

GULFPORT ENERGY CORP  
Form DEF 14A  
April 30, 2014  
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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 §240.14a-12

**Gulfport Energy Corporation**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

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- x No fee required
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - 1) Title of each class of securities to which transaction applies:
  
  
  - 2) Aggregate number of securities to which transaction applies:
  
  
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**14313 North May Avenue, Suite 100**

**Oklahoma City, Oklahoma 73134**

**NOTICE OF** April 30, 2014

**2014**

**ANNUAL** **Dear Gulfport Energy Corporation Stockholder:**

**STOCKHOLDERS**

**MEETING** On behalf of your board of directors and management, you are cordially invited to attend the Annual Meeting of Stockholders to be held at 14313 N. May Avenue, Suite 100, Oklahoma City, Oklahoma 73134 on Thursday, June 12, 2014, at 10:00 a.m.

**and**

**PROXY** It is important that your shares be represented at the meeting. Whether or not you plan to attend the meeting, please complete and return the enclosed proxy card in the accompanying envelope. Please note that submitting a proxy will not prevent you from attending the meeting and voting in person.

**STATEMENT**

**Thursday** You will find information regarding the matters to be voted on at the meeting in the enclosed proxy statement. Our 2013 Annual Report to Stockholders is either enclosed with these materials or has previously been mailed to you. This proxy statement and our 2013 Annual Report to Stockholders are also available on our website at [www.gulfportenergy.com/proxy](http://www.gulfportenergy.com/proxy).

**June 12, 2014**

10:00 a.m. local time In addition to the formal items of business to be brought before the meeting, there will be a report on our operations, followed by a question and answer period. Your interest in Gulfport Energy Corporation is appreciated. We look forward to seeing you on June 12, 2014.

**14313 N. May Avenue,**

Sincerely,

**Suite 100, Oklahoma City,**

Michael G. Moore

David L. Houston

**Oklahoma 73134**

*Chief Executive Officer and President*

*Chairman of the Board*

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**GULFPORT ENERGY CORPORATION**

**14313 North May Avenue, Suite 100**

**Oklahoma City, Oklahoma 73134**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON JUNE 12, 2014**

To our Stockholders:

The Annual Meeting of Stockholders of Gulfport Energy Corporation will be held on June 12, 2014 at 10:00 a.m., local time, at 14313 North May Avenue, Suite 100, Oklahoma City, Oklahoma 73134, for the following purposes:

1. To elect six directors to serve until the Company's 2015 Annual Meeting of Stockholders;
2. To approve our 2014 Executive Annual Incentive Compensation Plan;
3. To hold an advisory vote on the Company's executive compensation;
4. To ratify the appointment of Grant Thornton LLP as the Company's independent auditors for the fiscal year ending December 31, 2014; and
5. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Your vote is important. Please carefully consider the proposals and vote in one of these ways:

Mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope; or

Submit a ballot at the Annual Meeting.

Only stockholders of record at the close of business on April 23, 2014 or their proxy holders may vote at the meeting. Directions to the meeting can be obtained from the Company.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 12, 2014.** This proxy statement and the Company's 2013 Annual Report to Stockholders are available on the Company's website at [www.gulfportenergy.com/proxy](http://www.gulfportenergy.com/proxy).

By Order of the Board of Directors,

Michael G. Moore

*Chief Executive Officer and President*

This notice and proxy statement are first being mailed to stockholders on or about May 8, 2014.

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**GULFPORT ENERGY CORPORATION**

**14313 North May Avenue, Suite 100**

**Oklahoma City, Oklahoma 73134**

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**About the Annual Meeting**

**Who is soliciting my vote?**

The board of directors of Gulfport Energy Corporation, which we refer to as Gulfport, the Company and we in this proxy statement, is soliciting your vote at the 2014 Annual Meeting of Stockholders. In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, and consistent with the advisory vote of the Company's stockholders obtained in 2011, the Company's board of directors is providing the Company's stockholders with a non-binding advisory vote on, among other proposals, the Company's executive compensation. This and other proposals to be voted on by the Company's stockholders at the 2014 Annual Meeting of Stockholders are described in more detail below.

