

DENBURY RESOURCES INC
Form DEF 14A
April 24, 2019

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 (Amendment No.)

Filed by the Registrant ☐
Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

Denbury Resources Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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- ☐ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD WEDNESDAY, MAY 22, 2019

To our Stockholders:

You are hereby notified that the 2019 Annual Meeting of Stockholders of Denbury Resources Inc., a Delaware corporation (“Denbury” or the “Company”), will be held at the Company’s corporate headquarters at 5320 Legacy Drive, Plano, Texas 75024, at 8:00 A.M. Central Daylight Time (CDT) on Wednesday, May 22, 2019, for the following purposes:

- (1) to elect eight directors, each to serve until their successor is elected and qualified;
- (2) to hold an advisory vote to approve named executive officer compensation;
- (3) to approve an amendment to the Company’s Second Restated Certificate of Incorporation to increase the number of authorized shares of the Company’s common stock from 600,000,000 shares to 750,000,000 shares;
- (4) to approve the amendment and restatement of the Company’s 2004 Omnibus Stock and Incentive Plan, principally to increase the number of reserved shares;
- (5) to ratify the Audit Committee’s selection of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for 2019;

and to transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

Only stockholders of record at the close of business on March 25, 2019 are entitled to notice of, and to vote at, the annual meeting.

Stockholders of record are urged to vote their proxy promptly by either returning the enclosed proxy, voting by telephone or voting via the Internet, each as more fully described in the enclosed proxy statement, whether or not they expect to attend the annual meeting in person. If your shares are held in street name by a broker, bank or other nominee, please refer to the voting instructions included with these proxy materials for information on the voting methods available to you. If your shares are held in street name by a broker, bank or other nominee, you will need to obtain a written proxy from the broker, bank or other nominee holding your shares to be able to vote at the meeting.

By order of the Board of Directors,
Mark C. Allen
Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary

April 24, 2019

Stockholders of record are urged to vote their proxy promptly, whether or not they expect to attend the annual meeting in person.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL
MEETING OF STOCKHOLDERS TO BE HELD ON MAY 22, 2019:

This proxy statement, along with the Company’s Annual Report to Stockholders, which includes our Annual Report on Form 10-K for the year ended December 31, 2018, are available via the Internet at www.proxyvote.com.

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DENBURY RESOURCES INC.
5320 Legacy Drive
Plano, Texas 75024

PROXY STATEMENT

Annual Meeting of Stockholders
to be held on Wednesday, May 22, 2019

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (sometimes referred to herein as “our Board” or “the Board”) of Denbury Resources Inc., a Delaware corporation (“Denbury” or “the Company”) for use at the Company’s annual meeting of stockholders to be held on Wednesday, May 22, 2019 at the Company’s corporate headquarters at 5320 Legacy Drive, Plano, Texas 75024, at 8:00 A.M. Central Daylight Time (CDT), or at any adjournment or postponement thereof. This proxy statement, proxy card and our 2018 Annual Report to Stockholders are being first made available to stockholders on or about April 24, 2019.

RECORD DATE AND COMMON STOCK OUTSTANDING

Our Board has fixed the record date for the annual meeting as of the close of business on March 25, 2019. Only Denbury stockholders of record on the record date are entitled to receive notice of and to vote at the annual meeting. If you are a holder of our common stock, you are entitled to one vote at the annual meeting for each share of common stock you held on the record date. On the record date, there were 460,441,131 shares of Denbury common stock issued and outstanding and entitled to vote at the annual meeting.

VOTING OF COMMON STOCK

Voting by Stockholders of Record

You are a stockholder of record if your shares are directly held by you and registered in your name with our transfer agent, Broadridge Corporate Issuer Solutions, Inc. If you are a stockholder of record, you may vote your shares via the Internet at www.proxyvote.com. You may also vote by touch-tone telephone from the United States by calling 1-800-690-6903, or by completing, signing and dating the proxy card and returning the proxy card in the prepaid envelope. In order to be valid and acted upon at the annual meeting, your proxy must be received before 11:59 P.M. Eastern Daylight Time (EDT) on May 21, 2019. Shares represented by proxy will be voted at the annual meeting unless the proxy is revoked at any time prior to the time at which the shares covered by proxy are voted by: (i) timely submitting a proxy with new voting instructions via the Internet or telephone; (ii) timely delivering a valid, later-dated executed proxy card; (iii) delivering a written notice of revocation that is received by our Secretary at 5320 Legacy Drive, Plano, Texas 75024, by 11:59 P.M. Eastern Daylight Time (EDT) on May 21, 2019; or (iv) voting in person at the annual meeting by completing a ballot (however, attending the annual meeting without completing a ballot will not revoke any previously submitted proxy). If you properly complete and sign your proxy card but do not indicate how your shares should be voted on a matter, the shares represented by your proxy will be voted in accordance with the recommendation of our Board as discussed below.

Voting by Beneficial Owners

You are considered a beneficial owner of shares held in “street name” if your shares are held by a broker, bank or other nominee (collectively referred to as a “broker”) on your behalf. If you are a beneficial owner of shares, you will receive instructions from your broker describing how to vote your shares. As a beneficial owner of your shares, you are entitled to direct your broker how to vote your shares. You may instruct your broker on how to vote by completing the voting instruction form provided to you by your broker. You may also vote by telephone or via the Internet if your broker makes such methods available, in which case applicable instructions will be provided to you by your broker.

