  
administrator, or other fiduciary, please give full title as such. Joint owners should each sign  
personally. All holders must sign. If a corporation or partnership, please sign in full  
corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint  
Owners)

Date

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

If you need directions to the annual meeting of stockholders, please call our Investor Relations Department at (214) 954-6510.

M86006-P60975

**HOLLYFRONTIER CORPORATION**

**Annual Meeting of Stockholders**

**May 13, 2015, 8:30 AM, CDT**

**This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) Michael C. Jennings, Douglas S. Aron and Denise C. McWatters, or any of them, as proxies, each with the power to appoint his/her substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of HOLLYFRONTIER CORPORATION that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 8:30 AM, CDT, on May 13, 2015, at the DoubleTree by Hilton Hotel Tulsa Downtown, Westminster/Dover Conference Room, 616 West 7<sup>th</sup> Street, Tulsa, OK 74127, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations. This proxy also authorizes Michael C. Jennings, Douglas S. Aron and Denise C. McWatters to vote at his or her discretion on any other matter that may properly come before the meeting or any adjournment or postponement of the meeting.**

**Address Change/Comments:**

(If you noted any Address Change and/or Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**