**What am I voting on?**

You are voting on:

The election of directors (*see Proposal 1 beginning on page 5*);

The approval of our 2014 Executive Annual Incentive Compensation Plan (*see Proposal 2 on page 39*);

The approval, on an advisory basis, of the compensation paid to the Company's named executive officers as reported in this proxy statement (*see Proposal 3 on page 43*);

The ratification of Grant Thornton LLP as our independent auditors for 2014 (*see Proposal 4 beginning on page 44*); and

Any other business properly coming before the meeting.

**How does the board of directors recommend that I vote my shares?**

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of our board of directors. The board of directors' recommendations can be found with the description of each item in this proxy statement. In summary, the board of directors recommends a vote:

FOR the proposal to elect the nominated directors;

FOR the proposal to approve our 2014 Executive Annual Incentive Compensation Plan;

FOR the proposal to approve, on an advisory basis, the compensation paid to the Company's named executive officers as reported in this proxy statement; and

FOR the proposal to ratify Grant Thornton LLP as the Company's independent auditors for 2014.

**Who is entitled to vote?**

You may vote if you were the record owner of our common stock as of the close of business on the record date, which is April 23, 2014. Each share of common stock is entitled to one vote. As of April 1, 2014, we had 85,424,391 shares of common stock outstanding and entitled to vote, excluding 529,312 shares of our restricted common stock granted under our 2013 Restated Stock Incentive Plan or its predecessors, but not yet vested. There is no cumulative voting.

**How many votes must be present to hold the meeting?**

Your shares are counted as present at the Annual Meeting if you attend the meeting and vote in person or if you properly return a proxy by mail. In order for us to hold our meeting, holders of a majority of the voting power of our outstanding shares of common stock as of the close of business on April 23, 2014 must be present in person or by proxy at the meeting. This is referred to as a quorum. Abstentions and broker non-votes will be counted for purposes of establishing a quorum at the meeting.

**What is a broker non-vote?**

If a broker does not have discretion to vote shares held in street name on a particular proposal and does not receive instructions from the beneficial owner on how to vote those shares, the broker may return the proxy card without voting on that proposal. This is known as a *broker non-vote*. No broker may vote your shares without your specific instructions on any of the proposals to be considered at the Annual Meeting other than the ratification of our independent auditors.

**How many votes are needed to approve each of the proposals?**

In April 2014, our board of directors amended our bylaws to provide for the election of directors in uncontested elections by a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon. Prior to this amendment, our bylaws provided for the election of directors by a plurality of the votes cast by the stockholders present in person or represented by proxy at a meeting of stockholders and entitled to vote thereon. Accordingly, for purposes of the Annual

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Meeting, if a quorum is present, directors will be elected by the affirmative vote of a majority of the votes cast, in person or by proxy. The number of shares voted **FOR** a director nominee must exceed the number of votes cast **AGAINST** that nominee. Stockholders may not cumulate their votes with respect to the re-election of directors. If any incumbent director is not elected because he does not receive a majority of the votes cast, he is required to immediately tender his or her resignation for consideration by our board of directors. Our board of directors will evaluate whether to accept or reject such resignation, or whether other action should be taken; provided, however, that the board will act on such resignation and publicly disclose its decision to accept or reject such resignation and the rationale behind such decision within 90 days from the date of the certification of the director election results.

Each of Proposals 2, 3 and 4 require the affirmative **FOR** vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the Annual Meeting and entitled to vote thereon. Except with respect to the proposal to ratify our independent auditors, where broker non-votes will be counted, only votes for or against these proposals will be counted as votes cast and abstentions and broker non-votes will not be counted for voting purposes.

### **How do I vote?**

You can vote either *in person* at the meeting or *by proxy* without attending the meeting.

To vote by proxy, you must fill out the enclosed *proxy card*, date and sign it, and return it in the enclosed postage-paid envelope.

Even if you plan to attend the meeting, we encourage you to vote your shares by proxy. If you plan to vote in person at the Annual Meeting, and you hold your stock in street name, you must obtain a proxy from your broker and bring that proxy to the meeting.

### **Can I change my vote?**

Yes. You can change or revoke your vote at any time before the polls close at the Annual Meeting. You can do this by:

Signing another proxy card with a later date and returning it to us prior to the meeting;

Sending our Corporate Secretary a written document revoking your earlier proxy; or

Voting again at the meeting.

### **Who counts the votes?**

We have hired Computershare Trust Company, N.A., our transfer agent, to count the votes represented by proxies cast by mail or ballot. Employees of Computershare Trust Company, N.A. will act as inspectors of election.