You may change your vote by submitting new voting instructions to your broker in accordance with your broker's procedures. If you do not instruct your broker on how to vote your shares, your broker may vote your shares as it

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decides with respect to the matter for which it has discretionary authority (Proposal Five (the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm)) in the absence of timely instructions from you. There are also non-discretionary matters for which your broker does not have discretionary authority to vote unless it receives timely instructions from you: Proposal One (the election of directors), Proposal Two (the non-binding, advisory approval of named executive officer compensation), Proposal Three (increase in authorized shares of common stock) and Proposal Four (amendment and restatement of our 2004 Omnibus Stock and Incentive Plan). A “broker non-vote” results when a broker does not have discretion to vote on a particular matter, you have not given timely instructions on how the broker should vote your shares and the broker indicates it does not have authority to vote such shares on its proxy. As the beneficial owner of shares, you are invited to attend the annual meeting; however, you may not vote your shares in person at the annual meeting unless you obtain a written proxy from your broker.

Quorum; Required Vote; Treatment of Abstentions and Broker Non-Votes

We must have present in person or represented by proxy at least one-third of our issued and outstanding shares of common stock entitled to vote at the annual meeting in order to have a quorum. Abstentions and broker non-votes are counted as present at the annual meeting for purposes of determining whether a quorum is present. With respect to Proposal One (the election of directors), you will not be allowed to cumulate your votes. You are entitled to vote “for” election of a director nominee, “against” election of a director nominee, or you may “abstain” from voting with respect to a director nominee. In order for a nominee to be elected as director, such nominee must receive the vote of the majority of the votes cast with respect to such nominee at the annual meeting, where a quorum is present. A majority of votes cast means that the number of shares voted “for” a nominee’s election must exceed the total number of shares voted “against” such nominee’s election. Abstentions and broker non-votes will not be counted as votes cast for purposes of the election of directors. With respect to Proposals Two, Three, Four and Five, the affirmative vote of a majority of the shares having voting power present in person or represented by proxy and entitled to vote on the proposal at the annual meeting, where a quorum is present, is required for approval. Abstentions will be included in the vote total on Proposals Two, Three, Four and Five, such abstentions having the same effect on each such proposal as a negative vote; however, if there is a broker non-vote with respect to Proposals Two, Three or Four, it will not be included in the vote total and will not have any effect.

We will vote all properly executed proxies at the annual meeting in accordance with the direction on the proxy. You should be aware that if no vote direction is indicated on an executed proxy, the shares will be voted FOR the election of all of the director nominees under Proposal One; FOR Proposal Two (the non-binding, advisory approval of named executive officer compensation); FOR Proposal Three (increase in authorized shares of common stock); FOR Proposal Four (amendment and restatement of our 2004 Omnibus Stock and Incentive Plan); and FOR Proposal Five (the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm). Our Board has designated John P. Dielwart and/or Christian S. Kendall to serve as proxies. We do not know of any matters other than those matters listed in the Notice of Annual Meeting of Stockholders that will be presented for action at the annual meeting. However, if any other matters are properly presented for action at the annual meeting, we intend for Messrs. Dielwart and Kendall, and each of them acting singly as proxies named in the proxy card, to vote at their discretion on such matters.

PERSONS MAKING THE SOLICITATION

We are soliciting this proxy and will bear all costs incurred in connection with such solicitation for the annual meeting, including those incurred for the preparation, printing and mailing of the proxy materials. Our directors, officers or employees may solicit proxies by personal interviews, telephone or other means of communication. If they do so, these individuals will not receive any additional compensation for these services. We may also retain a proxy solicitor to assist us with the distribution and solicitation of proxies for the annual meeting at our expense.

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Proposal One: Election of Directors

Our Second Amended and Restated Bylaws (“Bylaws”) provide that our Board shall consist of a minimum of three and a maximum of fifteen directors. Each of the directors is elected annually and holds office until the next annual meeting of stockholders and until his or her successor is elected and qualified, or until his or her earlier resignation or removal. All of our current directors are serving terms that expire at the annual meeting. As previously announced by the Company, Laura A. Sugg, a director of the Company since 2012, will not be standing for re-election at the annual meeting. Mary M. VanDeWeghe was appointed to the Board on March 27, 2019, and is a nominee for election at the annual meeting. As a result, eight director nominees will be seeking election at the annual meeting.

Unless you mark your executed proxy to the contrary, we plan to vote all such proxies for the election of the eight nominees listed below as directors. We do not foresee any reason why any of these nominees would become unavailable, but if any of them should, your proxy may be voted for a substitute that is nominated by the Board, or we may reduce the size of our Board accordingly.

The name, age, Board committee membership, period of time served as a director of Denbury and the principal occupation of each person nominated for election as a director are as follows:

Name	Age	Current Board Committees	Director Since	Principal Occupation
		Compensation Committee		
John P. Dielwart, Chairman	66	Reserves and HSE Committee	2013	Vice-Chairman of ARC Financial Corp.
		Risk Committee		
		Compensation Committee		
Michael B. Decker	69	Nominating/Corporate Governance Committee	2007	Partner with Wingate Partners
Christian S. Kendall	52	—	2017	President and Chief Executive Officer of Denbury Resources Inc.
		Audit Committee		
		Compensation Committee		
Gregory L. McMichael	70	Nominating/Corporate Governance Committee	2004	Independent Consultant
		Risk Committee		
		Audit Committee		
Kevin O. Meyers	65	Reserves and HSE Committee	2011	Independent Consultant
		Audit Committee		
Lynn A. Peterson	66	Risk Committee	2017	Chairman of the Board, President and Chief Executive Officer of SRC Energy Inc.
Randy Stein	65	Audit Committee	2005	Independent Consultant
		Nominating/Corporate Governance Committee		

Mary M. VanDeWeghe	59	2019	Risk Committee Audit Committee Reserves and HSE Committee	Chief Executive Officer and President of Forte Consulting, Inc.
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Our director nominees bring various skills, experience and insight to our Board. They consist of two current chief executive officers (Messrs. Kendall and Peterson), a former chief executive officer of a public oil and gas company (Mr. Dielwart), a former principal in charge of a major accounting firm (Mr. Stein), a private equity investor and former chief operating officer (Mr. Decker), an engineer with executive industry experience (Dr. Meyers), an experienced financial and management consultant with a focus on strategies to maximize stockholder value (Ms. VanDeWeghe) and a former oil and gas analyst (Mr. McMichael). These individuals were selected to give the Board insight from diverse points of view, all of which relate to various aspects of our business.

