

HollyFrontier Corp
Form DEF 14A
March 23, 2017
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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)

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No fee required.

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

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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 2017

ANNUAL MEETING

AND PROXY STATEMENT

March 23, 2017

Dear Stockholder:

You are invited to attend the Annual Meeting of stockholders of HollyFrontier Corporation (the "Company"). The meeting will be held as shown below.

8:30 a.m., Central Daylight Time, Wednesday, May 10, 2017

2728 N. Harwood St., Ground Floor

Dallas, Texas 75201

Election of 9 directors to hold office until the 2018 annual meeting of stockholders;

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

Approval, on an advisory basis, of the frequency of an advisory vote on 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 2017 fiscal year.

Stockholders of record at the close of business on March 13, 2017 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 2016 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

George J. Damiris
Chief Executive Officer and President

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 10, 2017. 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 2016 Annual Report to stockholders are available on the internet at www.proxyvote.com.**

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not include all of the information you should consider, and we invite you to read the entire proxy statement and our 2016 Annual Report carefully before voting.

ANNUAL MEETING OF STOCKHOLDERS

Date:	Wednesday, May 10, 2017
Time:	8:30 a.m., Central Daylight Time
Place:	2728 N. Harwood St., Ground Floor
	Dallas, Texas 75201
Record Date:	March 13, 2017
Voting:	Stockholders of record at the close of business on March 13, 2017 are entitled to receive notice of and the right to vote at the Annual Meeting.
How to Vote:	If you are a stockholder of record, you may vote in person at the Annual Meeting or by proxy using any of the following methods:

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

AGENDA AND VOTING RECOMMENDATIONS

Proposal	Voting Standard	Effect of Broker Non-Votes and Abstentions	Board's Recommendation	Page
Elect 9 directors to hold office until the Company's 2018 annual meeting of stockholders	Affirmative vote of a majority of the votes cast on the matter	Abstentions and broker non-votes are not considered votes cast and will have no effect	FOR all nominees	13
Approve, on an advisory basis, the compensation of the Company's named executive officers	Affirmative vote of a majority of the votes cast on the matter	Abstentions and broker non-votes are not considered votes cast and will have no effect	FOR	31
Approve, on an advisory basis, the frequency of an advisory vote on the compensation of the Company's named executive officers	Affirmative vote of a majority of the votes cast on the matter; provided, however, if no frequency receives a majority of votes cast, the option receiving the greatest number of votes will be the frequency recommended by stockholders.	Abstentions and broker non-votes are not considered votes cast and will have no effect	EVERY YEAR	78
			FOR	79

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Ratify the appointment of Ernst & Young LLP as the Company's registered public accounting firm for 2017

Affirmative vote of a majority of the votes cast on the matter

Abstentions are not considered votes cast and will have no effect

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Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships					EC	Other Public Company Boards
					AC	CC	NCGC	EHSPC	FC		
Michael C. Jennings	51	2011	Chairman of the Board of HollyFrontier Corporation							C	ION Geophysical Corporation Holly Logistic Services, L.L.C. (general partner of the general partner of Holly Energy Partners, L.P.)
George J. Damiris	56	2015	CEO and President of HollyFrontier Corporation and CEO of Holly Logistic Services, L.L.C.								Eagle Materials Inc. Holly Logistic Services, L.L.C. (general partner of the general partner of Holly Energy Partners, L.P.)
Douglas Y. Bech	71	2011	Chairman and CEO of Raintree Resorts International	LD							j2 Global, Inc. CIM Commercial Trust Corporation
Leldon E. Echols	61	2009	Investor						C, F		Trinity Industries, Inc. EnLink Midstream GP, LLC EnLink Midstream Manager, LLC
R. Kevin Hardage	55	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								
Robert J. Kostelnik	65	2011	Principal at Glenrock Recovery Partners, LLC								C Methanex Corporation
James H. Lee	68	2011	Managing General Partner and Principal Owner of Lee, Hite & Wisda Ltd.								
Franklin Myers	64	2011	Investor								C Forum Energy Technologies, Inc. ION Geophysical Corporation Comfort Systems USA, Inc.
Michael E. Rose	70	2011	Investor								F 2016 Meetings 13 5 4 4 4 2

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

* Tommy A. Valenta served as an independent director and a member of the Audit Committee and the Environmental, Health, Safety, and Public Policy Committee until his death in February 2017.

GOVERNANCE HIGHLIGHTS

7 of our 9 directors standing for reelection at the 2017 Annual Meeting are independent
Separate CEO and Chairman of the Board positions;
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 served during 2016
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
All of our then-serving directors attended the 2016 Annual Meeting
Tenure of each director is eight years or less
Mandatory retirement age of 75 for our directors

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NAMED EXECUTIVE OFFICERS

For 2016, our named executive officers were as follows:

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

- (1) Mr. Aron retired from this position on February 28, 2017.
- (2) Mr. Jennings retired from this position on January 1, 2017.

