

CONTINENTAL RESOURCES, INC
Form DEF 14A
April 06, 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 under Rule 14a-12

CONTINENTAL RESOURCES, INC.

(Name of Registrant as Specified In Its Charter)

NOT APPLICABLE

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

Payment of Filing Fee (Check the appropriate box):

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No fee required.

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

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

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

- (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):

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- (3) Filing Party:

(4) Date Filed:

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Continental Resources, Inc.

Invitation to 2017 Annual Meeting of Shareholders

DATE: Thursday, May 18, 2017
TIME: 10:00 a.m. Central Daylight Time
PLACE: Skirvin Hilton Hotel, Centennial Ballroom

1 Park Avenue, Oklahoma City, OK 73102

April 6, 2017

Dear Fellow Shareholder:

Please join me at our Annual Meeting on Thursday, May 18, 2017, where you will be asked to vote on: (i) the election of the two Class II members named in this Proxy Statement to the Board of Directors; (ii) ratify the selection of auditors; (iii) approve, by a non-binding vote, the compensation of our named executive officers; and (iv) approve, by a non-binding vote, the frequency of shareholder advisory votes on the compensation of our named executive officers. You will also be asked to consider a shareholder proposal requesting the Board of Directors adopt a policy regarding Board diversity, if properly presented at the Annual Meeting.

The Company is again taking advantage of the Securities and Exchange Commission rule permitting us to provide proxy materials over the Internet to certain of our shareholders. On or about April 6, 2017, we will begin mailing a Notice of Internet Availability of Proxy Materials to shareholders whose shares are held in an account at a brokerage firm, bank or other nominee record holder, informing you the Notice and Proxy Statement for the 2017 Annual Meeting, 2016 Annual Report and voting instructions are available online. As more fully described in that Notice, all shareholders receiving such Notice may choose to access proxy materials on the Internet or may request to receive paper copies of the proxy materials. On or about April 6, 2017, we will also mail paper copies of our Notice and Proxy Statement, 2016 Annual Report and a proxy card to each shareholder whose shares are registered directly in their name with our transfer agent, American Stock Transfer & Trust Company.

In addition to the formal items of business at the Annual Meeting, you will have an opportunity to ask questions and express your views to the senior management of Continental Resources, Inc. Members of our Board of Directors will also be present.

Whether you are able to attend the 2017 Annual Meeting in person, it is important your shares be represented. Please vote your shares in accordance with the instructions contained in the materials being sent to you. Please vote as soon as possible.

I hope to see you on May 18th.

Harold G. Hamm

Chairman of the Board and

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Chief Executive Officer

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CONTINENTAL RESOURCES, INC.

20 N. Broadway

Oklahoma City, Oklahoma 73102

Notice of Annual Meeting of Shareholders

To Be Held On May 18, 2017

TO THE HOLDERS OF SHARES OF COMMON STOCK:

The 2017 Annual Meeting of Shareholders of Continental Resources, Inc. (the Company, we, our, or us) will be held at the Skirvin Hilton Hotel, Centennial Ballroom, 1 Park Avenue, Oklahoma City, OK 73102, on May 18, 2017, at 10:00 a.m. C.D.T., for the following purposes:

1. To elect the two Class II members named in this Proxy Statement to our Board of Directors to serve until the Annual Meeting of Shareholders in 2020 and until their respective successors are duly elected and qualified or until their earlier resignation or removal (Item 1 on the proxy card);
2. To ratify the selection of Grant Thornton LLP as our independent registered public accounting firm (Item 2 on the proxy card);
3. To approve, by a non-binding vote, the compensation of the named executive officers (Item 3 on the proxy card);
4. To approve, by a non-binding vote, the frequency of shareholder advisory votes on the compensation of our named executive officers (Item 4 on the proxy card);
5. To consider a shareholder proposal requesting the Board of Directors adopt a policy regarding Board diversity, if properly presented at the Annual Meeting (Item 5 on the proxy card); and
6. To transact such other business as may properly be brought at the Annual Meeting or any adjournment or postponement thereof.

The Annual Meeting may be recessed from time to time and, at any reconvened meeting, action on the matters specified in this notice may be taken without further notice to shareholders unless required by the Company's bylaws.

Shareholders of record of our common stock, par value \$0.01 per share, at the close of business on March 23, 2017 are entitled to notice of and to vote on all proposals at the Annual Meeting. A list of all shareholders entitled to vote at the Annual Meeting will be available for inspection at the Annual Meeting and during normal business hours at least ten days prior thereto at our offices located at 20 N. Broadway, Oklahoma City, Oklahoma 73102.

In accordance with rules adopted by the Securities and Exchange Commission, we are pleased to furnish these proxy materials to certain of our shareholders over the Internet and to certain others by mail.

BY THE ORDER OF THE BOARD OF DIRECTORS

/s/ Eric S. Eissenstat

Eric S. Eissenstat

Secretary

DATED: April 6, 2017

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 18, 2017**

This Notice and Proxy Statement, the accompanying proxy card and our Annual Report to shareholders are also available on the Internet at <https://materials.proxyvote.com/212015>.

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Annual Meeting of Shareholders
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Proxy Summary

This summary contains highlights about Continental Resources, Inc. and our subsidiaries (the Company) and the upcoming 2017 Annual Meeting of Shareholders (the Annual Meeting). This summary does not contain all of the information you should consider in advance of the Annual Meeting and we encourage you to read the entire Proxy Statement before voting. When we refer to us, we, or our, we are referring to the Company.

2017 Annual Meeting of Shareholders

Date and Time: Thursday, May 18, 2017 at 10:00 a.m. C.D.T.

Location: Skirvin Hilton Hotel, Centennial Ballroom, 1 Park Avenue, Oklahoma City, OK 73102

Record Date: March 23, 2017

Mail Date: We intend to mail a Notice of Internet Availability of Proxy Materials (Notice of Internet Availability), or the Proxy Statement, 2016 Annual Report, and Proxy Card (or voter information form if the Proxy Statement is being sent by a broker, bank or other nominee record holder (collectively, a Broker)), as applicable, on or about April 6, 2017 to our shareholders.

Voting: Shareholders as of the record date may vote. Each share of our Common Stock, par value \$0.01 per share (Common Stock), is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on. **Each shareholder's vote is important. Please complete and return your proxy or voter information form, or submit your vote and proxy online or by telephone (if you received a voter information form).**

Voting Matters and Board Recommendations

Matter	Board Vote Recommendation
Election of two Class II Directors named in this Proxy Statement (Item 1, page 6)	FOR
Ratification of selection of Grant Thornton LLP (Grant Thornton) (Item 2, page 41)	FOR FOR

Approve, by a non-binding vote, the compensation of the named executive officers (Item 3, page 43)

Approve, by a non-binding vote, the frequency of shareholder advisory votes on the compensation of our named executive officers (Item 4, page 44)

Consideration of a shareholder proposal requesting the Board of Directors adopt a policy regarding Board diversity (the Shareholder Proposal) (Item 5, page 45)

FOR A TRIENNIAL FREQUENCY

AGAINST

2016 Performance Highlights

Using the latest enhanced completion designs, the Company set new Company early production records for wells in the Bakken, Sooner Trend Anadarko Canadian Kingfisher (STACK) and South Central Oklahoma Oil Province plays.

Year-end 2016 proved reserves increased 4% to 1.27 billion barrels of oil equivalent compared to year-end 2015, despite lower commodity prices.

Significantly expanded the extent of the overpressured oil window in our STACK play.

Full-year production expense per barrel of oil equivalent decreased by 15% compared to full-year 2015.

At December 31, 2016, the Company's total debt was reduced by \$538 million compared to December 31, 2015, demonstrating progress made toward the Company's goal of reducing the total amount of its debt.

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Key Executive and Director Compensation Policies and Practices

Independent compensation consultant to the Compensation Committee

No individual employment agreements

Majority of compensation is in the form of restricted stock awards designed to align interests of executives and shareholders

Robust stock ownership requirements 5x of base salary for the Chief Executive Officer, Chief Operating Officer and President and 3x of base salary for other executive officers, and 3x base annual retainer for directors

Use of a relevant peer group in establishing compensation

Minimal perquisites

Prohibition of hedging of Company securities by executive officers and directors

Key Governance Policies and Practices

Five of six directors are independent

Chief Executive Officer is the only management director

Voluntary establishment of Compensation and Nominating/Corporate Governance Committees, even though exempt from these requirements as a controlled company under New York Stock Exchange (NYSE) rules

Audit and Compensation Committees composed entirely of independent directors

Lead independent director with clearly established authority and responsibility over the governance of our Board of Directors

Regular executive sessions of the Board without management present

Board risk management oversight with a focus on the most significant risks facing the Company

Annual evaluation process for the Board and its committees

Director in uncontested election that does not receive a majority of for votes, must submit his or her resignation for consideration by the Nominating/Corporate Governance Committee and the Board

For more detailed information regarding our proxy materials and voting at the Annual Meeting, see Questions and Answers About This Proxy Material and Voting, at page 48.

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Proposal 1:

Election of Directors

General

Our Board has six members. Our directors are divided into three classes and serve staggered three year terms. Class I, Class II and Class III directors will serve until our annual meetings of shareholders in 2019, 2017 and 2018, respectively. The Board has nominated William B. Berry, whose term as a director expires as of the Annual Meeting, to be re-elected as a Class II director for a term to continue until the 2020 Annual Meeting of Shareholders. The Board has also nominated James L. Gallogly to stand for election at the Annual Meeting as a new Class II director, to be elected for a term to continue until the 2020 Annual Meeting of Shareholders, and, in the case of each director nominee, each to serve until their respective successor has been elected and qualified or until their earlier resignation or removal. David L. Boren, who is currently serving as a Class II director and whose term expires as of the Annual Meeting, was not nominated to stand for re-election at the Annual Meeting.

James L. Gallogly was recommended for nomination by the Nominating/Corporate Governance Committee following the review of a number of candidates identified by the committee with the assistance of the Board. The Nominating/Corporate Governance Committee and Board were responsible for evaluating the credentials of the candidates considered and vetting their suitability to serve on the Board, with the assistance of management. In conducting the search, the Nominating/Corporate Governance Committee focused on identifying candidates who would add to the diversity of skills and experience possessed on an aggregate basis by the existing Board members. To facilitate the effort to identify a candidate who would complement the Board's collective skills and experience as described above, each member of the Board completed a skills matrix and the results of this exercise were compiled and used in evaluating potential nominees. The personal attributes prioritized by the Nominating/Corporate Governance Committee were high standards of ethical behavior, availability, outstanding achievement in both professional and personal life, strong interpersonal skills, independence and soundness of judgment. The Committee also focused on identifying individuals with an understanding of the Company's business and expertise in exploration and production strategy and risk management. The Committee discussed and vetted each of the nominees against the criteria described above.

The election of a director requires the affirmative vote of a plurality of the shares of Common Stock voting in person or by proxy at the Annual Meeting. All proxies received will be voted,

in the absence of instructions to the contrary, For the re-election of Mr. Berry to the Board and the election of Mr. Gallogly to the Board. While withheld votes will not have an effect on the outcome of the election, our Bylaws provide that a nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for such election shall submit his or her offer of resignation for consideration by the Nominating/Corporate Governance Committee of the Board within ninety (90) days from the date of the election. The Nominating/Corporate Governance Committee of the Board shall consider all relevant facts and circumstances and recommend to the Board the action to be taken with respect to such offer of resignation.

Should a nominee for election to the Board be unable to serve for any reason, the Board may designate a substitute nominee in which event all proxies received without instructions will be voted for the election of such substitute nominee. To the best knowledge of our Board, the named nominees will each serve if elected.