With the exception of Mr. Kendall, our President and Chief Executive Officer, all of our director nominees are independent. Our large majority of independent directors helps provide independent oversight. For more information on director independence, see Governance of the Company – Director Independence below. Our director nominees provide an effective mix of experience and fresh perspective. Including directors with a mix of tenure on the Board helps transition the knowledge of the more experienced directors while providing a broad set of perspectives and experiences. For more information on how director candidates are identified, see Governance of the Company – Identification of Director Candidates below.

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The narratives below provide more specific biographical information and outline the skills and qualifications for each of the Board nominees.

John P. Dielwart

Joined the Board: 2013

Age: 66

Board Committees: Compensation Committee, Reserves and HSE Committee, Risk Committee

Principal Occupation: Vice-Chairman of ARC Financial Corp.

John P. Dielwart has been a director of Denbury since November 2013 and was selected Chairman of the Board in March 2016. Mr. Dielwart is a founder and former Chief Executive Officer, as well as a member of the board of directors, of ARC Resources Ltd. (TSX: ARX.TO) ("ARC"), a publicly traded Canadian oil and gas company, and a member of the board of directors of TransAlta Corporation (TSX: TA.TO), a publicly traded electricity power generator and wholesale marketing company, and Crescent Point Energy Corp., a publicly traded oil and gas company (NYSE: CPG). Mr. Dielwart oversaw the growth of ARC, first as its President and then as Chief Executive Officer from its startup in 1996 until his retirement in January 2013. Mr. Dielwart is currently the Vice-Chairman of ARC Financial Corp., Canada's leading energy-focused private equity manager, a position he assumed after his retirement from ARC. Prior to joining ARC, Mr. Dielwart spent 12 years with a major Calgary-based oil and natural gas engineering consulting firm as Senior Vice President and Director. Mr. Dielwart began his career at a major Calgary-based oil and natural gas company, where he spent five years. Mr. Dielwart served two separate three-year terms as a Governor of the Canadian Association of Petroleum Producers (CAPP), including 18 months (2002 to 2004) as Chairman.

Skills and Qualifications:

Mr. Dielwart is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and received a Bachelor of Science degree (with Distinction) in Civil Engineering from the University of Calgary. In 2015, Mr. Dielwart was inducted into the Calgary Business Hall of Fame. Mr. Dielwart's background in the oil and gas industry, particularly as a founder and former Chief Executive Officer of ARC, provides the Board with extensive and relevant industry knowledge, as well as a managerial and leadership perspective. Mr. Dielwart's experience in overseeing the development of ARC into a successful oil and gas company is an asset to both the Board and management.

Michael B. Decker

Joined the Board: 2007

Age: 69

Board Committees: Compensation Committee, Nominating/Corporate Governance Committee

Principal Occupation: Partner with Wingate Partners

Michael B. Decker has been a director of Denbury since December 2007. Mr. Decker has been a partner of Wingate Partners, a Dallas-based private equity investment company, since 1996. Prior to joining Wingate Partners, Mr. Decker held the position of Chief Operating Officer of the Trammell Crow Company. He previously was President of Huffco Group, Inc., an energy exploration company. Mr. Decker currently serves as a board member of USA Environment LP. Mr. Decker has served as a consultant for the Boston Consulting Group and has worked as an investment officer for the World Bank. Mr. Decker served as an Advanced Leadership Initiative Fellow at Harvard University during 2018.

Skills and Qualifications:

Mr. Decker holds an MBA from the Harvard Business School, a Master of Arts from Oxford University and an Artium Baccalaureatus from Princeton University. Mr. Decker's educational background and current and past roles provide him with significant financial, managerial and leadership experience. Mr. Decker has significant experience in the oil and gas industry, as well as several other industries, which broadens the perspectives he brings to the Board.

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Christian S. Kendall

Joined the Board: 2017

Age: 52

Principal Occupation: President and Chief Executive Officer of Denbury Resources Inc.

Christian S. Kendall has been a director of Denbury and the Chief Executive Officer since July 2017. Mr. Kendall joined Denbury as Chief Operating Officer in September 2015 and was named President in October 2016. Prior to joining Denbury, Mr. Kendall was employed at Noble Energy, Inc. (“Noble”), where he served as a member of Noble’s executive management and as part of its operations leadership team as Senior Vice President, Global Operations Services. Prior to that, Mr. Kendall served as Vice President, Gulf of Mexico (2011-2014), and as Business Unit Manager and Vice President, Noble Energy Mediterranean Ltd (2007-2011), having been with Noble since 2001. Mr. Kendall began his career with Mobil Oil Corporation in 1989 and, in total, has more than 30 years of oil and gas industry experience in domestic and international operations roles.