### **Will my vote be confidential?**

Yes. As a matter of Company policy, proxies, ballots and voting tabulations that identify individual stockholders are treated as confidential. Only the tabulation agent and the inspectors of election have access to your vote. Directors and

employees of the Company may see your vote only if there is a contested proxy solicitation, as required by law or in certain other special circumstances.

**Will my shares be voted if I don't provide my proxy and don't attend the Annual Meeting?**

If you do not provide a proxy or vote your shares held in your name, your shares will not be voted.

If you hold your shares in street name, your broker may be able to vote your shares for certain routine matters even if you do not provide the broker with voting instructions. The ratification of Grant Thornton LLP as our independent auditors for 2014 is considered routine. For matters not considered routine, if you do not give your broker instructions on how to vote your shares, the broker will return the proxy card without voting on that proposal. This is a broker non-vote. The proposals to elect directors, to approve our 2014 Executive Annual Incentive Compensation Plan and to approve, on an advisory basis, the Company's executive compensation are not considered routine. As a result, no broker may vote your shares on these proposals without your specific instructions.

**How are votes counted?**

In the election of directors contemplated by Proposal 1, you may vote FOR, AGAINST or ABSTAIN with respect to one or more of the nominees. For Proposals 2, 3 and 4, you may vote FOR, AGAINST or ABSTAIN.

**What if I return my proxy but don't indicate my vote on the matters listed on my proxy card?**

If you return a signed proxy card without indicating your vote, your shares will be voted FOR the director nominees listed on the card, FOR the approval of our 2014 Executive Annual Incentive Compensation Plan, FOR approving, on an advisory basis, the Company's executive compensation as described in this proxy statement and FOR the ratification of Grant Thornton LLP as our independent auditors for 2014.

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**Could other matters be decided at the Annual Meeting?**

We have not received any stockholder proposals and are not aware of any other matters that will be considered at the Annual Meeting. If any other matters arise at the Annual Meeting, the persons named in your proxies will vote in accordance with their best judgment.

**Who can attend the meeting?**

The Annual Meeting is open to all holders of our common stock.

**What do I need to bring to attend the Annual Meeting?**

You will need proof of ownership of our common stock to enter the meeting. If your shares are in the name of your broker or bank or other nominee, you will need to bring evidence of your stock ownership, such as your most recent brokerage statement. All stockholders will be required to present valid picture identification. **IF YOU DO NOT HAVE VALID PICTURE IDENTIFICATION AND PROOF THAT YOU OWN SHARES OF OUR STOCK, YOU MAY NOT BE ADMITTED INTO THE MEETING.**

**How can I access the Company's proxy materials and annual report electronically?**

This proxy statement and the Company's 2013 Annual Report to Stockholders are available on the Company's website at [www.gulfportenergy.com/proxy](http://www.gulfportenergy.com/proxy).

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**Board of Directors Information**

**What is the makeup of the board of directors and how often are the members elected?**

Our board of directors currently consists of six members who are elected annually. The majority of these directors are independent under the Nasdaq listing standards.

**What if a nominee is unable or unwilling to serve?**

That is not expected to occur. If it does, shares represented by proxies will be voted for a substitute nominated by the board of directors.

**How are directors compensated?**

Our policy is that members of our board of directors who are also our officers or employees do not receive compensation for their services as directors. The compensation of our non-employee directors is described below.