The Board recommends the shareholders vote FOR the re-election of William B. Berry and FOR the election of James L. Gallogly to the Board.

The following table outlines certain information about each of the director nominees as well as our other directors as of March 23, 2017:

Name	Age	Director Since	Existing Term
			Expires
Harold G. Hamm	71	1967	2019
William B. Berry	64	2014	2017
David L. Boren	75	2009	2017
James L. Gallogly*	64	*	*
Lon McCain	69	2006	2018
John T. McNabb, II	72	2010	2019
Mark E. Monroe	62	2001	2018

* James L. Gallogly has been nominated to stand for election at the Annual Meeting as a new Class II director. If elected, Mr. Gallogly's term will expire at the 2020 Annual Meeting.

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Harold G. Hamm has served as Chief Executive Officer and a director since our inception in 1967 and currently serves as Chairman of the Board. In addition, Mr. Hamm served as our President from October 31, 2008 to November 3, 2009. He served as Chairman of the board of directors of the general partners of Hiland Partners, LP (Hiland) and Hiland Holdings GP, LP (Hiland Holdings), former affiliates of ours through February 13, 2015, which were publicly traded in the past. From September 2005 through February 2012, Mr. Hamm served as a director of Complete Production Services, Inc., an oil and gas service company publicly traded on the NYSE. Mr. Hamm is Chairman of Domestic Energy Producers Alliance and served as Chairman of the Oklahoma Independent Petroleum Association from June 2005 to June 2007. He was President of the National Stripper Well Association, founder and Chairman of Save Domestic Oil, Inc., and served on the board of directors of the Oklahoma Energy Explorers and is co-chairman of the Council for a Secure America.

Mr. Hamm's role as the founder and majority shareholder of our Company and his extensive experience in the energy industry, gained leading our Company for the last 50 years, qualify him to serve on our Board and in the role as Chairman.

William B. Berry has been a director since May 2014 and has served as Lead Director since the 2016 Annual Meeting. He will continue to serve as Lead Director through the Annual Meeting. Mr. Berry served as Executive Vice President, Exploration and Production, of ConocoPhillips Company (ConocoPhillips), a major international integrated energy company, from 2003 until his retirement on January 1, 2008. He has over 30 years of experience with ConocoPhillips and Phillips Petroleum Company, which became a part of ConocoPhillips in August 2002. While with these companies, he served at various times in other executive positions including President, Asia Pacific; Senior Vice President of Exploration and Production, Eurasia-Middle East; Vice President of Exploration and Production, Eurasia; and Vice President of International Exploration and Production, New Ventures. While at ConocoPhillips and Phillips Petroleum Company he served in various locations including London, England; Abidjan, Ivory Coast; Stavanger, Norway; Shekou and Beijing, China; and Singapore. Mr. Berry was recognized by the government of China as one of the 31 outstanding foreign experts in 1996. He has served on the board of directors of Franks International since January 2015 and on the board of directors of Oceaneering International, Inc. since June 2016. He served on the board of directors of Nexen Inc. from December 2008 to


June 2013, Willbros Group, Inc. (Willbros) from February 2008 to May 2014, Access Midstream Partners, L.P. from June 2013 to May 2014, and Teekay Corporation from June 2012 to December 2015. He was the Honorary Consul for Kazakhstan from 2009 until 2014. Mr. Berry holds a bachelor's and master's degree in petroleum engineering from Mississippi State University.

Mr. Berry brings extensive domestic and international experience in the oil and gas exploration and production industry and management expertise to the Board. Mr. Berry also brings considerable experience from his position as a director with several other publicly traded companies involved in the energy industry. We believe Mr. Berry's extensive industry, management and director expertise qualify him to serve on our Board and as Lead Director.

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David L. Boren has been a director since March 2009. Mr. Boren serves as President of the University of Oklahoma, a position he has held since November 1994. Prior to becoming President of the University of Oklahoma, he served in the United States Senate representing Oklahoma from 1979 to 1994. During his service in the Senate he was the longest serving Chairman of the U.S. Select Committee on Intelligence. From 1975 to 1979, Mr. Boren was Governor of Oklahoma. Before being elected Governor, he served eight years in the Oklahoma House of Representatives. He engaged in the private practice of law from 1969 to 1974. He also served as a professor of Political Science at Oklahoma Baptist University from 1970 to 1974. In 1986, Mr. Boren founded the Oklahoma Foundation for Excellence, a private foundation which rewards and encourages excellence in public education. He continues to serve as its Chairman. He also serves on the board of directors of the Bloomberg Family Foundation, Inc. He received his B.A. from Yale University, his M.A. in economics from Oxford University as a Rhodes Scholar and his Juris Doctor from the University of Oklahoma. He previously served as a director of ConocoPhillips and Hiland Partners GP, LLC (the general partner of Hiland Partners, LP), Texas Instruments and AMR Corporation and currently serves as a director of Torchmark Corporation.

Mr. Boren's experience as a member of the Oklahoma House of Representatives, as Governor of the State of Oklahoma, as a U.S. Senator, and as President of the University of Oklahoma provide him with invaluable leadership skills. Mr. Boren also has considerable experience serving as a director with many other large public companies, some of which are in the energy industry. We believe Mr. Boren's extensive leadership skills and experience as a past and present director of numerous large public companies qualify him to serve on our Board. Mr. Boren's current term expires as of the Annual Meeting. He has not been nominated to stand for re-election at the Annual Meeting. As a result, Mr. Boren will cease serving as a director after the Annual Meeting.



James L. Gallogly has been nominated to serve as a director and is standing for election to his initial term on the Board at the Annual Meeting. Mr. Gallogly served as Chief Executive Officer of LyondellBasell Industries N.V. (LyondellBasell), a premier plastics, chemicals and refining company from May 2009 to January 2015. Prior to joining LyondellBasell, he held senior management positions at ConocoPhillips, including as Executive Vice President of Worldwide Exploration and Production, and Executive Vice President of Refining, Marketing and Transportation. Prior to his service at ConocoPhillips, he was President and Chief Executive Officer of Chevron Phillips Chemical Company LLC. Mr. Gallogly has served on the board of directors of E. I. du Pont de Nemours and Company since February 2015. He also served as the Chairman of the Management Board of LyondellBasell from April 2010 to January 2015. Mr. Gallogly is a member of the University of Oklahoma Gallogly College of Engineering Board of Visitors and the University Cancer Foundation Board of Visitors at the University of Texas M.D. Anderson Cancer Center. He is also a director of the University of Colorado

Foundation and Junior Achievement of Southeast Texas. Mr. Gallogly holds a Juris Doctor from the University of Oklahoma College of Law and a Bachelor of Arts in Psychology from the University of Colorado at Colorado Springs.

Mr. Gallogly brings to the Board an extensive background in the oil and gas exploration and production industry as a result of his time as an executive of ConocoPhillips. His service at ConocoPhillips allowed him to develop expertise in the upstream and downstream aspects of this industry, including experience with exploration and production, refining, petrochemicals and commodity pricing. Serving as Chief Executive Officer of LyondellBasell deepened his already extensive management and governance experience. We believe Mr. Gallogly's extensive industry, management and director expertise qualify him to serve on our Board.

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Ellis L. Lon McCain has been a director since February 2006 and serves as Chairman of our Compensation Committee. Mr. McCain also served as Lead Director from the 2014 Annual Meeting through the 2016 Annual Meeting. Mr. McCain served as Executive Vice President and Chief Financial Officer of Ellora Energy, Inc. (Ellora) from July 2009 through August 2010 when Ellora was merged into a subsidiary of Exxon Mobil Corporation. Prior to Ellora, Mr. McCain was Vice President, Treasurer, and Chief Financial Officer of Westport Resources Corporation (Westport), a publicly traded exploration and production company, from 2001 until the sale of Westport to Kerr McGee Corporation and his retirement from Westport in 2004. From 1992 until joining Westport in 2001, Mr. McCain was Senior Vice President and Principal of Petrie Parkman & Co., an investment banking firm specializing in the oil and gas industry. From 1978 until joining Petrie Parkman & Co., Mr. McCain held senior financial management positions with Presidio Oil Company, Petro-Lewis Corporation, and Ceres Capital. He was an Adjunct Professor of Finance at the University of Denver from 1982 through 2005. Mr. McCain currently serves on the board of directors of Contango Oil & Gas Company (Mr. McCain served on the board of

directors of Crimson Exploration, Inc. until its merger into Contango Oil & Gas Company in October 2013), a domestic exploration and production company traded on the NYSE, and Cheniere Energy Partners, GP, LLC, the general partner of Cheniere Energy Partners, L.P., a publicly traded partnership. Mr. McCain received a B.A. in business administration and an M.B.A. with a major in finance from the University of Denver.

Mr. McCain brings extensive business, financial and management expertise to the Company from his background as Chief Financial Officer of Ellora and Westport and from his tenure as an investment banker specializing in the oil and gas industry. Mr. McCain also brings considerable experience from his position as a director with several other energy companies. We believe Mr. McCain's extensive business, financial, management and director expertise qualify him to serve on our Board and as Chairman of our Compensation Committee.

John T. McNabb, II has been a director since May 2010 and currently serves as Chairman of our Nominating/ Corporate Governance Committee. He was appointed as lead director on November 2, 2011 and served in that capacity through the 2013 Annual Meeting. Mr. McNabb served as Chairman and Chief Executive Officer of Willbros, an international energy engineering and construction firm, from October 2014 through November 2015 and previously served as the Executive Chairman of the Board of Willbros from August 2014 to October 2014. Mr. McNabb serves as Senior Advisor of Duff & Phelps Corporation (Duff & Phelps), a global independent provider of financial advisory and investment services, a position he held from November 2014 to present. Mr. McNabb was Vice Chairman of Corporate Finance of Duff & Phelps from June 2014 through October 2014 and Vice Chairman of Investment Banking of Duff & Phelps from July 2011 to June 2014. He was Founder and Chairman of the board of directors of Growth Capital Partners, L.P., a merchant banking firm that provided financial advisory services to middle market companies throughout the United States. He served in this position from 1992 through June

2011.

He was formerly a Managing Director of Bankers Trust New York Corporation (Bankers Trust) and a board member of BT Southwest Inc., a wholly-owned subsidiary of Bankers Trust. Mr. McNabb went to Bankers Trust from The Prudential Insurance-Company of America where he had a six year career, commencing in 1984, in positions with Prudential-Bache Securities, The Prudential Corporate Finance Group and Prudential Capital Corporation, a merchant banking affiliate of The Prudential. He started his career with Mobil Oil Corporation in its exploration and production division. Mr. McNabb holds B.A. and M.B.A. degrees from Duke University. Mr. McNabb has served on the board of directors of eight public companies, including Cypress Energy Partners, L.P., where he serves on the Audit Committee and is Chairman of the Conflicts Committee, Willbros, from 2006 to 2016, where he served as Chairman of the Board and on the Audit, Finance and Executive Committees, and Hiland Partners, GP, LLC, from 2006 to 2009, where he served as Chairman of the Conflicts Committee and as a member of the Compensation Committee.

Mr. McNabb's extensive banking and investment company experience and his direct participation in the oil and gas production and service segments, including his service as Chief Executive Officer of Willbros, make him well suited to serve on our Board. Mr. McNabb's leadership skills as Founder and Chairman of the board of directors of Growth Capital Partners, L.P. and his public company experience as an audit and compensation committee member also make him well qualified to serve on our Board. We believe this experience qualifies him to serve on our Board and as the Chairman of our Nominating/Corporate Governance Committee.