Skills and Qualifications:

Mr. Kendall holds a Bachelor of Science degree in Engineering, Civil Specialty, from the Colorado School of Mines and is a graduate of the Advanced Management Program at the Harvard Business School. As President and Chief Executive Officer of the Company, Mr. Kendall is intimately knowledgeable of the day-to-day and strategic operations of the Company, providing the Board with a management perspective.

Gregory L. McMichael

Joined the Board: 2004

Age: 70

Board Committees: Audit Committee, Compensation Committee, Nominating/Corporate Governance Committee, Risk Committee

Principal Occupation: Independent Consultant

Gregory L. McMichael has been a director of Denbury since December 2004. Mr. McMichael is currently a self-employed business consultant, having retired in 2004 from his position of Vice President and Group Leader – Energy Research of A.G. Edwards, where he was responsible for all of the firm’s equity research in the energy sector. Prior to his employment by A.G. Edwards, which commenced in 1998, Mr. McMichael was Director of Equity Research of Hanifen, Imhoff, Inc. (“Hanifen”), a regional investment banking firm based in Denver, Colorado, for eight years. Prior to his employment by Hanifen, he worked directly in the oil and gas industry for 15 years, most recently as Chief Executive Officer of Point Resources Inc., a privately held oil and natural gas exploration and production company. Mr. McMichael previously served as a Special Advisor to the Board of Matador Resources, Inc. (NYSE: MTDR), a publicly traded oil and natural gas company, and a director of Matador Petroleum Company,

Quest Resource Corporation and Admiral Bay Resources Inc.

Skills and Qualifications:

Mr. McMichael is a National Association of Corporate Directors Board Leadership Fellow and serves on the board of directors of the Colorado chapter. Mr. McMichael's experience in the oil and gas industry, coupled with his service on other boards and experience as an analyst covering the energy sector, provides the Board with broad and extensive analytical perspectives. Mr. McMichael monitors the oil and gas industry and provides the Board with various analyses of relative industry performance.

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Kevin O. Meyers

Joined the Board: 2011

Age: 65

Board Committees: Audit Committee, Reserves and HSE Committee

Principal Occupation: Independent Consultant

Kevin O. Meyers has been a director of Denbury since July 2011. Dr. Meyers has more than 35 years of experience in the oil and gas industry, having retired from ConocoPhillips at the end of 2010. Dr. Meyers currently serves on the board of directors of the following publicly traded companies: Hornbeck Offshore Services, Inc. (NYSE: HOS), a provider of offshore service vessels, Precision Drilling Corporation (NYSE: PDS), a provider of drilling equipment and services, and Hess Corporation (NYSE: HES), an oil and natural gas exploration and production company. Dr. Meyers previously served on the board of directors of Bill Barrett Corporation (NYSE: BBG), LUKOIL, the World Energy Council, the United States Energy Association, the Board of Regents of the University of Alaska and the Nature Conservancy of Alaska. For the ten years prior to retirement, Dr. Meyers was a senior executive with ConocoPhillips, most recently serving as Senior Vice President Exploration and Production, Americas. Prior to that, he was President of ConocoPhillips Canada, President of ConocoPhillips Russia and Caspian Region, and President of ConocoPhillips Alaska. For the twenty years prior to that, he served in engineering, technical and executive positions with ARCO, last serving as President of ARCO Alaska.

Skills and Qualifications:

Dr. Meyers holds a Ph.D. in Chemical Engineering from the Massachusetts Institute of Technology and Bachelor's degrees in Chemistry and Mathematics from Capital University in Ohio. Dr. Meyers' educational background and extensive industry and technical experience provide the Board with significant insight into the Company's operations and technical matters. His leadership experience with large oil and gas companies further broadens the perspectives he brings to the Board.

Lynn A. Peterson

Joined the Board: 2017

Age: 66

Board Committees: Audit Committee, Risk Committee

Principal Occupation: Chairman of the Board, President and Chief Executive Officer of SRC Energy Inc.

Lynn A. Peterson has been a director of Denbury since 2017. Mr. Peterson has served as President of SRC Energy Inc. (formerly Synergy Resources Corporation) (“SRC”) since May 2015 and as the Chairman of the Board, President and Chief Executive Officer of SRC since January 2016. Before joining SRC, he was a co-founder of Kodiak Oil & Gas Corporation (“Kodiak”), and served Kodiak as a director (2001-2014) and as its President and Chief Executive Officer (2002-2014) and Chairman of the Board (2011-2014), until its acquisition by Whiting Petroleum Corporation in December 2014. Mr. Peterson served as a director of Whiting Petroleum Corporation (NYSE: WLL) from December 2014 to June 2015.

Skills and Qualifications:

Mr. Peterson graduated from the University of Northern Colorado with a Bachelor of Science in Accounting and has more than 33 years of experience in the oil and gas industry. As the current Chief Executive Officer of an oil and gas company, Mr. Peterson provides the Board with valuable industry insight, as well as managerial, business and strategic expertise. Mr. Peterson’s experience in leading oil and gas companies is an asset to both the Board and management.

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Randy Stein

Joined the Board: 2005

Age: 65

Board Committees: Audit Committee, Nominating/Corporate Governance Committee, Risk Committee

Principal Occupation: Independent Consultant

Randy Stein has been a director of Denbury since January 2005. Mr. Stein is currently a self-employed business consultant, having retired from PricewaterhouseCoopers LLP, formerly Coopers & Lybrand LLP, in 2000. Mr. Stein was employed for 20 years with PricewaterhouseCoopers LLP, most recently as principal in charge of the Denver, Colorado tax practice. Mr. Stein served as Audit Committee Chairman, Co-Chairman of the Nominating/Corporate Governance Committee and a member of the Compensation Committee of Westport Resources Corp., a Denver-based public oil and gas company, from 2000 until it was acquired in 2004. Mr. Stein is currently a board member and Audit Committee Chairman of HighPoint Resources Corporation (NYSE: HPR) (formerly known as Bill Barrett Corporation (NYSE: BBG)), an oil and natural gas developer, and also served on the board and audit committee of Koala Corporation, a company engaged in the design, production and marketing of family convenience products, from 2001 through 2005.