2016 BUSINESS HIGHLIGHTS

The following are key highlights of our achievements in 2016:

Net income attributable to our stockholders was (\$260) million (\$70 million excluding the \$292 million non-cash, pre-tax charge for the impact of lower of cost or market inventory (LOCM) adjustment and \$654 million goodwill and asset impairment).*

Our reported gross margin per barrel declined 48% year on year to \$8.38 per barrel due to a significantly lower benchmark margin environment combined with increasing costs associated with the Renewable Fuel Standard mandate.

Our balance sheet continued to remain strong with a total debt to capital ratio of 30% (or 18% excluding Holly Energy Partners, L.P. debt, which is non-recourse to us). As of December 31, 2016, our total cash and marketable securities balance stood at \$1.1 billion and long term debt was \$2.2 billion (or \$991 million excluding Holly Energy Partners, L.P. debt, which is non-recourse to us).

We completed the successful start-up of the Woods Cross Refinery expansion project and subsequently closed on the dropdown of certain expansion assets to Holly Energy Partners, L.P.

We entered into an agreement to purchase Petro-Canada Lubricants Inc. for approximately \$845 million (including working capital). The transaction closed in February 2017 making HollyFrontier the fourth largest North American base oil producer and diversifying HollyFrontier's earnings stream with the addition of a differentiated high-margin business that generates more stable cash flows.

* 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, 2016 for reconciliations to amounts reported under Generally Accepted Accounting Principles.

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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 officer 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 2016

The components of the compensation program for our named executive officers during 2016 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 named 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
		Reserved parking space	
Other	Perquisites	Personal use of company aircraft and reimbursement of club dues (only for Messrs. Damiris, Aron and Jennings) Reimbursement for expenses related to security training, consulting or technology	It is the Compensation Committee's policy that perquisites be limited and also serve a business, convenience or security purpose for the Company

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Name and Principal Position	Salary	Bonus	Stock Awards	Non-Equity		Total
				Incentive Plan Compensation	All Other Compensation	
George J. Damiris	\$ 1,100,000	\$ 79,000	\$ 6,141,019	\$ 1,421,134	\$ 302,587	\$ 9,043,740
Chief Executive Officer and President						
Douglas S. Aron	\$ 650,000	\$ 55,250	\$ 1,740,000	\$ 491,946	\$ 172,274	\$ 3,109,470
Executive Vice President and Chief Financial Officer						
Michael C. Jennings	\$ 1,000,000		\$ 1,280,114		\$ 132,615	\$ 2,412,729
Executive Chairman						
James M. Stump	\$ 510,000	\$ 55,150	\$ 921,160	\$ 295,168	\$ 120,292	\$ 1,901,770
Senior Vice President, Refining						
Denise C. McWatters	\$ 475,000	\$ 127,825	\$ 921,160	\$ 272,017	\$ 86,862	\$ 1,877,864
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.

FREQUENCY OF ADVISORY VOTE ON EXECUTIVE COMPENSATION

At the Annual Meeting, our stockholders will have the opportunity to indicate how frequently we should seek an advisory vote on the compensation of our named executive officers. As explained in greater detail below, our Board has determined that an advisory vote on executive compensation that occurs every year is the most appropriate for the Company.

For additional information, see page 78.

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 2017.

Fees paid to Ernst & Young LLP for services provided during 2016:

(in thousands)	2016
Audit Fees	\$ 2,591
Audit-Related Fees	49
Tax Fees	587
All Other Fees	
Total	\$ 3,227

For additional information, see page 80.

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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 10, 2017

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 HollyFrontier Corporation (the **Company**, **we**, **our** or **us**) for use at the Company's 2017 Annual Meeting of Stockholders or any postponement or adjournment thereof (the **Annual Meeting**). The Annual Meeting will be held on May 10, 2017, at 8:30 a.m., Central Daylight Time, at 2728 N. Harwood St., Ground Floor, Dallas, Texas 75201. This proxy statement and the enclosed proxy card are being first made available to stockholders on or about March 23, 2017. 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 13, 2017 (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 178,114,874 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 2018 annual meeting of stockholders	FOR
2. Approve, on an advisory basis, the compensation of the Company's named executive officers	FOR
3. Approve, on an advisory basis, the frequency of an advisory vote on the compensation of the Company's named executive officers	EVERY YEAR
4. Ratify the appointment of Ernst & Young LLP as the Company's registered public accounting firm for 2017	FOR

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

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

Internet visit the website shown on the Notice of Internet Availability (www.proxyvote.com) and follow the instructions at that website at any time prior to 11:59 p.m., Eastern Daylight Time, on May 9, 2017;

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 9, 2017; 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 9, 2017;

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), or the advisory vote on the frequency of the advisory vote on the compensation of the Company's named executive officers (Proposal 3) unless you provide specific instructions to them. Accordingly, if you do not provide timely voting instructions to your broker, bank or other nominee that holds your shares, that institution will be prohibited from voting on all of the proposals in its discretion, except the ratification of the appointment of the independent public accounting firm (Proposal 4).