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Mark E. Monroe has served as a director since November 2001, serves as Chairman of our Audit Committee, and as Lead Director effective after the Annual Meeting. Mr. Monroe was our President and Chief Operating Officer from October 2005 until October 31, 2008. He was Chief Executive Officer and President of Louis Dreyfus Natural Gas Corp. prior to its merger with Dominion Resources, Inc. in October 2001. After the merger, Mr. Monroe was a consultant and served as a member of the board of directors of Unit Corporation, a NYSE publicly traded onshore drilling and oil and gas exploration and production company from October 2003 through October 2005. He currently serves on the board of directors of the Oklahoma Independent Petroleum Association. He served on the board of directors of Rose Rock Midstream GP, LLC, the general partner of Rose Rock Midstream, L.P., from December 2011 to April 1, 2016. He has served as Chairman of the Oklahoma Independent Petroleum Association, served on the Domestic Petroleum Council and the National Petroleum Council, and on the boards of directors of the Independent Petroleum Association of America, the Oklahoma Energy Explorers, and the Petroleum Club of Oklahoma City. Mr. Monroe is a Certified Public Accountant and received his B.A. in business administration from the University of Texas at Austin.

Mr. Monroe's extensive executive and financial experience from his service in positions as Chief Executive Officer, President and Chief Financial Officer at various public oil and gas companies and his background as a Certified Public Accountant qualify him to serve on our Board, as Chairman of our Audit Committee, and as Lead Director after the Annual Meeting.

Corporate Governance Matters

We are a controlled company within the meaning of the listing standards of the NYSE because a limited liability company owned by our Chairman and Chief Executive Officer, Harold G. Hamm, and members of his family own more than 50% of our outstanding shares of Common Stock. Consequently, we are not required to comply with certain NYSE listed company requirements, such as the requirement to have a majority of independent directors on our Board, or the requirement to have compensation and nominating committees comprised entirely of independent directors. However, we are required to have an independent Audit Committee, and we have voluntarily established a Compensation Committee comprised entirely of independent directors and a Nominating/Corporate Governance Committee. The Board uses the independence standards of the NYSE corporate governance rules generally applicable to directors for determining whether directors are independent. A copy of those standards is attached as Annex A. The Board additionally follows applicable rules of the Securities and Exchange Commission (SEC) in determining independence for committee members. The Board has determined Messrs. Berry, Boren, Gallogly, McCain, McNabb and Monroe have no relationship with the Company other than as a director and shareholder and are independent under the NYSE and SEC rules for purposes of service on the Board and its committees. Members of each committee are elected annually by the Board and serve for one year terms, until their successors are elected and qualified or until their earlier resignation or removal.

The Board held six meetings and acted by unanimous consent one time during the year ended December 31, 2016. Directors are expected to attend all meetings of the Board and the committees on which they serve. To be re-nominated, directors must have attended at least 75% of the Board and committee meetings during their term, and all directors did so during 2016. All directors attended the 2016 Annual Meeting of Shareholders and all directors plan

to attend the 2017 Annual Meeting. Under our Corporate Governance Guidelines, attendance at the Annual Meeting is listed as an indicator to be considered when evaluating whether a director is devoting sufficient time to his or her responsibilities.

Board Leadership Structure. Harold G. Hamm serves as the Company's Chairman and Chief Executive Officer. Additionally, through Harold Hamm Family LLC (the "Family LLC"), a limited liability company owned by Harold G. Hamm, members of his family and trusts established for their benefit and for which Mr. Hamm serves as manager, Mr. Hamm exercises voting and dispositive power over approximately 75.42% of our outstanding shares of Common Stock as of March 23, 2017. The Board believes this leadership structure is appropriate because of the efficiencies of having the Chief Executive Officer also serve in the role of Chairman of the Board, Mr. Hamm's role in founding the Company, and Mr. Hamm's ongoing control of a significant financial interest in the Company through the Family LLC.

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Lead Director. The Board has appointed Mr. Berry to serve as lead director with the following responsibilities similar to those typically performed by an independent Chairman: (i) presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors; (ii) acts as a key liaison between the Chairman and Chief Executive Officer and the independent directors; (iii) provides input into the materials to be delivered to the directors in advance of each Board meeting; (iv) provides feedback regarding the quality, quantity, and timeliness of those materials; and (v) communicates Board member feedback to the Chairman and Chief Executive Officer. Mr. Berry is expected to continue serving as lead director through the 2017 Annual Meeting. At the February 2017 Board meeting, Mr. Monroe was appointed to replace Mr. Berry as lead director, effective immediately following the Annual Meeting for a period extending through the 2018 Annual Meeting.

Risk Oversight. The Board is responsible for overseeing our Company's management of risk. The Board strives to effectively oversee our enterprise-wide risk management in a way that balances managing risks while enhancing the long-term value of our Company for the benefit of our shareholders. The Board understands its focus on effective risk oversight is critical to setting our company's tone and culture towards effective risk management. To administer its oversight function, the Board seeks to understand our Company's risk philosophy by having regular discussions with management to establish a mutual understanding of our Company's overall appetite for risk. The Board maintains an active dialogue with management, including the Chief Executive Officer, Chief Financial Officer, and Chief Risk Officer, about existing risk management processes and how management identifies, assesses and manages our most significant risk exposures, including commodity price risk, liquidity risk, reputational risk, operational risk, safety risk, cybersecurity risk, compliance risk and legal risk. The Board appointed Eric S. Eissenstat effective May 2014 as Chief Risk Officer to further enhance the Company's enterprise risk management. Mr. Eissenstat is primarily responsible for instituting risk management practices that are consistent with our overall business strategy and risk profile. The Board expects, and receives, regular updates from Mr. Eissenstat and other members of our management team about our most significant risks so as to enable it to evaluate whether management is responding appropriately. For example, senior management attends Board meetings and is available to address any questions or concerns raised by our Board on risk management-related and any other matters. In addition, our Board receives presentations from senior management on strategic matters.

The Board also relies on each of its committees to help oversee the risk management responsibilities relating to the functions performed by such committees. The Audit Committee considers risks related to financial reporting including overseeing our internal controls and interacting with our independent public accounting firm at least quarterly. The Compensation Committee oversees our compensation practices to ensure they do not encourage unnecessary and excessive risk taking by management. The Nominating/Governance Committee oversees risks relating to our corporate governance and compliance programs and assists the Board and management in promoting an organizational culture that encourages commitment to ethical conduct and a commitment to compliance with the law. Each of the Board's committees reports regularly to the Board on risk-related matters within its responsibilities.

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Board Committees. Our Board has three standing committees: (i) an Audit Committee; (ii) a Compensation Committee; and (iii) a Nominating/ Corporate Governance Committee. Each committee is governed by a written charter approved by the full Board. These charters form an integral part of our corporate governance policies and are available on our website, www.CLR.com. The Finance Committee was dissolved by the Board in October 2016. The Board determined the functions performed by this committee could be adequately carried out by the Board.

The tables below provide information regarding the current composition of each standing committee of our Board, the significant responsibilities of each committee as set forth in their respective charters and the number of times each committee met or acted by written consent in 2016:

Name of Committee and Members	Principal Functions of the Committee	Meetings	
		in 2016	Written Consents in 2016
Audit	The Audit Committee is appointed by our Board to perform an oversight function. Pursuant to its Charter, the responsibilities of the Audit Committee are:	7	0
Mark E. Monroe, Chairman			
Lon McCain			
William B. Berry*	select and oversee our relationship with our independent registered public accounting firm;		
	review with our independent registered public accounting firm the scope and results of our annual audit and any other reviews conducted by such firm;		
	discuss our earnings releases and guidance with financial management;		
	review our financial statements and reports including Forms 10-K and Forms 10-Q as well as any major issues regarding accounting principles;		

review significant financial reporting issues and practices;

monitor internal control policies and practices;

establish procedures for receipt, consideration, and treatment of issues raised regarding accounting, internal accounting control or auditing matters;

review our major financial risk exposures;

review proposals of related party transactions;

review and approve internal audit plan and budget;

approve decisions regarding appointment and removal of chief audit executive; and

review the effectiveness and performance of our internal audit function.

The Board has determined this individual is an Audit Committee Financial Expert.

* If Mr. Gallogly is elected, it is anticipated he will replace Mr. Berry on the Audit Committee, effective immediately following the Annual Meeting. The Board has determined that Mr. Gallogly qualifies as an Audit Committee Financial Expert.

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Name of Committee and Members	Principal Functions of the Committee	Meetings in 2016	Written Consents in 2016
Compensation**	Pursuant to its Charter, the responsibilities of the Compensation Committee are as follows:	5	3
Lon McCain, Chairman	<p>review our compensation philosophy and how our pay programs align with that philosophy;</p>		
William B. Berry	<p>review whether risks from our compensation policies and practices are reasonably likely to have a material adverse effect;</p>		
John T. McNabb, II	<p>review and make recommendations in connection with say on pay votes and the frequency with which we conduct such votes;</p> <p>review and administer all compensation plans and provide oversight in connection with grants and awards under such plans;</p> <p>oversee the terms of any employment contract or change of control agreement applicable to our officers;</p>		

oversee the drafting of the Compensation Discussion and Analysis portion of our proxy statement;

oversee awards of stock or other equity compensation to employees;

review and approve the individual elements of the total compensation of senior executives, including the Chief Executive Officer;

review and make recommendations to the Board with respect to director compensation; and

oversee our share ownership guidelines applicable to non-employee directors and senior executives, including the Chief Executive Officer.

**If Mr. Gallogly is elected, it is anticipated he will join the Compensation Committee effective immediately following the Annual Meeting.

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Name of Committee and Members	Principal Functions of the Committee	Meetings	
		in 2016	Written Consents in 2016
Nominating / Corporate Governance	Pursuant to its Charter, the responsibilities of the Nominating/Corporate Governance Committee are as follows:	4	0
John T. McNabb, II, Chairman			
David L. Boren***	identify individuals qualified to become Board members, recommend those qualified members to the Board, and recommend the director nominees to the Board for each annual meeting of the Company's shareholders or to fill vacancies on the Board;		
Harold G. Hamm			
Mark E. Monroe	recommend nominees to the Board for each committee of the Board and review committee member qualifications;		
	make recommendations to the Board regarding the composition and size of the Board;		
	develop and make recommendations to the Board in connection with the director nomination process and other corporate governance matters;		
	assess the independence of directors and director nominees;		
	develop and recommend to the Board the Corporate Governance		

Guidelines applicable to the Company;

lead the Board in its annual review of the Board's performance;

provide risk oversight with respect to the areas of responsibility of the Nominating/Corporate Governance Committee set forth in its Charter;

review succession plans relating to our Chief Executive Officer and the other executive officer positions;

oversee director continuing education and the orientation program for new directors;

oversee our legislative affairs activities and any political action committees; and

oversee communications between management and shareholders of the Company relating to corporate governance.

***If re-elected, Mr. Berry is expected to replace Mr. Boren on the Nominating/Corporate Governance Committee when Mr. Boren's term expires.

Additional Information Regarding the Audit Committee. Pursuant to its Charter, the Audit Committee has the authority to retain outside counsel or other experts to advise the Committee in connection with the exercise of its powers and responsibilities. In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company. The Audit Committee meets at least quarterly with our senior management, our manager of internal auditing and our independent auditors to discuss any matters the Audit Committee or any of these individuals or groups believe should be discussed in private. The Audit Committee makes regular reports to the Board.

In 2016, the Audit Committee discussed the financial information contained in each quarterly and annual SEC filing with the Chief Financial Officer and independent auditors prior to public release.