Skills and Qualifications:

Mr. Stein's experience in public accounting with a major accounting firm provides our Board with insights into many aspects of the financial reporting and tax issues facing oil and gas companies. Mr. Stein's background also brings additional financial, accounting and tax expertise to the Board through prior experience as a vice president of taxation for a publicly traded oil and gas company, and an expansive understanding of corporate governance and audit committee matters through his service on other boards.

Mary M. VanDeWeghe

Joined the Board: 2019

Age: 59

Board Committees: Audit Committee, Reserves and HSE Committee

Principal Occupation: Chief Executive Officer and President of Forte Consulting, Inc.

Mary M. VanDeWeghe was appointed to the Denbury Board of Directors in March 2019 and is a first-time director nominee to the Board. Ms. VanDeWeghe has served as the President and Chief Executive Officer of Forte Consulting, Inc. since March 2009. Prior to that, she served as Senior Vice President – Finance at Lockheed Martin Corporation. Additionally, she has served as a business school professor at Georgetown University and at the University of Maryland. Ms. VanDeWeghe currently serves on the board of directors of Principal Funds, Inc., a global asset management organization. She previously has served on the boards of directors for Brown Advisory, Nalco Holding Company, Ecolab Inc., W.P. Carey Inc., and B/E Aerospace, Inc.

Skills and Qualifications:

Ms. VanDeWeghe has a Bachelor's degree in Economics from Smith College, where she graduated Phi Beta Kappa, and received an MBA from the Amos Tuck School of Business at Dartmouth College, where she was a Tuck Scholar. Ms. VanDeWeghe has more than 35 years of experience developing and executing strategies to maximize shareholder value. Her areas of expertise include strategic planning, mergers & acquisitions, capital markets, risk management, project financing, venture capital, investment management, corporate governance and investor relations.

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Vote Required

As described above, in order for a nominee to be elected as a director, where a quorum is present, such nominee must receive the affirmative vote of a majority of the votes cast with respect to such nominee at the annual meeting. A majority of votes cast means that the number of shares voted “for” a nominee’s election must exceed the number of shares voted “against” such nominee’s election, with abstentions and broker non-votes not being counted as votes cast for purposes of the election of directors. Brokers do not have discretion to vote on this proposal without your instruction. If you do not instruct your broker how to vote on this proposal, your broker will deliver a non-vote on this proposal.

Board of Directors’ Recommendation

Our Board of Directors recommends that stockholders vote FOR election of each of the foregoing director nominees.

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GOVERNANCE OF THE COMPANY

The business, properties and affairs of the Company are managed by the Chief Executive Officer under the direction of the Board. The Board has responsibility for establishing broad corporate policies and for the overall performance and direction of the Company. Other than involvement by the Company's Chief Executive Officer, the Board is not involved in the day-to-day operations of the Company. Board members keep informed of the Company's business by participating in Board meetings, attending committee meetings, reviewing regularly provided analyses and reports and engaging in thorough discussions with the Chief Executive Officer and other employees of the Company. Our Board and senior management spend significant time implementing corporate governance guidelines, policies and practices that uphold our core values, align with our corporate governance commitments and support our business sustainability.

Board Leadership Structure

John P. Dielwart serves as Chairman of the Board, and Christian S. Kendall serves as our President and Chief Executive Officer. The separation of the positions of Chief Executive Officer and Chairman of the Board allows our Chief Executive Officer to focus on the day-to-day leadership and performance of the Company and allows our Chairman of the Board to lead the Board in its fundamental role of providing advice and oversight to management. The Board recognizes that no single leadership structure is right for all companies, and depending on the circumstances, other leadership structures might be appropriate. The Board believes the current leadership structure is effective and appropriate, creates a separation of executive powers by providing a Chairman with whom the Chief Executive Officer can discuss issues facing the Company, and provides a significant voice to non-management directors.

Presiding Director

John P. Dielwart, our Chairman of the Board, is the presiding director at the meetings of non-management directors. To contact him, please address your letters to:

Denbury Resources Inc.
Attn: Chairman of the Board of Directors
5320 Legacy Drive
Plano, Texas 75024

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that address significant issues of corporate governance and set forth the procedures by which the Board carries out its responsibilities. The primary responsibility of the Board, as memorialized in the Corporate Governance Guidelines, is the maximization of long-term stockholder value for the Company's stockholders, with due regard for the Company's employees and other stakeholders. Among the areas addressed by the guidelines are assessing risk, director qualifications, director responsibilities, selection and election of directors, director compensation and tenure, Board committee responsibilities, director orientation and continuing education, director access to management and independent advisors, succession planning, the number of Board meetings, and Board and committee performance evaluations. The Nominating/Corporate Governance Committee is responsible for assessing and periodically reviewing the adequacy of these guidelines. The guidelines are available on our website at www.denbury.com, under the "About Denbury – Corporate Governance" link.