***Cash Compensation***

In 2013, we paid our non-employee directors a monthly retainer of \$1,000 and a per meeting in-person attendance fee of \$500 and reimbursed all ordinary and necessary expenses incurred by non-employee directors in the conduct of our business. In addition to the fees described above, each committee member of our board of directors received \$3,000 per year for his service on each committee, provided that the committee chairman received \$4,500 per year per committee. Consistent with the recommendations of Longnecker & Associates, an independent compensation consulting firm, effective January 1, 2014, the cash compensation we pay our non-employee directors was changed, and we now pay our non-employee directors an annual retainer of \$40,000, an attendance fee of \$1,000 for each board meeting attended in person in 2014, increasing to \$1,500 in 2015, and an attendance fee of \$500 for each board meeting attended telephonically in 2014, increasing to \$750 in 2015. In addition, effective January 1, 2014, the Chairman of the Board now receives an additional \$65,000 annual retainer, the audit committee chairman receives an additional \$15,000 annual retainer and the chairman of each of the compensation committee and the nominating committee receives an additional \$10,000 annual retainer. The annual retainer paid to each committee member that is not the chairman of the respective committee remains \$3,000 per year, although, effective January 1, 2014, each committee member is entitled to a \$500 attendance fee for each committee meeting attended in person in 2014, increasing to \$1,000 in 2015, and a \$250 attendance fee for each committee meeting attended telephonically in 2014, increasing to \$500 in 2015. In addition, on December 10, 2013, each of our then-serving non-employee directors was granted a \$100,000 bonus for 2013, payable approximately one-half in shares of restricted stock (863 shares based on a closing price of \$57.91 per share on December 10, 2013) and approximately one-half in cash. The shares of restricted stock will vest on December 10, 2014.

***Equity Compensation***

From time to time, we have provided our non-employee directors with equity compensation under our stock incentive plans as additional compensation and incentive. As described immediately above, on December 10, 2013, we granted 863 shares of our restricted common stock to each of our then-serving non-employee directors under our 2013 Restated Stock Incentive Plan, which shares will vest on December 10, 2014. This equity grant was part of a \$100,000 bonus that our compensation committee elected to award to each of our non-employee directors at such time for 2013, which was payable approximately one-half in shares of common stock of the Company with a grant date of December 10, 2013 and approximately one-half in cash. Effective January 1, 2014, our non-employee directors will

receive an annual grant of restricted stock with an aggregate value of approximately \$100,000 based on the closing price of our common stock on the date of grant, with vesting to occur on the first anniversary of the date of grant.

Further details regarding our director compensation in 2013 are set forth under the heading Director Compensation below.

### ***Insurance and Indemnification***

We provide liability insurance for our directors and officers at a current annual cost of approximately \$585,894. In addition, our certificate of incorporation sets forth limitations on our directors' liability to our stockholders. Further, our bylaws contain indemnification and advancement of expenses provisions for the benefit of our directors and officers.

### **How often did the board of directors meet in 2013?**

The board of directors met 12 times in 2013. In addition to these meetings, the board of directors adopted resolutions by unanimous written consent. Each director attended at least 75% of the aggregate meetings of the board of directors and the meetings of the committees on which he served.

**Table of Contents****Election of Directors and Director Biographies*****(Proposal 1 on the Proxy Card)*****Who are this year's nominees?**

The directors standing for election this year to hold office until the 2015 Annual Meeting of Stockholders and until each such director's successor is elected are:

**MICHAEL G. MOORE, age 57.** Mr. Moore was appointed as our Chief Executive Officer and as a member of our board of directors on April 22, 2014, and has served as our President since August 2013 and as our Chief Financial Officer and Secretary from July 2000 to April 2014. He will continue to serve as our interim Chief Financial Officer until his successor has been appointed. Mr. Moore also served as our Interim Chief Executive Officer from February 15, 2014 until his appointment as our Chief Executive Officer on April 22, 2014. From May 1998 through July 2000, Mr. Moore served as Vice President and Chief Financial Officer of Indian Oil Company. From September 1995 through May 1998, Mr. Moore served as Controller of DLB Oil & Gas, Inc. Prior to that, Mr. Moore served as Controller of LEDCO, Inc., a Houston based gas marketing company. Mr. Moore received both his Bachelor of Business Administration Degree in Finance and his Master's in Business Administration from the University of Central Oklahoma.