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Additional Information Regarding the Compensation Committee. The role the Compensation Committee plays in establishing our executive officer compensation is further described below in Executive Compensation and Other Information Compensation Discussion and Analysis. The Compensation Committee has the authority to retain or terminate consultants, including the authority to approve the consultants' fees and other retention terms. In 2016, the Compensation Committee employed Longnecker & Associates (Longnecker), whose engagement is described in the Compensation Discussion and Analysis section herein.

Corporate Governance Guidelines and Communications with the Board

We have adopted Corporate Governance Guidelines and a Code of Business Conduct and Ethics in accordance with the rules of the NYSE. We last amended our Corporate Governance Guidelines in March 2017 and our Code of Business Conduct and Ethics (formerly titled Code of Ethics) in September 2014. The Code of Business Conduct and Ethics is applicable to all employees and directors, including our principal executive, financial, and accounting officers. In addition, each of the standing committees of the Board has a charter which has been approved by the Board. Copies of the Corporate Governance Guidelines, Code of Business Conduct and Ethics, and committee charters are available at our website, www.CLR.com, and a printed copy of any of these documents will be made available to any shareholder requesting one from our Secretary.

Our Corporate Governance Guidelines require the non-management directors to meet in regularly scheduled executive sessions. Mr. Berry has been selected by the Board to serve as lead director through the 2017 Annual Meeting and, acting in that capacity, he presided over 4 executive sessions in 2016. At the February 2017 Board meeting, Mr. Monroe was appointed to replace Mr. Berry as lead director, effective immediately following the Annual Meeting for a period extending through the 2018 Annual Meeting.

Any shareholder or interested party desiring to communicate or express concerns to us, directors generally, non-management directors or an individual director only may do so by submission in writing to Continental Resources, Inc., Attn: Secretary, 20 N. Broadway, Oklahoma City, Oklahoma 73102, with information sufficient to identify the person submitting the communication or concern, including the name, address, telephone number, and an e-mail address (if applicable), together with information indicating the relationship of such person to us. Our Secretary is responsible for maintaining a record of any such communications or concerns and submitting them to the appropriate person(s) for potential action or response. We will verify the authenticity of any communication or concern before submission. We are not obligated to investigate or submit any anonymous submissions from persons who are not our employees.

Although we are a controlled company under the listing standards of the NYSE, the Board has voluntarily established a Nominating/Corporate Governance Committee. Our Nominating/Corporate Governance Committee is responsible for assessing the skills and characteristics of Board members and for screening potential Board candidates. While the Nominating/Corporate Governance Committee has no minimum qualifications for candidates, the Committee generally reviews and evaluates both incumbent and potential new directors to achieve diversity of skills and experience among our directors, based on the following criteria set forth in our Corporate Governance Guidelines:

commitment and background to represent shareholder interests;

moral character and integrity;

ability to apply sound business judgment;

independence and freedom from conflicts of interest;

ability to devote time necessary to understand the Company and carry out the duties of a director, including attendance at meetings and consultation on Company matters;

ability to function as a team member and communicate effectively;

professional and personal accomplishments;

understanding of strategic issues;

ability to understand financial matters and read financial statements;

oil and gas exploration and energy experience; and

experience with risk assessment.

Qualified candidates for nomination to the Board are considered without regard to race, color, religion, gender or national origin. The process used by the Nominating/Corporate Governance Committee for identifying and evaluating nominees for the Board consists of

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reviewing qualifications of candidates suggested by management, other Board members, shareholders, or other sources. In evaluating nominees, the Nominating/Corporate Governance Committee considers whether it has been successful in achieving the desired diversity of skills and experience based on the then current composition of the Board. The Nominating/Corporate Governance Committee will consider recommendations for nomination as a Board member by any shareholder of the Company who is a shareholder of record at the time of giving notice to the Company as provided in the Company bylaws (the Bylaws), is entitled to vote on the election of directors at the meeting, and complies with the notice procedures set forth in our Bylaws. Such nominations shall be made pursuant to timely notice in writing to Continental Resources, Inc., Attn: Secretary, 20 N. Broadway, Oklahoma City, Oklahoma 73102.

To be timely, a shareholder's notice shall be delivered to or mailed and received at our principal executive office (i) with respect to an election of directors to be held at the annual meeting of the shareholders of the Company, not later than ninety (90) days or more than one hundred twenty (120) days prior to the one year anniversary date of the preceding year's annual meeting of shareholders of the Company; provided, however, if the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, to be timely, a shareholder's notice must be so delivered not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made; and (ii) with respect to a special meeting of shareholders called for the purpose of electing one or more directors to the Board, not earlier than the ninetieth day prior to such special meeting and not later than the close of business on the later of the seventieth day prior to such special meeting or the tenth day following the day on which public announcement of the date of the special meeting is first made. Such shareholder's notice to the Secretary shall set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director, all information relating to the person required to be disclosed in solicitations for proxies for election of directors, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including the written consent of such person to be named in the proxy statement as a nominee and to serve as a director if elected), and (b) as to the shareholder giving the notice (i) the name and address, as they appear on the Company's books, of such shareholder, and (ii) the class and number of shares of capital stock of the Company that are beneficially owned by the shareholder.

There are no specific minimum qualifications for shareholder nominees. The Company has not previously received nominees from shareholders. All nominees, regardless of source, will be evaluated by the Nominating/Corporate Governance Committee in the same manner and using the same criteria as is used for nominees recommended by the committee.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee consists of Messrs. Berry, McCain and McNabb and there were no changes to the composition of the Committee during 2016. During 2016, there were no interlocking relationships as defined by the SEC.

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Certain Relationships and Related

Party Transactions

Policies and Procedures

Our Audit Committee Charter provides the Audit Committee shall review all related party transactions (as defined below) and recommend approval or disapproval to the Board of any such transaction.

The Charter defines a related party transaction as a transaction, proposed transaction, or series of similar transactions, in which (a) we are a participant, (b) the amount involved exceeds \$120,000 annually and (c) a related person (as defined below) has or will have a direct or indirect material interest. A related person is (a) any person who is, or at any time since the beginning of our last fiscal year was, a director, executive officer, or nominee to become a director, (b) a person known to beneficially own 5% or more of any class of our voting securities, (c) an immediate family member of any of the foregoing persons (which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer, nominee for director or greater than 5% beneficial owner), and (d) any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee for director or greater than 5% beneficial owner. The Audit Committee considers the adequacy of disclosure and fairness to us of the matters considered.

The Audit Committee adopted a written policy which includes factors for committee members to consider in exercising their business judgment including (a) terms of the transaction with the related party, (b) availability of comparable products or services from unrelated third parties, (c) terms available from unrelated third parties and (d) the benefits to us. The Audit Committee recommends for approval only those related party transactions that are, in its business judgment, in our best interests and on terms no less favorable to us than we could have achieved with an unaffiliated party.

Transactions

In 2016, we participated in the related party transactions described below. Based upon the review and recommendations of our Audit Committee, or of our Board or the other committee thereof in the case of the transactions described in the following sentence, we believe the transactions described below are in our best interests and are on terms no less favorable to us than we could have achieved with an unaffiliated party. Our Audit Committee reviewed and recommended each of the transactions described below except that a Special Committee of the Board reviewed and recommended the registration rights agreement described below under *Registration Rights Agreements Wheatland Transaction Registration Rights Agreement*; and the full Board reviewed and recommended the registration rights agreement described below under *Registration Rights Agreements Initial Public Offering Registration Rights Agreement*.

Oilfield Services

During the year ended December 31, 2016, we paid United Drilling Company (United) approximately \$77,000 for demobilization of United Rig #21, a portion of which was billed to other interest owners. United did not drill any new wells for us in 2016. Mr. Hamm owns 100% of the common stock of United. At December 31, 2016, nothing was due to or from United.

Royalty and Common Ownership

In 2016, we received approximately \$263,000 from the Harold G. Hamm Trust (the Hamm Revocable Trust), a trust of which Harold G. Hamm, our Chief Executive Officer and Chairman of the Board, is the trustee and sole beneficiary, for billings on interests owned in various oil and gas wells which we operate. We also disbursed to the Hamm Revocable Trust approximately \$392,000 in 2016 for the Hamm Revocable Trust s share of oil and gas sales attributed to these interests which were received from the purchasers of production. At December 31, 2016, approximately \$79,000 was due from the Hamm Revocable Trust and approximately \$42,000 was due to the Hamm Revocable Trust.

Aircraft Related Matters

From time to time, we allow Transwestern Transports, LLC (Transwestern), an entity owned by Mr. Hamm, to use our corporate aircraft and crews and have used the aircraft of Transwestern in order to facilitate efficient transportation of personnel. The rates

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charged vary by type of aircraft used. In 2016, we received approximately \$7,000 from Transwestern for use of our corporate crews and reimbursement of expenses and were owed approximately \$3,000 at December 31, 2016 from Transwestern. In 2016, we paid Transwestern approximately \$15,000 for use of its aircraft and reimbursement of expenses and owed approximately \$97,000 to Transwestern at December 31, 2016. Additionally, in February of 2016, the Company acquired a prepaid repair balance from Transwestern, to be used for the maintenance and upgrade of the Company's Cessna aircraft. The balance was acquired at a 10% discount from face value for an aggregate amount of \$180,000.

Registration Rights Agreements

Initial Public Offering Registration Rights Agreement. In connection with the closing of our initial public offering in May 2007, we entered into a registration rights agreement with the Hamm Revocable Trust and the two irrevocable trusts established for the benefit of Mr. Hamm's children pursuant to which we granted to the trusts certain demand and piggyback registration rights. The Hamm Revocable Trust and the two irrevocable trusts mentioned in the prior sentence transferred the securities subject to this registration rights agreement to the Family LLC in September 2015 (the September Transfer). As a result, the rights of the Hamm Revocable Trust and the two irrevocable trusts under this registration rights agreement may be assigned to the Family LLC at the direction of the entities involved in the September Transfer. Under the registration rights agreement, each holder of securities covered by the registration rights agreement has the one time right to require us to file a registration statement for the public sale of all or part of the shares of Common Stock owned by it at any time if at least six months have passed since the last demand registration statement. In connection with a demand by any such holder, the non-demanding parties have the right to participate in such registration process. However, in the event securities are to be sold in an underwritten offering pursuant to such demand registration statement and the managing underwriter thereof advises the participants the amount of securities to be offered thereby should be limited, such limitation shall be satisfied first from the securities allocated to participants other than the demanding party.

If we sell any shares of our Common Stock in a registered underwritten offering, each holder of securities covered by the registration rights agreement has the right to include its shares in that offering. The underwriters of any such offering have the right to limit the number of shares to be included in such sale. We will pay all expenses relating to any demand or piggyback registration, except for underwriters' or brokers' commissions or discounts. The securities covered by the registration rights agreement will no longer be registrable under the registration rights agreement if they have been sold to the public either pursuant to a registration statement or under Rule 144 promulgated under the Securities Act of 1933, as amended.

Wheatland Transaction Registration Rights Agreement. In March 2012, the Company entered into a Reorganization and Purchase and Sale Agreement (the Purchase and Sale Agreement) with Wheatland Oil Inc. (Wheatland) and the shareholders of Wheatland. Wheatland is owned 75% by the Hamm Revocable Trust and 25% by the Company's Vice Chairman of Strategic Growth Initiatives, Jeffrey B. Hume.