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Risk Oversight

The Board is responsible for oversight of our risk assessment and risk management. The Board strives to effectively oversee our enterprise-wide risk management while maximizing the long-term value for our stockholders, with due regard for our employees and other stakeholders. The Board receives regular updates from, and maintains an active dialogue with, members of our management team and Internal Audit Department about existing risk management processes and how management identifies, assesses and responds to our most significant risk exposures. These interactions enable the Board to evaluate whether management is appropriately managing our most significant risks. The Board also relies on, and has delegated certain aspects of its oversight responsibility to, its committees to assist the Board with its overall risk assessment and risk management responsibilities. Each committee reviews and assesses with management risk-related matters within the scope of its responsibilities and reports regularly to the Board on such risk-related matters. For example: the Audit Committee oversees our guidelines and policies with respect to risk assessment and risk management, as well as our financial reporting and regulatory compliance risk exposures and the steps management has taken to monitor and control such exposures; the Risk Committee oversees our principal business and operational risks, and our other material risks and exposures, and the actions, activities and initiatives we undertake to mitigate such risks and exposures; the Nominating/Corporate Governance Committee oversees risks relating to our corporate governance matters and legislative affairs and activities and matters related thereto; the Compensation Committee oversees the extent to which risks arising from our compensation policies and practices are reasonably likely to have a material adverse effect on us; and the Reserves and Health, Safety and Environmental Committee oversees the independent reserves engineers' identification of issues and business risks and exposures, and our health, safety and environmental policies, practices and procedures and management's assessments of high risk areas with respect thereto.

Identification of Director Candidates

The Nominating/Corporate Governance Committee is responsible for identifying and reviewing director candidates to determine whether they qualify and should be considered for membership on the Board. The Nominating/Corporate Governance Committee has not established a specific minimum or maximum age, level of education, or specified types of skills for potential director candidates, but in general, consideration is given to the candidates' business and professional backgrounds, and the committee seeks candidates with outstanding integrity, achievements, judgment and other skills and experience that will enhance the Board's ability to serve the long-term interests of the Company and its stockholders.

The Board and the Nominating/Corporate Governance Committee aim to assemble a diverse group of Board members and believe that no single criterion, such as gender or minority status, is determinative in obtaining diversity on the Board. The Board defines diversity as differences of viewpoint, professional experience, education and skills, such as serving on other public company boards, the balance of business interest and experience of the candidate as compared to the incumbent or other nominated directors, and the need for any particular expertise on the Board or one of its committees.

Members of the Board will be asked to submit recommendations when there is an opening or anticipated opening for a director position. The Nominating/Corporate Governance Committee may also use outside sources or third parties to find potential director candidates, and similarly may use the services of outside sources or third parties to evaluate or assist in evaluating nominees brought to their attention.

The Nominating/Corporate Governance Committee will also consider nominees for election to the Board submitted to it by stockholders using substantially the same criteria it applies to nominee recommendations by directors, officers, employees and others. To recommend a prospective nominee for the Nominating/Corporate Governance Committee's consideration, submit the candidate's name and qualifications in writing to the following address: Denbury Resources

Inc., Attention: Nominating/Corporate Governance Committee, 5320 Legacy Drive, Plano, Texas 75024.

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For information on how to nominate a director (as opposed to recommending a candidate for consideration by the Nominating/Corporate Governance Committee), see Stockholder Proposals for Our 2020 Annual Meeting of Stockholders – Advanced Notice of Nominations or Proposed Business for Our 2020 Annual Meeting of Stockholders below.

Director Independence

The Company's Bylaws provide that at least two-thirds of the members of the Board will be independent as determined under the rules of the New York Stock Exchange ("NYSE") and its corporate governance listing standards. Additionally, each of the Board committee charters requires that members of that committee be independent. The Board has affirmatively determined that all nominees for director, with the exception of Mr. Kendall, the Company's President and Chief Executive Officer, qualify as independent directors under these standards based on its review of all relevant facts and circumstances.

Code of Conduct and Ethics

The Company has a Code of Conduct and Ethics that applies to its officers, employees and directors. This code assists employees in resolving ethical issues that may arise in complying with Denbury's policies. Our Code of Conduct and Ethics is a values-based document organized around our five core values: Integrity, Teamwork, Innovation, Excellence and Respect. It exemplifies our commitment to "Doing Right" in the conduct of our business.

Our Chief Executive Officer and Senior Financial Officers are also subject to the Code of Ethics for Senior Financial Officers. The purpose of both codes is to promote, among other things:

- ethical handling of actual or apparent conflicts of interest;
- full, fair, accurate and timely disclosure in filings with the Securities and Exchange Commission ("SEC") and in other public disclosures;
- compliance with the law and other regulations;
- protection of the Company's assets;
- compliance with insider trading policies; and
- prompt internal reporting of violations of the codes.

Both of these codes are available on our website at www.denbury.com, under the "About Denbury – Corporate Governance" link. Any waiver of these codes with respect to our executive officers and directors may be made only by the Board and will be disclosed to stockholders on our website, along with any amendments to these codes, to the extent required by applicable law or NYSE rules.

Related Party Transactions

Related Party Transactions Policy and Process

Under our Related Party Transactions Policy, the Nominating/Corporate Governance Committee is charged with reviewing and approving or ratifying all transactions, other than those non-material transactions specifically excluded in the policy, between the Company and a "Related Party." As defined in our Related Party Transactions Policy, "Related Parties" are the Company's directors and executive officers, beneficial owners that hold more than 5% of any class of our voting securities, as well as immediate family members of any such directors, executive officers and beneficial owners. Our Related Party Transactions Policy is available on our website at www.denbury.com, under the "About Denbury – Corporate Governance" link.