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

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

Proposal	Vote Necessary to Approve Proposal	Broker Discretionary Voting Allowed?	Treatment of Abstentions and Broker Non-Votes
No. 1 Election of Directors	Affirmative vote of a majority of the votes cast on the matter	No	Abstentions and broker non-votes are not considered votes cast and will have no effect
No. 2 Advisory Vote on Executive Compensation	Affirmative vote of a majority of the votes cast on the matter	No	Abstentions and broker non-votes are not considered votes cast and will have no effect
No. 3 Advisory Vote on the Frequency of Advisory Votes 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. 4 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

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 MacKenzie Partners, Inc. to assist in the solicitation of proxies for the Annual Meeting. For these services, the Company will pay MacKenzie Partners \$17,500 and will reimburse MacKenzie Partners 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 2018 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 51.

Principal Occupation:

Chairman of the Board of HollyFrontier Corporation.

Business Experience:

Mr. Jennings has served as Chairman of the Board since January 2017, a position he previously held from January 2013 until January 2016. Mr. Jennings served as Executive Chairman from January 2016 until his retirement in January 2017. Mr. Jennings served as Chief Executive Officer and President from the merger of Holly Corporation (Holly) and Frontier Oil Corporation (Frontier) in July 2011 until January 2016. Mr. Jennings served as the Chief Executive Officer of Holly Logistic Services, L.L.C. (HLS) from January 2014 until November 2016 and served as President of HLS from October 2015 until February 2016. 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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George J. Damiris	Director since 2015; age 56.
<i>Principal Occupation:</i>	Chief Executive Officer and President of HollyFrontier Corporation and Chief Executive Officer and President of Holly Logistic Services, L.L.C.
<i>Business Experience:</i>	Mr. Damiris has served as Chief Executive Officer and President of the Company since January 2016 and as Chief Executive Officer of HLS since November 2016 and as President of HLS since February 2017. He previously served as Executive Vice President and Chief Operating Officer of the Company from September 2014 to January 2016 and 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.
<i>Additional Directorships:</i>	Mr. Damiris currently serves as a director of Eagle Materials Inc. and HLS, the general partner of the general partner of HEP.
<i>Qualifications:</i>	Mr. Damiris brings to the Board extensive industry experience, familiarity with the day-to-day operations of the Company and significant insight into issues facing the industry.
Douglas Y. Bech	Director since 2011; age 71.
<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 and as an independent trust manager of Moody National REIT II, Inc. from August 2014 until February 2016. 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.
<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.

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Leldon E. Echols	Director since 2009; age 61.
<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.
R. Kevin Hardage	Director since 2011; age 55.
<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.

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Robert J. Kostelnik	Director since 2011; age 65.
<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 and provides health, safety and environmental compliance and project management consulting services. 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 his retirement in 2007, Mr. Kostelnik served in a number of senior positions during his 16 years with CITGO Petroleum Corporation, including as Vice President of Refining. During that time, Mr. Kostelnik was responsible for, among other things, the creation & implementation of the Health, Safety & Environmental Management System as well as environmental compliance & improvement. 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.
James H. Lee	Director since 2011; age 68.
<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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Franklin Myers	Director since 2011; age 64.
<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 (now Norton Rose Fulbright) 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. Mr. Myers serves as a director of WireCo WorldGroup Inc., which ceased to have a class of securities registered pursuant to section 12 of the Exchange Act at the end of September 2016.
<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.
Michael E. Rose	Director since 2011; age 70.
<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.
None of our directors reported any litigation for the period from 2007-2017 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. Copies of these documents are publicly available on our website at www.hollyfrontier.com. Copies of these documents may also be obtained free of charge upon written request to HollyFrontier Corporation, 2828 North Harwood, Suite 1300, Dallas, Texas 75201, Attention: Director, Investor Relations.

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 separate Chief Executive Officer and Chairman of the Board roles, together with a strong lead independent director, is appropriate for the Company. Currently, Mr. Jennings serves as our Chairman of the Board, and Mr. Damiris serves as our Chief Executive Officer and President.