Pursuant to the Purchase and Sale Agreement, we entered into a registration rights agreement granting the Hamm Revocable Trust and Mr. Hume registration rights for the shares of Common Stock that they received, at the direction of Wheatland, upon the closing of the acquisition (the Registrable Securities). The Hamm Revocable Trust transferred the Registrable Securities held by it to the Family LLC as part of the September Transfer. As a result, the rights of the Hamm Revocable Trust under this registration rights agreement may be assigned to the Family LLC at the direction of the Hamm Revocable Trust and Family LLC. Under the registration rights agreement, each holder of Registrable Securities has demand and piggyback registration rights. The demand rights enable each of the holders of Registrable Securities to require us to register their respective shares of Registrable Securities with the SEC at any time, subject to certain limited exceptions, including the requirement that the aggregate proceeds from the demand registration exceed

\$40 million (net of underwriting discounts and commissions) and the Company is not required to effect more than four demand registrations in any three year period. The piggyback rights allow each of the holders of Registrable Securities to register their Registrable Securities along with any shares we register with the SEC. These registration rights are subject to customary conditions and limitations, including the right of the underwriters of an offering to limit the number of shares.

Table of Contents**Non-Employee Director Compensation****General**

The Compensation Committee reviews annually the total compensation paid to our non-employee directors. The purpose of the review is to ensure the level of compensation is appropriate to attract and retain a diverse group of directors with the breadth of experience necessary to perform our Board's duties, and to fairly compensate our directors for their service. This review includes consideration of qualitative and quantitative factors. To ensure directors are compensated relative to the scope of their responsibilities, the Compensation Committee considers: (a) the time and effort involved in preparing for Board, committee and management meetings and the additional duties assumed by committee chairs; (b) the risks associated with serving on the Board; and (c) the compensation paid to directors at a peer group of companies as reported by the Compensation Committee's compensation consultant.

2016 NON-EMPLOYEE DIRECTOR COMPENSATION TABLE

The following table summarizes the compensation of non-employee directors for the year ended December 31, 2016:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)⁽¹⁾⁽²⁾	Total (\$)
William B. Berry	\$ 101,974	\$ 360,208	\$ 462,182
David L. Boren	71,133	360,208	431,341
Lon McCain	112,534	360,208	472,742
John T. McNabb, II	98,383	360,208	458,591
Mark E. Monroe	105,633	360,208	465,841

- (1) The amounts in this column represent the aggregate grant date fair value for grants in fiscal year 2016 computed in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 718 (ASC Topic 718), disregarding the estimate of potential forfeitures. See "Equity-Based Compensation" below. A discussion of the grant date fair value calculation can be found in Note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC.
- (2) The following restricted stock awards were outstanding as of December 31, 2016: Mr. Berry, 18,214 shares; Mr. Boren, 18,214 shares; Mr. McCain, 18,214 shares; Mr. McNabb, 18,214 shares; and Mr. Monroe, 18,214 shares.

Directors who are also full-time employees receive no compensation for serving as directors. We reimburse all directors for reasonable out-of-pocket expenses incurred in connection with their services as directors in accordance with our general expense reimbursement policies. Non-employee directors may participate in our medical and dental benefit programs, which are available to all full-time employees, as well as the Company's non-qualified deferred

compensation program (DCP).

2016 Retainers / Fees

Prior to July 1, 2016 (the effective date of our new retainer structure approved on May 19, 2016), our 2016 cash compensation for non-employee directors consisted of a base annual retainer in the amount of \$50,000 and the payment of \$1,500 for each in-person Board or committee meeting and \$1,000 for each Board or committee telephonic meeting or written consent provided. During this time, the chair of the Audit Committee was paid an annual retainer of \$20,000; the chair of the Compensation Committee was paid an annual retainer of \$15,000; and the chair of the Nominating/ Corporate Governance Committee was paid an annual retainer of \$10,000. Also, during this time, the chair of the Finance Committee was Mr. Hamm, and there was no retainer associated with this position. Committee members other than the chair of committees were paid an annual retainer. During the period prior to July 1, 2016, the annual retainer was \$9,000 for Audit Committee members, \$5,500 for Compensation Committee members, \$5,000 for Nominating/Corporate Governance Committee members (except for Mr. Hamm), and \$5,000 for Finance Committee members (except for Mr. Hamm).

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Effective July 1, 2016, cash compensation for our non-employee directors was changed to eliminate separate fees paid in connection with in-person or telephonic Board and committee meetings and written consents. These changes were made at the recommendation of Longnecker and were intended to better align the directors' compensation with the practices followed by the E27 Survey Group (defined below). The new fee structure is not expected to result in any significant increase in the amount of fees received by our non-employee directors. Under this change, the amount of the base annual retainer and the amounts of the annual retainers paid in connection with service as the chair or a member of a Board committee (with the exception of the retainer paid to the chair of the Compensation Committee) were adjusted. On July 1, 2016 the amount of the base annual retainer was changed to \$60,500. At this time, the amount of the annual retainer paid to the chair of the Audit Committee was changed to \$25,000; the amount of the annual retainer paid to the chair of the Compensation Committee remained at \$15,000; and the amount of the annual retainer paid to the chair of the Nominating/Corporate Governance Committee was changed to \$16,000. No annual retainer was authorized for the chair of the Finance Committee for the reasons described in the preceding paragraph. At July 1, 2016, the amounts of the annual retainer paid to the committee members other than chairs, were changed. The annual retainer for Audit Committee members was changed to \$21,875; the annual retainer for Compensation Committee members was changed to \$11,765; the annual retainer for Nominating/Corporate Governance Committee members (except for Mr. Hamm) was changed to \$10,765; and the annual retainer for members of the Finance Committee (except for Mr. Hamm) was changed to \$10,000. The retainer structure described in this paragraph remains in effect except that fees are no longer being paid to members of the Finance Committee, since this committee was dissolved in October 2016.

Any applicable annual retainer was paid quarterly on a pro-rata basis and the amounts appearing in the table above reflect the retainer rate applicable to the quarter in which it was paid. Finance Committee members received the full retainer amount for fourth quarter 2016. None of the non-employee directors elected to participate in the DCP during 2016.

Prior to July 1, 2016, the annual retainer for the position of Lead Director was \$10,000. Effective July 1, 2016, the amount of the annual retainer was changed to \$12,000 and this rate remains in effect as of the date of this filing.

Equity-Based Compensation

In addition to cash compensation, we awarded and intend to continue to award restricted Common Stock to each of our non-employee directors. On May 19, 2016, each of our non-employee directors was granted 8,792 shares of restricted Common Stock which vest on May 15, 2019. Our general practice has been to grant to each non-employee director shares of restricted stock annually, with such shares vesting three years after the date of grant. The actual amount and timing of any future award may be impacted by the value of our stock at that time and other relevant factors. Through the grant of such equity-based compensation, we are able to tie a portion of our non-employee directors' compensation to the performance of our Common Stock.

We have adopted a Common Stock ownership requirement for non-employee directors. Each non-employee director is required to own shares of our Common Stock with a market value equal to at least three times the base annual retainer. In addition, we have a policy which prohibits certain employees and directors from holding our securities in a margin account or pledging our securities as collateral, unless permission is received from our General Counsel in writing, or from engaging in certain transactions which may hedge the value of our securities held by them.

Until the stock ownership guideline is achieved, each non-employee director is required to retain 100% of the shares received as a result of restricted shares granted under our 2005 Long-Term Incentive Plan (the 2005 Plan) and/or 2013 Long-Term Incentive Plan (the 2013 Plan). The stock ownership calculation is determined as of December 31 each

year based upon the average closing price of the Common Stock for the year compared to the non-employee director's base annual retainer as of such date. Shares owned directly by, or held in trust for, the non-employee director or his or her immediate family members residing in the same household and unvested restricted shares are included in the calculation. The Compensation Committee reviewed the non-employee directors' stock ownership and determined as of December 31, 2016, each non-employee director was in compliance with the stock ownership guidelines.

Table of Contents**Executive Compensation and Other****Information****Executive Officers**

Our current executive officers are named below:

Name	Age	Position
Harold G. Hamm	71	Chairman of the Board and Chief Executive Officer
Jack H. Stark	62	President and Chief Operating Officer
Jeffrey B. Hume	65	Vice-Chairman, Strategic Growth Initiatives
John D. Hart	49	Senior Vice President, Chief Financial Officer and Treasurer
Steven K. Owen	61	Senior Vice President, Land
Eric S. Eissenstat	59	Senior Vice President, General Counsel, Chief Risk Officer and Secretary
Gary E. Gould	52	Senior Vice President, Production and Resource Development
Glen Brown	60	Senior Vice President, Exploration
Pat Bent	61	Senior Vice President, Drilling
Ramiro Rangel	60	Senior Vice President, Marketing

The information appearing in the table above is as of March 23, 2017.

For a description of the business background and other information concerning Mr. Hamm see Proposal 1: Election of Directors General above.

Jack H. Stark has served as our President and Chief Operating Officer since September 2014. Prior to his appointment as President and Chief Operating Officer, Mr. Stark served as our Senior Vice President of Exploration from May 1998 to September 2014. He joined the Company in June 1992 as Vice President of Exploration and served on the Board from May 1998 until his term expired in May 2008. Prior to joining us, Mr. Stark was Exploration Manager for the Western Mid-Continent Region for Pacific Enterprises from 1988 to 1992 and he held various staff and middle management positions with Cities Service Company, Texas Oil and Gas and Western Nuclear from 1978 to 1988. Mr. Stark holds a Master of Science in Geology from Colorado State University and is a member of the American Association of Petroleum Geologists, Oklahoma Independent Petroleum Association, Rocky Mountain Association of Geologists, Houston Geological Society and the Oklahoma City Geological Society.

Jeffrey B. Hume became our Vice Chairman of Strategic Growth Initiatives in June 2012. He previously served as our President

beginning on November 3, 2009. From November 2008 to June 2012, Mr. Hume also served as our Chief Operating Officer after serving as our Senior Vice President of Operations since November 2006. He was previously appointed as Senior Vice President of Resource and Business Development in October 2005, Senior Vice President of Resource Development in July 2002, and served as Vice President of Drilling Operations from 1996 to 2002. Prior to joining us in May 1983 as Vice President of Engineering and Operations, Mr. Hume held various engineering positions with Sun Oil Company, Monsanto Company, and FCD Oil Corporation. Mr. Hume is a Registered Professional Engineer and member of the Society of Petroleum Engineers, Oklahoma Independent Petroleum Association, and the Oklahoma and National Professional Engineering Societies. Mr. Hume graduated from Oklahoma State University with a Bachelor of Science in Petroleum Engineering Technology.

John D. Hart joined us as Vice President, Chief Financial Officer and Treasurer in November 2005. He was promoted to Senior Vice

President in May 2009. Prior to joining us, he was a Senior Audit Manager with Ernst & Young LLP. Mr. Hart was employed by Ernst & Young LLP from April 1998 to November 2005 and by Arthur Andersen LLP from December 1991 to April 1998, working with numerous public companies in a wide variety of securities and exchange matters and capital markets activities. He is a member of the American

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Institute of Certified Public Accountants and the Oklahoma Independent Petroleum Association. Mr. Hart serves on the executive board of the Greater Oklahoma City Chamber of Commerce, and the boards of directors of the Petroleum Club of Oklahoma City and the Myriad Gardens Foundation. Mr. Hart is a Certified Public Accountant and received a Bachelor of Science in Accounting and Finance and a Master's of Science in Accounting from Oklahoma State University.

Steven K. Owen joined us as Senior Vice President, Land in September 2010. He came with three decades of experience in land management, including exploration, exploitation, acquisition and maintenance of oil and gas assets. He has worked extensively in many oil and gas plays across the United States. Prior to joining the Company, Mr. Owen served as Land Manager for Pioneer Natural Resources USA, Inc. from 1987 to 2010 where he managed the Permian Basin and Mid-Continent Divisions. He is a member of the American Association of Petroleum Landmen. Mr. Owen earned his Bachelor of Arts from Emporia State University in Kansas with concentrations in Business Law, Oil and Gas Law and Biology.