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Communication with the Board

The Board has approved a process by which stockholders or other interested parties may contact the members of the Board. All parties wanting to communicate with the Board should address letters to:

Denbury Resources Inc.
Attn: Corporate Secretary
5320 Legacy Drive
Plano, Texas 75024

In addition, interested parties may e-mail the Corporate Secretary and Board members at: secretary@denbury.com. All such communications will be forwarded by the Corporate Secretary directly to the Board.

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BOARD MEETINGS, ATTENDANCE AND COMMITTEES

The Board met 22 times during the year ended December 31, 2018, including telephonic meetings. All directors attended at least 75% of the Board meetings held in 2018. Mr. Dielwart, Chairman of the Board, acted as chairman of each Board meeting in 2018. At each in-person meeting, the Board holds an executive session with the non-management Board members, which is chaired by the Chairman of the Board. The Board took all other actions by unanimous written consent during 2018 in accordance with the terms of the Company's Bylaws.

All directors attended at least 75% of all meetings of each of the committees on which they served. Additionally, although the Company does not have a formal policy requiring all directors to attend the annual meeting of stockholders, the Company encourages the directors to attend the meeting, and all of the directors attended last year's annual meeting of stockholders.

During 2018, the Board had an Audit, Compensation, Nominating/Corporate Governance, Reserves and HSE and Risk Committee. At each Board meeting in 2018, the Chairperson of each committee provided a report on their committee's activities and findings from their most recent meetings. The Board committees had the following number of meetings during 2018, including telephonic meetings:

Committee	Number of Meetings in 2018
Audit	8
Compensation	5
Nominating/Corporate Governance	4
Reserves and HSE	5
Risk Committee	4

The table below shows the Committee memberships at March 31, 2019. As previously disclosed, Ms. Sugg will not be standing for re-election at the annual meeting.

Name	Audit	Compensation	Reserves and HSE	Nominating /Corporate Governance	Risk
John P. Dielwart, Chairman		X	X		X
Michael B. Decker		X		Chairperson	
Christian S. Kendall					
Gregory L. McMichael	X	X		X	Chairperson
Kevin O. Meyers	X		Chairperson		
Lynn A. Peterson	X				X
Randy Stein	Chairperson			X	X
Laura A. Sugg		Chairperson	X	X	
Mary M. VanDeWeghe	X		X		

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Audit Committee

The Audit Committee is comprised of five independent directors: Messrs. McMichael, Peterson and Stein, Dr. Meyers and Ms. VanDeWeghe, with Mr. Stein acting as chairman. The primary purpose of the Audit Committee, which is discussed in detail in its charter, is to (a) select, oversee, compensate and evaluate the Company's independent registered public accounting firm, (b) oversee and evaluate the Company's internal audit function and (c) provide assistance to the Board in fulfilling its oversight responsibility with respect to:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the independence and qualifications of the Company's independent registered public accounting firm;
- the performance of the Company's internal audit function and independent registered public accounting firm;
- the preparation of required disclosures for the Company's financial statement filings with the SEC; and
- the evaluation as to whether the Company has effective processes for risk assessment and risk management.

The Audit Committee meets regularly with management, the Company's Senior Manager of Internal Audit and the independent registered public accounting firm to review financial accounting and reporting and financial controls of the Company. The Audit Committee reviews and gives prior approval for audit and permitted non-audit services and related fees of the independent registered public accounting firm. The Senior Manager of Internal Audit and the independent registered public accounting firm have unrestricted access to the Audit Committee and periodically meet with the Audit Committee without management representatives present to discuss the results of their examinations and their opinions. The Audit Committee has the power to conduct internal audits and investigations, reviews recommendations or suggestions for changes in accounting procedures, and has the power to initiate or supervise any special investigations it may choose to undertake. Each year, the Audit Committee recommends to the Board (for ratification by the stockholders) an independent registered public accounting firm (see Audit Matters – Proposal Five).

The NYSE and SEC have adopted standards with respect to independence and financial literacy of the members of audit committees of public companies (including our Audit Committee). The standards require that all of the members of such audit committees be independent and that they all be able to read and understand fundamental financial statements, including balance sheets, income statements and cash flow statements. Additionally, the Audit Committee charter requires that at least one member of the audit committee must qualify as an "audit committee financial expert." The financial expert must be knowledgeable in the application of generally accepted accounting principles, the understanding and preparation of financial statements, accounting for estimates, accruals and reserves, internal controls over financial reporting and audit committee functions in accordance with SEC rules. Such knowledge is to have been obtained through past education and experience in positions of financial oversight. Mr. Stein and Ms. VanDeWeghe have such experience and have been designated as "audit committee financial experts." All members of the Audit Committee satisfy the criteria for both independence and financial literacy.

The Audit Committee charter is available on our website at www.denbury.com, under the "About Denbury – Corporate Governance" link.

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Compensation Committee

The Compensation Committee is comprised of four independent directors: Messrs. Decker, Dielwart and McMichael and Ms. Sugg, with Ms. Sugg acting as chairperson. As previously disclosed, Ms. Sugg will not be standing for re-election at the annual meeting. These directors are also independent under the additional independence requirements of the NYSE applicable to compensation committee members. The primary purpose of the Compensation Committee is to provide assistance to the Board in discharging its oversight responsibilities relating to the compensation and development of the Chief Executive Officer and other officers, and to oversee and administer the Company's equity and other compensation and benefit plans. The Compensation Committee's duties and responsibilities, which are discussed in detail in its charter, include:

- reviewing and approving a general compensation program and salary structure for the Company, including overall salary increases, bonuses and other annual compensation, and proposing modifications to the compensation program as deemed necessary;
- reviewing and approving on at least an annual basis the corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluating the Chief Executive Officer's performance in light of these goals and objectives, and determining and approving the Chief Executive Officer's compensation based on this evaluation, as well as, in consultation with the Chief Executive Officer, evaluating the performance of, and reviewing and approving the compensation of, all other senior executives on an annual basis;
- reviewing and approving the adoption of, or material modifications to, the Company's incentive compensation plans, deferred compensation plans and equity-based plans, approving awards under these plans, and administering these plans; and
- reviewing and discussing with management the compensation discussion and analysis and preparing and approving the Compensation Committee Report, both of which are included in this proxy statement.