The Board believes that at this time the separation of these positions enhances both the oversight of management by the Board and the Company's overall leadership structure. In addition, as a result of his former role as our Chief Executive Officer, Mr. Jennings has Company-specific experience and expertise and as Chairman of the Board can identify strategic priorities, lead the discussion and execution of strategy, and facilitate 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 Chairman of the Board and Chief Executive Officer, as appropriate;

calling meetings of independent directors if desirable or necessary;

servicing as a liaison between the Chief Executive Officer, the Chairman of the Board and the independent directors;

advising and consulting with the Chairman of the Board, the Chief Executive Officer and the chairperson of each committee regarding Board and committee meetings, as necessary, desirable or appropriate;

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maintaining regular contact with the Chairman of the Board and Chief Executive Officer 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 Chairman of the Board and Chief Executive Officer, agendas, schedules and related information for all meetings of the Board; and

advising and consulting with the Chairman of the Board and Chief Executive Officer 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 periodically 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.

The Finance Committee oversees the management of risks relating to the Company's capital allocation and capital investment strategies.

While each committee is responsible for evaluating certain risks and overseeing the management of those risks, the full Board is ultimately responsible for overseeing the Company's risk exposures and management thereof, and the Board is regularly informed on these matters through committee and senior management presentations.

The Board also receives input from the Company's Risk Management Oversight Committee on management's views of the risks facing the Company. This committee is made up of management

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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 and Rose, is independent under the NYSE independence standards. The Board previously determined that Mr. Valenta was independent under the NYSE independence standards during his service on the Board. Mr. Damiris is deemed not to be independent because he is an employee of the Company, and Mr. Jennings is not independent because he does not meet the independence requirements under the NYSE listing standards.

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 previously determined that Mr. Valenta was independent as defined by the NYSE listing standards and Rule 10A-3 of the Exchange Act during his service on the Audit Committee. The Board has also determined that Mr. Echols' service as a member of the audit committees of Trinity Industries, Inc., EnLink Midstream GP, LLC and EnLink Midstream Manager, LLC does 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. 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.

Environmental, Health, Safety, and Public Policy Committee. The Board has determined each member of the Environmental, Health, Safety, and Public Policy Committee, other than Mr. Jennings, is independent as defined by the NYSE listing standards. The Board previously determined that Mr. Valenta was independent as defined by the NYSE listing standards during his service on the Environmental, Health, Safety, and Public Policy Committee.

Finance Committee. The Board has determined each member of the Finance Committee is independent as defined by the NYSE listing standards.

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 8.06% 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.

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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, knowledge, viewpoints, background, experience and skill when evaluating candidates. Subject to its fiduciary duties, applicable law and regulations and membership of the Board at the applicable time, when searching for new Board members, the Committee shall endeavor to identify highly qualified diverse candidates, including women and individuals from minority groups, to include in the pool of candidates as provided in the immediately preceding sentence from which Board nominees may be chosen.

Pursuant to our Corporate Governance Guidelines, the Nominating/Corporate Governance Committee will not recommend to the Board the nomination of any director or nominee who has attained or will attain the age of 75 prior to the annual meeting at which he or she would be elected or re-elected. The Board may approve an exception to this policy on a case by case basis.

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 or writing to: Lead Director, c/o Secretary, HollyFrontier Corporation, 2828 N. Harwood, Suite 1300, Dallas, Texas 75201. Communications to the Board generally may be sent certified mail to HollyFrontier Corporation, 2828 N. Harwood, Suite 1300, Dallas, Texas 75201, Attention: Secretary. The Secretary will forward all communications to the appropriate director or directors, other than those communications that are merely solicitations for products or services or relate to matters that are of a type that are clearly improper or irrelevant to the functioning of the Board or the business and affairs of the Company.

Code of Conduct

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

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THE BOARD, ITS COMMITTEES AND ITS COMPENSATION

The Board

Under the Company's Corporate Governance Guidelines, Board members are expected to devote the time reasonably necessary to discharge their responsibilities and to prepare for and, to the extent reasonably practicable, attend and participate in all meetings of the Board and Board committees on which they serve. During 2016, the Board held 11 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. All of our then-current directors attended the 2016 annual meeting of stockholders.

Board Committees

The Company currently has six standing committees:

an Audit Committee;

a Compensation Committee;

a Nominating/Corporate Governance Committee;

an Environmental, Health, Safety, and Public Policy Committee;

a Finance Committee; and

an Executive Committee.

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

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

	Audit Committee	Compensation Committee	Nominating/ Corporate Governance Committee	Environmental, Health, Safety, and Public Policy Committee	Finance Committee	Executive Committee
Douglas Bech		(Chair)				
George Damiris						
Leldon Echols	(Chair)					
Kevin Hardage						
Michael Jennings						(Chair)
Robert Kostelnik				(Chair)		
James Lee						

Franklin Myers
Michael Rose

(Chair)

(Chair)