Eric S. Eissenstat joined us as Senior Vice President and Chief Legal Officer in December 2010. In August 2011, his title was changed to Senior Vice President, General Counsel and Secretary and in May 2014 his role was expanded to include the position of Chief Risk Officer. He joined the Company with 27 years of experience in complex business and commercial matters, oil and gas, and litigation. Prior to joining the Company, he served as director with Fellers, Snider, Blankenship, Bailey & Tippens, P.C. in Oklahoma City from 1983 to 2010. Mr. Eissenstat is a Fellow of the Litigation Counsel of America, has received numerous awards and honors for his work in the legal profession, has held leadership positions in the Oklahoma Bar Association and Oklahoma County Bar Association, and is a Member of the Oklahoma Independent Petroleum Association. Mr. Eissenstat serves on the board of directors of Leadership Oklahoma City, United Way of Central Oklahoma, YMCA of Greater Oklahoma City, and Oklahoma Lawyers for Children. Mr. Eissenstat earned his Bachelor of Science with honors in Political Science from Oklahoma State University, where he was selected as a 2016 Distinguished Alumni, and his Juris Doctor with honors from the University of Oklahoma where he was awarded Order of the Coif.

Gary E. Gould is Senior Vice President, Production and Resource Development, a position he has held since November 2015. He previously served as Senior Vice President, Operations, from April 2015 to November 2015, and Senior Vice President of Operations and Resource Development from May 2014 to April 2015. Mr. Gould joined Continental in October 2013 and served as Vice President of Resource Development until May 2014. Mr. Gould has over 25 years of upstream oil and gas experience. Prior to joining Continental he worked for Chesapeake Energy Corporation in the operations and resources development area from 2008 to 2013, serving in positions of increasing responsibility, including: Engineering Manager Reservoir for the Fayetteville District and the Arkoma-Ardmore District, Resource Development Manager for the Eastern Division, District Manager for the Marcellus South District, and Vice President

or Director of Reservoir Technology. Previously, Mr. Gould served in various operations and engineering management roles at Kinder Morgan, ConocoPhillips, and Burlington Resources and in various technical roles with increasing responsibility at Exxon Corporation. Mr. Gould earned B.S. and M.S. degrees in Petroleum Engineering from the University of Kansas, where he recently served as Chairman of the Industry Advisory Board for the Department of Chemical and Petroleum Engineering.

Glen Brown is Senior Vice President, Exploration, a position he has held since October 2014. Prior to assuming his current role, he served as Vice President of Geology from September 2012 to October 2014 and as Geologic Manager of New Ventures from January 2012 through September 2012. Prior to joining Continental, Mr. Brown was in private practice as President of NE, LLC from 2003 to January 2012. Prior to that he was Exploration Manager for EOG Resources Mid-Continent Division for 12 years and held various staff and middle management positions with TXO Production Corporation for 7 years. Mr. Brown holds a B.S. degree in Geology from the State University of New York in Plattsburgh followed by earning an M.S. degree in Geology from New Mexico State University in Las Cruces. Mr. Brown is Secretary of the Board of Directors of the Oklahoma Energy Explorers. He is also a member of the American Association of Petroleum Geologists, Oklahoma City Geology Society, Kansas Geology Society, and Oklahoma Independent Producers Association.

Pat Bent is Senior Vice President, Drilling, a position he has held since November 2015. Prior to this Mr. Bent served as Vice President, Northern Region Drilling and Completions from March 2014 to November 2015. Mr. Bent joined Continental as Vice President, Drilling and served in this capacity from August 2012 to March 2014. From 2006 until he joined Continental in August 2012, Mr. Bent served as the Manager of Implementation for ConocoPhillips San Juan Basin Unit in New Mexico, one of ConocoPhillips largest business units. Mr. Bent has more than 34 years of industry experience in petroleum engineering and operations. Mr. Bent earned his B.S. degree in Petroleum Engineering from the University of Wyoming in 1980.

Ramiro Rangel is Senior Vice President, Marketing a position he has held since March 2016. Prior to assuming his current role, he served as Vice President, Gas Marketing from August 2015 to March 2016. Prior to joining the Company, Mr. Rangel was Senior Vice President, Gathering & Processing from April 2014 until May 2015 with Enable Midstream Partners, LP (Enable) and was

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Vice President of Commercial Operations from October 2007 to April 2014 with Enogex LLC, Enable's predecessor company. Mr. Rangel has more than 35 years of experience with operations, finance, strategy and other areas in the energy industry. Mr. Rangel holds a BBA in Finance, with Honors, from The University of Texas at Austin, and an MBA, with Honors, from The University of Tulsa. Mr. Rangel is on the Board of Oklahoma Energy Explorers and a member of Oklahoma Independent Producers' Association.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to explain the Company's and Compensation Committee's approach to determining the compensation program for the Company's Chief Executive Officer, Chief Financial Officer and the other named executive officers appearing in the tables following this discussion (NEOs) and to discuss how the 2016 compensation package for these executives was determined. Following this discussion are tables that include compensation information for the NEOs. The NEOs for 2016 are as follows:

Harold G. Hamm, Chairman of the Board and Chief Executive Officer;

Jack H. Stark, President and Chief Operating Officer;

John D. Hart, Senior Vice President, Chief Financial Officer and Treasurer;

Gary E. Gould, Senior Vice President, Production and Resource Development; and

Glen Brown, Senior Vice President, Exploration.

Executive Summary

Company Compensation Philosophy and Components. Because we operate in a highly competitive environment, we have designed our executive compensation program to attract, retain and motivate experienced, talented individuals. We also designed our executive compensation program to reward our executives for achieving the strategic and business objectives determined to be important to help the Company create and maintain advantage in a competitive environment.

In determining individual compensation, we consider the performance of the Company against specific operational and financial factors determined to be relevant for the period in question. We consider competitive market compensation paid by other companies comparable to us in size, geographic location and operations. We maintain and incorporate flexibility into our compensation programs and in the assessment process, which we believe is particularly important in the current commodity price environment. As such, we generally do not apply rigid formulas in determining the amount and mix of compensation elements.

In general, the Compensation Committee evaluates how the following elements (collectively, the Primary Compensation Elements) of our compensation program compare to similar compensation awarded by the then current compensation survey group, with the Compensation Committee considering how the elements of our compensation compare to the target percentiles indicated below:

Base salary fixed cash component generally targeted between the 50th and 75th percentile;

Cash bonus short-term, variable cash component based on Company and individual performance individual targets generally set at the 50th percentile; and

Long-term incentive equity awards equity component with vesting periods designed to align the interests of executive and shareholders generally set between the 50th and 75th percentile.

In light of the low commodity price environment that persisted into 2016, and following a review of the information customarily provided in connection with the compensation process, the Compensation Committee determined it was appropriate, with the exception of base salary, to use the same process in setting 2016 compensation as was followed in 2015. Salaries were not adjusted in 2016 due to the low commodity price environment. The decision to follow similar compensation processes in 2016 and 2015 was due to a desire to keep 2016 compensation levels at or below 2015 levels.

Company Performance. Highlights of the Company's 2016 performance include:

Using the latest enhanced completion designs, the Company set new Company early production records for wells in the Bakken, STACK and South Central Oklahoma Oil Province plays;

Year-end 2016 proved reserves increased 4% to 1.27 billion barrels of oil equivalent compared to year-end 2015, despite lower commodity prices;

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Significantly expanded the extent of the overpressured oil window in our STACK play;

Full-year production expense per barrel of oil equivalent decreased by 15% compared to full-year 2015; and

At December 31, 2016, the Company's total debt was reduced by \$538 million compared to December 31, 2015, demonstrating progress made toward the Company's goal of reducing the total amount of its debt.

A discussion of the Company's performance with respect to the metrics used for 2016 for the Company's annual cash bonus plan appears under the heading, "Annual Cash Bonus" below.

Compensation Actions. The following is a summary of the material compensation decisions made by the Compensation Committee for 2016:

Base Salary The base salaries of our NEOs were not adjusted during 2016 for the reasons described above.

Cash Bonus For 2016, for each of the NEOs, the individual bonus target levels remained as set in 2015, for the reasons described above. The targets for 2016 are set forth in the table below.

Name	2016 Bonus Target
Harold G. Hamm	150%
Jack H. Stark	100%
John D. Hart	90%
Gary E. Gould	80%
Glen Brown	80%

Special Cash Bonus In October 2016, the Compensation Committee and the Board approved a spot bonus of \$500,000 for Mr. Hamm (the "Spot Bonus"). This one-time, discretionary bonus was awarded to Mr. Hamm in recognition of his exceptional leadership throughout the period of low commodity prices.

Long-term incentive equity awards In February 2016, long-term incentive equity awards of restricted stock were made to each of our NEOs, with three-year cliff vesting at a level consistent with the targeted percentiles described above.

In addition, awards made to each of the NEOs also reflected the Compensation Committee's evaluation of the performance of each of the NEOs with respect to the 2016 Performance Factors (as defined below) and other factors described below in connection with the discussion of each of the Primary Compensation Elements.

The following charts illustrate the various components of total annual compensation for our Chief Executive Officer and the other NEOs as a group, and reflect the following: (i) annual base salary paid for 2016; (ii) the cash bonus for 2016 paid in February 2017; (iii) the grant date fair value of the long-term equity incentive awards granted in 2016

(which is the value of the awards based on accounting principles on the date of grant, and not necessarily reflective of the amounts that the NEOs may receive at the time of settlement); and (iv) the other compensation for each NEO included in the Summary Compensation Table below.

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Key Executive Compensation Policies and Practices. Key executive compensation policies and practices include:

Independent compensation consultant engaged by the Compensation Committee;

No individual employment agreements;

Significant majority of compensation is restricted stock awards with vesting periods designed to align interests of executives and shareholders;

Robust stock ownership requirements 5x of base salary for the Chief Executive Officer, Chief Operating Officer and President and 3x of base salary for the other executive officers;

Industry-relevant peer compensation data considered in establishing compensation;

Minimal perquisites; and

Hedging of Company securities by executive officers is not allowed.

Executive Compensation Philosophy

We operate in a highly competitive environment for securing trained and qualified personnel. We believe the loss of the services of our senior management could have a material adverse impact on our operations. Accordingly, we have designed our executive compensation program to attract, retain and motivate experienced, talented individuals to achieve our primary business goals, using the business strategies discussed in greater detail in our Annual Report on Form 10-K. We have also designed our executive compensation program to reward our executives for achieving the strategic and business objectives determined to be important to help the Company create and maintain advantage in a competitive environment. Specifically, the Primary Compensation Elements of our executive compensation program are designed to reward the achievement of these objectives by:

providing objective-driven compensation opportunities that incentivize executives to achieve optimal results for the Company and its shareholders;

aligning compensation with Company's short- and long-term business objectives; and

emphasizing the use of equity-based compensation to motivate the long-term retention of executives and align their interests with those of shareholders.

We do not apply rigid formulas in determining the amount and mix of compensation elements. For 2016 cash bonuses paid in February 2017, we considered the achievement of financial and operational goals only as part of establishing

the aggregate bonus pool from which bonuses may be paid to the NEOs and in connection with the determination of the Company multiplier described below in the discussion of the annual cash bonus. However, in connection with establishing the size of the aggregate bonus pool and determining the Company multiplier, downward discretion was exercised by the Compensation Committee, due to the then current commodity price environment and the Company's performance in connection with its goal of operating in a cash neutral manner. During 2016, in determining individual compensation, we considered the performance of the Company against the following specific operational and financial factors: production growth, net cash provided by operating activities, proved developed finding and development cost per barrel of oil equivalent, safety performance, production costs, operating income, return on equity, and operating in a cash neutral manner (the 2016 Performance Factors). We consider competitive market compensation paid by other companies comparable to us in size, geographic location and operations, but do not exclusively rely on such data to determine compensation for the NEOs. We maintain and incorporate flexibility into our compensation programs and the assessment process. This approach allows us to respond and adjust to an evolving business environment and account for individual performance, which we believe is particularly important in the current dynamic commodity price environment. The total compensation of the Chief Executive Officer, which is significantly higher than our other NEOs, is commensurate with his role in the founding and development of the Company as well as the future success of the Company.