The Compensation Committee charter is available on our website at www.denbury.com, under the "About Denbury – Corporate Governance" link.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee is comprised of four independent directors: Messrs. Decker, McMichael and Stein and Ms. Sugg, with Mr. Decker acting as chairman. As previously disclosed, Ms. Sugg will not be standing for re-election at the annual meeting. The primary purpose of the Nominating/Corporate Governance Committee is to provide assistance to the Board in discharging its oversight responsibilities relating to effective corporate governance. The Nominating/Corporate Governance Committee's duties and responsibilities, which are discussed in detail in its charter, include:

- identifying, recruiting, screening, interviewing and recommending individuals qualified to become members of the Board (see Governance of the Company – Identification of Director Candidates);
- recommending and evaluating the director nominees to be presented for stockholder approval at the annual meeting of stockholders or for appointment by the Board if a vacancy occurs between annual meetings;
- developing an annual self-evaluation process of the Board and its committees;
- monitoring the education, orientation and training needs of directors of the Board;
- developing and recommending to the Board for its approval various codes of conduct and ethics and a set of corporate governance guidelines; and
- reviewing, approving, or ratifying if appropriate, any related party transactions and any material amendments or modifications to such related party transactions pursuant to the Company's Related Party Transactions Policy.

The Nominating/Corporate Governance Committee charter is available on our website at www.denbury.com, under the “About Denbury – Corporate Governance” link.

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Reserves and Health, Safety and Environmental (“Reserves and HSE”) Committee

The Reserves and HSE Committee is comprised of four independent directors: Mr. Dielwart, Dr. Meyers and Mses. Sugg and VanDeWeghe, with Dr. Meyers acting as chairman. As previously disclosed, Ms. Sugg will not be standing for re-election at the annual meeting. The primary purpose of the Reserves and HSE Committee is to provide assistance to the Board in discharging its oversight responsibilities relating to (a) the Company’s independent reserves engineer, (b) information regarding the Company’s reserves and (c) the Company’s health, safety and environmental policies, practices and procedures. The Reserves and HSE Committee’s duties and responsibilities, which are discussed in detail in its charter, include:

- evaluating and, in consultation with management, selecting the Company’s independent reserves engineer;
- reviewing and monitoring the independence of the Company’s independent reserves engineer;
- reviewing with management and the independent reserves engineer the calculation and reporting of the Company’s oil, natural gas and CO₂ reserves;
- reviewing with management the Company’s health, safety and environmental policies, practices and procedures and assessments of relevant high risk areas of each;
- reviewing the Company’s strategy and initiatives in the area of corporate social responsibility; and
- reviewing the Company’s reports regarding corporate responsibility activities prior to publication.

The Reserves and HSE Committee charter is available on our website at www.denbury.com, under the “About Denbury – Corporate Governance” link.

Risk Committee

The Risk Committee is comprised of four independent directors: Messrs. Dielwart, McMichael, Peterson and Stein, with Mr. McMichael acting as chairman. The primary purpose of the Risk Committee is to provide assistance to the Board in discharging its oversight responsibilities relating to the Company’s principal business, financial and operational risks, and other material risk exposures, and the actions, activities and initiatives of the Company to mitigate such risks and exposures, in each case to the extent such oversight is not otherwise the duty or responsibility of other committees of the Board. The Risk Committee’s duties and responsibilities, which are discussed in detail in its charter, include:

- reviewing and evaluating management’s identification of the major risks to the Company’s business;
- reviewing the principal financial risks, exposures and liabilities undertaken or assumed by the Company;
- reviewing the Company’s hedging activities;
- reviewing the Company’s insurance programs and policies; and
- reviewing other material risk exposures as directed by the Board, including risks related to information technology and cybersecurity.

The Risk Committee charter is available on our website at www.denbury.com, under the “About Denbury – Corporate Governance” link.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table presents information regarding the number of shares of Denbury common stock beneficially owned as of February 28, 2019 by (i) each stockholder known by the Company to beneficially own more than 5% of our issued and outstanding common stock, (ii) each executive officer of the Company named in the Summary Compensation Table (our named executive officers), (iii) each director of the Board and director nominee and (iv) all directors and executive officers as a group. Unless otherwise indicated, each stockholder identified in the table is believed to have sole voting and investment power with respect to the shares beneficially held. The percent of outstanding shares is calculated on the basis of 460,441,580 shares of Denbury common stock outstanding (which excludes treasury shares) as of February 28, 2019. The table includes shares that were acquirable within 60 days following this date.

Name of Beneficial Owner	Beneficial Ownership of Common Stock as of February 28, 2019	
	Shares	Percent of Shares Outstanding
Directors and Executive Officers:		
John P. Dielwart	229,692 ⁽¹⁾	*
Michael B. Decker	299,301 ⁽¹⁾	*
Gregory L. McMichael	152,657 ⁽¹⁾	*
Kevin O. Meyers	216,308 ⁽¹⁾	*