Compensation Setting Process

Role of Compensation Committee. The Compensation Committee is responsible for overseeing and administering all aspects of our benefit, compensation plans, and programs for our executive officers. The Compensation Committee annually reviews and determines the individual elements of total compensation of the NEOs who appear in the compensation tables of this Proxy Statement as well as our other executive officers. Because our compensation programs are relatively simple, and we do not have complex equity plans or significant change in control or severance obligations, the Compensation Committee does not use tally sheets in analyzing the

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compensation of our NEOs, but does review each element of compensation as described in this Proxy Statement in evaluating and approving the total compensation of each of our NEOs. When making awards with respect to each element of our compensation program, the Compensation Committee considers how the award of that particular element will impact the overall compensation package awarded to each NEO. As a result, the award made with respect to each element of our compensation program may be impacted by the awards made with respect to the other elements of our compensation program.

In general, the Compensation Committee evaluates how the Primary Compensation Elements of our compensation program compare to similar compensation awarded by the then current compensation survey group. Although the Compensation Committee's general approach is to award each element of compensation to align as closely as possible to the percentiles indicated above, the Compensation Committee considers an individual executive officer's performance, the external business environment, and any final compensation reflects the Compensation Committee's discretion. The Compensation Committee believes targeting total cash (base salary and cash bonus) between the 50th and 75th percentile results in competitive cash compensation while preserving considerable upside potential in connection with cash bonus awards should Company and individual executive performance merit a higher bonus. The Committee believes targeting long-term incentive equity awards between the 50th and 75th percentile helps align overall pay with shareholder interests, by putting greater weight on an element of compensation which directly reflects the performance of the Company. Additional detail regarding the actions of the Compensation Committee with respect to each of the Primary Compensation Elements appears in the discussion of Elements of Compensation below.

At the 2011 Annual Meeting, shareholders approved a non-binding proposal to hold an advisory vote on the compensation of our named executive officers on a triennial basis, and the last such advisory vote was conducted at the 2014 Annual Meeting of Shareholders. The Compensation Committee views the 99% vote in favor of approving the compensation of the Company's named executive officers received in 2014 as a validation of the Company's approach to executive compensation and determined, subject to the modifications discussed below, it was appropriate to continue structuring the compensation of the Company's NEOs consistent with its compensation philosophy. A non-binding advisory vote will be conducted again in connection with the Annual Meeting.

During 2016, the Compensation Committee primarily considered the individual performance of our NEOs with regard to 2016 Performance Factors in the determination of the officers' compensation. Variations in individual awards made to each of the NEOs are impacted by the Compensation Committee's evaluation of a given NEO's performance with respect to such factors. In addition, the Committee considers input provided by our Chief Executive Officer and President as described under Role of Management below and this process also drives variation in individual awards made to each of the NEOs.

Role of Management. Since the Family LLC which is managed by Mr. Hamm, and in which he has a substantial interest, beneficially

owns a substantial majority of our outstanding shares of Common Stock and since Mr. Hamm is our Chief Executive Officer, he provides the Compensation Committee a significant amount of input regarding the compensation of our executive officers (other than himself). Initially, the Compensation Committee, as well as our Chief Executive Officer and our President, review the Longnecker report described below regarding the analysis of market compensation. Our Chief Executive Officer and our President are then responsible for making recommendations of compensation for individual executive officers of the Company, other than themselves. With respect to each of our Chief Executive Officer and our President, our President and our Chief Executive Officer, respectively and individually, make recommendations for the other executive officer's compensation amounts. In making recommendations for executive officer compensation, our Chief Executive Officer and our President primarily rely on the Longnecker report, but also

take into account other factors including, but not limited to, the following:

the overall performance of the Company;

the executive s contribution to the overall performance of the Company;

the executive s business responsibilities;

the executive s compensation relative to other executives;

the executive s current compensation arrangements; and

the executive s contribution to enhancing the ability of the Company to generate long-term shareholder value. Once our Chief Executive Officer and our President have made their compensation recommendations, the Compensation Committee reviews their recommendations and makes any changes it feels are appropriate to adequately meet our compensation objectives and approach on an individual basis. No adjustments were made to our Chief Executive Officer s compensation by the Board after his compensation was set by the members of the Compensation Committee. The Board, with Mr. Hamm abstaining, unanimously affirmed

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the cash bonus award and other compensation set by the Compensation Committee for our Chief Executive Officer for services rendered during 2016.

Role of the Compensation Consultant. In 2016, the Compensation Committee retained the services of an independent compensation consulting firm, Longnecker. Longnecker reports directly to the Compensation Committee. During 2016, Longnecker provided an analysis of market compensation for directors and executive officers based upon its review of compensation paid by exploration and production companies comparable to us in terms of revenues, total assets, geographic location and market capitalization. This analysis was contained in the report referred to above in the discussion appearing under the heading *Role of Management* and was used by the Compensation Committee, our Chief Executive Officer and President as described in that discussion. During 2016, Longnecker provided no services other than the director and executive officer compensation studies requested by the Compensation Committee, except for analysis of market compensation with respect to a limited number of positions on an ad hoc basis, resulting in total fees of less than \$120,000.

The Compensation Committee has assessed the independence of Longnecker in accordance with standards set forth in rules established by the NYSE and promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act) and concluded no conflict of interest exists that would prevent Longnecker from independently representing the Compensation Committee.

Compensation Survey Group. The Compensation Committee decided the companies that were members of the E27 Survey Group (defined below) would be the peer group for evaluating compensation for its NEOs for 2016. The E27 Survey Group was also used for 2015. The following table lists the companies included in such peer group for 2016 at the time the analysis was completed for 2016 compensation recommendations (collectively, the E27 Survey Group):

2016 E27 Survey Group Companies		
Anadarko Petroleum Corporation	EP Energy Corporation	Pioneer Natural Resources Company
Apache Corporation	EXCO Resources, Inc.	QEP Resources, Inc.
BHP Billiton Petroleum (Americas) Inc.	Freeport-McMoRan Oil & Gas	Range Resources Corporation
BP p.l.c.	Hess Corporation	Sabine Oil & Gas Corporation
Cabot Oil & Gas Corporation	Hilcorp Energy Company	Samson Resources Corporation
Chesapeake Energy Corporation	Hunt Oil Company	SandRidge Energy, Inc.
Cimarex Energy Co	Marathon Oil Company	SM Energy Company
ConocoPhillips Company	Murphy Oil Corporation	Southwestern Energy Company
Continental Resources, Inc.	Newfield Exploration Co.	Total E&P USA, Inc.
Devon Energy Corporation	Nexen Petroleum U.S.A. Inc.	WPX Energy, Inc.
Encana Corporation	Noble Energy, Inc.	XTO Energy Inc.
EOG Resources, Inc.	Occidental Oil & Gas Corporation	

In selecting the E27 Survey Group, the Compensation Committee considered the fact that the E27 Survey Group is used as the primary market compensation comparator group for all other Company employees. At the time described in the introduction to the table above, the E27 Survey Group consisted of 35 independent, publicly traded and

privately held energy exploration and production companies with a median exploration and production revenue of \$2.7 billion as of year-end 2015, which is comparable to the Company's revenue of \$2.6 billion for 2015. As of April 2016, after the analysis for 2016 compensation decisions was completed, EXCO Resources, Inc., XTO Energy Inc. and Sabine Oil & Gas Corporation ceased being members of the E27 Survey Group.

For 2016, the Compensation Committee, our Chief Executive Officer and our President believed the E27 Survey Group consisted of companies with similar operational and capital investment profiles as the Company. They also believed a review of this group's practices was appropriate since these are the companies with which the Company was competing for executive talent. Thus, the Compensation Committee, our Chief Executive Officer and President believed the E27 Survey Group provided a reasonable point of reference for comparing the compensation of the Company's executives to others holding similar positions and having similar responsibilities.

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The table below provides a description of each of our Primary Compensation Elements as well as the respective purposes of each within the Company's compensation philosophy and objectives.

Compensation Element	Description	Purpose and Philosophy
Base Salary	Fixed cash compensation	Provides a stable, fixed element of cash compensation.
Annual Cash Bonus	Annual cash bonus related to individual contribution toward achievement of annual financial and operating results	<p>Attract and retain executive officers by paying a wage commensurate with such officer's experience, skills and responsibilities. It also recognizes and considers the internal value of the position within the Company, the officer's leadership potential and demonstrated performance.</p> <p>Rewards executives for the achievement of specific annual financial, operating and strategic goals and individual performance.</p> <p>Allows the Compensation Committee to evaluate both objective and subjective considerations when exercising discretion to determine final payout amounts.</p>
Long-term Incentive Equity Awards	Restricted Stock	<p>Important to the Company's ability to attract, motivate and retain the Company's executive officers.</p> <p>Aligns the executive's long-term interests with those of shareholders.</p> <p>Important to the Company's ability to attract, motivate and retain the Company's executive officers.</p>

Role of Discretion in Determining Primary Compensation Elements. All base salary adjustments and long-term incentive awards for NEOs have been determined on a discretionary basis and while not directly linked to specific corporate goals or objectives, the overall performance of the Company as well as individual performance was considered in determining pay. The Compensation Committee retains discretion over all aspects of the CLR Bonus Plan (defined below) and

awards made thereunder. For 2016, the Target Pool Size, Final Pool Size and Company multiplier (each term as described below) were initially determined by the Company's performance in the areas of production growth, net cash provided by operating activities and proved developed finding and development cost per barrel of oil equivalent. The Compensation Committee exercised downward discretion in setting the Final Pool Size and Company multiplier, due to the commodity price environment that persisted through much of 2016 and the Company's failure to operate in a cash neutral manner in the first quarter of 2016. See Annual Cash Bonus below for a more detailed discussion of the discretion exercised by the Compensation Committee. The individual multiplier used in the CLR Bonus Plan is based on a subjective evaluation of an individual's performance.

Base Salary. Base salary is intended to provide each NEO a regular source of income and compensate him for performing the responsibilities associated with his position. It also serves the purposes listed in the table above. Base salary also impacts annual cash bonus awards in that the target size of these awards is expressed as a percentage of base salary. The table below shows the salary set by the Compensation Committee applicable to each of the NEOs during 2016. For the reasons stated above, the salary adjustment that normally occurs at the February meeting did not occur in 2016, and the salaries resulting from the adjustment that occurred during 2015 remained in effect during 2016:

NEO	Salary During 2016
Harold G. Hamm	\$1,175,000
Jack H. Stark	640,000
John D. Hart	530,000
Gary E. Gould	450,000
Glen Brown	440,000

In November 2015, Mr. Hamm requested his salary be reduced to the amount needed each pay period to allow him to cover the expenses associated with the benefits we have customarily made available to all employees. Mr. Hamm voluntarily made this request in response to the then current commodity price environment. In response to improving commodity prices, Mr. Hamm resumed receiving his regular salary in April 2016. In the future, we expect the base salaries of the NEOs will be reviewed on an annual basis and adjusted as necessary to remain competitive.

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Annual Cash Bonus. Our NEOs may earn annual cash bonuses as a reward for their individual contribution to the achievement of annual financial and operating results as determined by the Compensation Committee. On February 22, 2013, the Compensation Committee approved a cash bonus plan that applies to certain employees of the Company, including the Company's executive officers (the CLR Bonus Plan). The CLR Bonus Plan is designed to reward the Company's employees and executive officers for achieving annual performance and strategic goals. The CLR Bonus Plan provides for the annual payment of cash bonuses, subject to the discretion of the Compensation Committee. The individual cash bonuses paid to NEOs for 2016 were paid pursuant to the CLR Bonus Plan, with the exception of the Spot Bonus paid to Mr. Hamm. The Compensation Committee has the ability to exercise complete discretion in administering the CLR Bonus Plan, and the individual awards to our NEOs for 2016 were determined following the process described below.

Under the CLR Bonus Plan, the bonus pool is initially set based on the aggregate target bonus amount of all employees participating in the CLR Bonus Plan (referred to herein as the Target Pool Size). For 2016, the size of the bonus pool was initially set within a range based on the following factors: Production growth (weighted at 34%); net cash provided by operating activities (weighted at 33%); and proved developed finding and development cost per barrel of oil equivalent (weighted at 33%). With respect to the bonuses paid for 2016, the Compensation Committee evaluated the factors of the CLR Bonus Plan described above as presented by management and determined the factors and their respective weightings to be appropriate.

The Compensation Committee has complete discretion to increase, decrease or leave the size of the pool unchanged. In making the determination whether to adjust the size of the pool, the Compensation Committee considered such matters as it deemed relevant, including the Company's performance against key strategic and other initiatives identified by the Compensation Committee in areas such as health, safety and environmental, production costs and cycle times, maintenance of financial and other ratios, budget compliance, business process improvements and achievement of cash neutral operations. The size of the bonus pool as determined by the Compensation Committee is referred to herein as the Final Pool Size. The ratio of the Target Pool Size to the Final Pool Size is used to determine the Company multiplier in the calculation of an individual's bonus amount under the CLR Bonus Plan.

For 2016, production growth was negative 2%, net cash provided by operating activities was \$1.1 billion, and proved developed finding and development cost per barrel of oil equivalent was \$9.42. The Company's aggregate performance in these areas was above internal expectations and resulted in an initial performance factor of 120% for the Company multiplier portion of the CLR Bonus Plan. The Compensation Committee also reviewed Company performance against the key strategic and other initiatives described in the paragraph above. Finally, the Compensation Committee gave significant consideration to the commodity price environment, its impact on the Company's cash flows, debt levels, and the Company's stated objective of operating in a cash neutral manner. After considering the matters described above, the Compensation Committee determined it was appropriate to exercise downward discretion and set the performance factor for the Company multiplier at 90% instead of 120%. The Compensation Committee felt this level struck the correct balance between recognizing the operational excellence achieved by the Company in 2016, the Company's performance achieving cash neutral operations in 2016, and the needs of the Company and its shareholders to reduce cash expenditures, given the commodity price environment. Net cash provided by operating activities represents operating cash flows determined under United States generally accepted accounting principles excluding the cash flow effects arising from changes in accrued but unpaid capital expenditures in 2016 relative to year-end 2015. Proved developed finding and development cost per barrel of oil equivalent represents the Company's net per-well average of exploration and development costs incurred for wells having first production in 2016 divided by the net per-well average of estimated recoverable reserves for those wells expressed in barrels of oil equivalent.

Individual awards for participants in the CLR Bonus Plan in connection with the bonuses for 2016 which were paid in February 2017, were calculated utilizing the following formula:

Base Earnings x Target Bonus x Company Multiplier x Individual Multiplier = Initial Bonus Amount

For purposes of this discussion, base earnings refers to the actual amount paid in respect of salary during 2016, with the exception of Mr. Hamm whose bonus was computed as if he had not voluntarily reduced his base salary as described above. Except for Mr. Hamm, the individual multiplier for the 2016 bonuses was based on the Compensation Committee's review of the E27 Survey Group and the subjective evaluation of each of the NEOs supervisor or supervisors. Mr. Hamm's individual multiplier was determined based on the subjective evaluation of the Compensation Committee. The subjective evaluation of each NEO was primarily based on an evaluation of each NEO's contributions to the Company's performance with respect to the 2016 Performance Factors relevant to that NEO. For 2016, after calculating the Company multiplier based on the measures and methodology described above, individual differences resulted from the subjective evaluation of performance that determined each NEOs individual multiplier. In making its evaluation, where applicable,

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the Compensation Committee places significant weight on input provided by our Chief Executive Officer and our President. In order to provide perspective for the final bonus awards computed as described above, the Compensation Committee reviewed an estimate of bonus awards with respect to a subset of the E27 Survey Group deemed to be most comparable to CLR based on the judgment of the Compensation Committee and Chairman and Chief Executive Officer.

Once the NEOs' Initial Bonus Amounts were calculated, they were presented by Mr. Stark to the Compensation Committee for review, and in the case of Mr. Hamm also presented to the Board, both of which had the discretion to increase or decrease individual Initial Bonus Amounts and determine final awards. Using the factors described previously, the Compensation Committee determined the final awards were appropriate and approved the bonuses for 2016 as presented by management.

The following table shows target annual cash bonus amounts as a percentage of base earnings for each of the NEOs in connection with the bonuses for 2016 which were paid in February 2017 under the CLR Bonus Plan:

NEO	2016 Target Bonus %
Harold G. Hamm	150
Jack H. Stark	100
John D. Hart	90
Gary E. Gould	80
Glen Brown	80

Annual cash bonuses for the NEOs are determined after completion of the year-end audited financial statements and reserve report. We have not adopted a policy regarding the adjustment or recovery of previously paid annual cash bonuses in the event a relevant metric is restated or otherwise adjusted in a manner that would have the effect of reducing the size of a previously paid annual cash bonus. The Compensation Committee has the discretion to take such an event into account in determining future compensation.

Harold Hamm Spot Bonus. In October 2016, the Compensation Committee and the Board approved paying the Spot Bonus to Mr. Hamm. The Spot Bonus was paid in November of 2016 and was awarded to Mr. Hamm in recognition of his exceptional leadership during the period of low commodity prices. In approving the Spot Bonus, it was noted Mr. Hamm had: (i) successfully lowered the Company's cost structure; (ii) reduced the aggregate amount of the Company's outstanding debt; (iii) increased production (when compared to the start of the period of low commodity prices); and (iv) kept the Company's employee base intact. The Spot Bonus was a one-time discretionary award and is reported within the Bonus column of the Summary Compensation Table below.

Long-Term Incentive Awards. The objective of our long-term incentive awards is to retain and motivate our executives over the long-term and to align their interests with those of our shareholders. In February 2016, the NEOs received the following long-term incentive awards of restricted Common Stock which vest on February 15, 2019:

NEO	February 2016 Restricted Stock Award (shares)
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Harold G. Hamm	301,526
Jack H. Stark	127,705
John D. Hart	92,232
Gary E. Gould	60,306
Glen Brown	60,306

The awards for each of the NEOs other than Mr. Hamm were approved by the Compensation Committee. Mr. Hamm's award was approved by the Compensation Committee and by the full Board based on the recommendation of the Compensation Committee, with Mr. Hamm abstaining.

Each long-term incentive award for each NEO is determined at the discretion of the Compensation Committee generally using the approach described above under Executive Summary Compensation Philosophy and Components. Differences in long-term incentive awards are based on the Compensation Committee's subjective evaluation of the expected relative individual contribution to the achievement of our long-term financial and operating results. The value of unvested equity awards held by an individual is expected to be a factor considered in future awards.

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The vesting provisions of the awards encourage our officers to remain in our employ in order to realize these forms of compensation. Our current equity programs consist of restricted stock awards, which we believe are stronger motivational tools for employees when compared to alternatives such as stock options. Restricted shares provide some value to an employee during periods of stock market volatility, while stock options may have limited perceived value and may do little to retain and motivate employees when the current value of our stock is less than the option price. Although our 2013 Plan allows for various equity instruments, we intend to make future grants primarily in the form of restricted stock.

We have a policy which prohibits our directors and certain employees, including our executive officers, from holding our securities in a margin account or pledging our securities as collateral, unless permission is received from our General Counsel in writing, or from engaging in certain transactions which may hedge the value of our securities held by them.

The Company has a Common Stock ownership requirement for our executive officers. Each such officer is required to own shares of our Common Stock at least equal to a specified multiple of such officer's base salary. The table below lists base salary multiples applicable to the different positions within this group:

Officer	Required Stock Ownership Multiple of Annual Base Salary
Chief Executive Officer	5x
President and Chief Operating Officer	5x
Other Executive Officers	3x

Until the stock ownership guideline is achieved, each such officer is required to retain 100% of the net shares received as a result of restricted shares granted under our 2005 Plan and 2013 Plan. Net shares are the number of shares that remain after shares are sold or withheld to pay withholding taxes. The calculation is determined as of December 31 each year based upon the average closing price of the Common Stock for the year compared to the officer's base salary as of such date. Shares owned directly by, or held in trust for, the officer or his or her immediate family members residing in the same household and unvested restricted shares are included in the calculation.

The Compensation Committee reviews the compliance of each executive officer with the stock ownership guidelines each year and reduces or eliminates future restricted stock grants under the 2013 Plan for any executive officer not in compliance with the stock ownership guidelines. The Compensation Committee reviewed the NEOs and other applicable officers' stock ownership as of December 31, 2016 and determined each NEO and other applicable officers were in compliance with the guidelines.

The restricted stock awards provide for immediate vesting upon a change of control, as defined by the 2013 Plan, as applicable. We would likely need the assistance of several key employees to successfully conclude a transaction that would result in a change in control. We believe immediately vesting the awards may serve to reduce concerns, other than continued employment, such employees may have with respect to any potential change in control transaction and may motivate them to complete the transaction.

Deferred Compensation Plan On September 20, 2013, the Board, based upon the recommendation of the Compensation Committee, established the DCP. The Board appointed the Compensation Committee to act as Plan Administrator of the DCP (the DCP Administrator).

The purpose of the DCP is to (i) give DCP participants, including the NEOs, an additional tool to use in planning their savings and for retirement; and (ii) provide a vehicle to allow employee DCP participants, all of whom are limited in their participation in the Company's 401(k) (as defined below) due to limits imposed under federal tax rules (Limits), to receive similar benefits in connection with Company matching contributions as employees whose ability to receive Company matching contributions is not impacted by the Limits. The DCP permits the Company to make discretionary matching and other contributions to a participant's account, although the Company did not make any such contributions to the NEOs' accounts within the DCP during the 2016 year. For a description of the material features of the DCP see the narrative Description of Deferred Compensation Plan on pages 36 and 37 below.

Other Compensation and benefits that are outside of our three main compensation elements are designed to attract and retain employees by enhancing our overall compensation package. During 2016, we provided automobiles to certain of the NEOs and certain other employees for business and personal use. The personal use is valued according to IRS guidelines and reported as taxable income to the individuals. We value vehicle usage for disclosure in our proxy statement based upon the aggregate incremental cost to us adjusted to reflect each individual's personal use of the vehicle.

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In 2016, we allowed Mr. Hamm to use the corporate aircraft for personal trips. The value of such trips is calculated according to IRS guidelines and reported as taxable income to him. On occasion the spouses and guests of NEOs may accompany them on business-related trips. Aircraft usage and travel by spouses and guests are valued for disclosure in our proxy statement based on the aggregate incremental cost to us.

We have a defined contribution retirement plan (401(k)) covering all our full-time employees. Our con