**DONALD L. DILLINGHAM, age 51.** Mr. Dillingham has served as a director of the Company since November 2007. Since April 2007, Mr. Dillingham has served as Chief Executive Officer of Oak Hills Holdings, a holding company comprised of Avondale Investments, LLC, Merit Advisors, Inc. and Oak Hills Securities, each of which is a registered investment advisor. From August 2001 until July 2003, Mr. Dillingham served as the Senior Portfolio Manager for two mutual funds, a member of the investment committee of Merit Advisors, Inc. and the Vice-President/Treasurer and director of the Merit Advisors Investment Trust. From August 2002 to December 2004, Mr. Dillingham served as an adjunct professor of finance at the University of Oklahoma. From April 1998 to August 2001, Mr. Dillingham served as Senior Vice President, portfolio manager and state director for J.P. Morgan Investment Management. From March 1996 to April 1998, Mr. Dillingham served American Express as the state director responsible for managing the financial planning services and product sales for the state of Oklahoma. From May 1994 to December 1996, Mr. Dillingham worked for Bank of America as Vice-President of Investment Banking. Mr. Dillingham began his career in the finance industry with Stifel, Nicolaus as a fixed income analyst, risk based market maker and sales manager from August 1984 to May 1994. Mr. Dillingham is also the founder of Fortress Storage Solutions, a multi-unit self-storage company, and Dillingham Outdoor, an advertising company. Mr. Dillingham has also served since May 2009 as an independent director and chairman of the audit committee for Emerging Brands, a privately-held restaurant holding company. From 2009 to 2011, Mr. Dillingham served as an independent director and chairman of the audit committee for The Beard Company, a publicly-traded energy company. Mr. Dillingham is active in the community and has served in a variety of leadership roles in local organizations. He is an enrolled member of the Muscogee (Creek) Indian Nation, and after ten years of service, recently rotated off the board of Oklahoma's Native American Cultural and Education Authority. Mr. Dillingham received a Bachelor's of Business and Administration in Accounting from the University of Oklahoma and his Master's of Business and Administration in Finance from Oklahoma City University. Mr. Dillingham is a Chartered Financial Analyst, a Certified Public Accountant and a Certified Financial Planner.

**CRAIG GROESCHEL, age 46.** Mr. Groeschel has served as a director of the Company since August 2011. Since 1996, Mr. Groeschel has served as a founding pastor of LifeChurch.tv, one of the largest churches in the United States, reaching over 30,000 people each weekend. Since founding LifeChurch, Mr. Groeschel has served on its Board of Directors. Under Mr. Groeschel's leadership, LifeChurch has grown to 15 locations in the United States.



Mr. Groeschel received a Bachelor's in Business Marketing from the Oklahoma City University and a Master's of Divinity from the Phillips Graduate Seminary. Mr. Groeschel is a frequent speaker at various domestic and international forums and an author of a number of books.

**DAVID L. HOUSTON, age 61.** Mr. Houston has served as a director of the Company since July 1998 and as Chairman of the Board since July 2013. Since 1991, Mr. Houston has been the principal of Houston Financial, a firm that offers life and disability insurance, compensation and benefits plans and wealth management services with a focus on the energy sector. Since 2000, Mr. Houston has managed a mineral trust with approximately 9,200 net acres in Oklahoma, Texas, Kansas and New Mexico, which includes responsibility for leasing and production matters. Mr. Houston served on the board of directors and executive committee of Deaconess Hospital, Oklahoma City, Oklahoma, from January 1993 until December 2008. Mr. Houston has served as a member of the board of directors of Diamondback Energy, Inc. (Nasdaq: FANG) since October 2012, is a member of its audit and compensation committees and is the chair of its nominating and corporate governance committee. He also served as a director of Bronco Drilling Company from May 2005 until December 2010 and was a member of its audit committee. Mr. Houston received a Bachelor of Science Degree in business from Oklahoma State University and a graduate degree in banking from Louisiana State University.

**MICHAEL S. REDDIN, age 54.** Mr. Reddin was appointed to our board of directors on April 22, 2014. Since August 2009, Mr. Reddin has been president and chief executive officer of Davis Petroleum Corporation, an independent private oil and gas exploration, development, acquisitions and production company focused primarily in the onshore Gulf Coast and deep-water Gulf of Mexico. Mr. Reddin has also served as chairman of the board of directors of Davis Petroleum Corporation since March 2013. From October 2008

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to June 2009, Mr. Reddin served as president, chief executive officer and a member of the board of directors of Kerogen Resources, Inc., an early-stage exploration and production company focused on the development of North American shale plays. Before Kerogen Resources Inc., Mr. Reddin spent 2000 through 2008 at BP America Inc. focused in the development of its Gulf of Mexico assets, where he served as Vice President of Production, Vice President of Development and several other leadership roles. Earlier, Mr. Reddin served in technical, financial and asset management positions of increasing responsibility at ARCO Oil & Gas Company and Vastar Resources, Inc. Mr. Reddin also served on the board of director of Berry Petroleum Company from 2011 to 2013. Mr. Reddin earned a Bachelor's Degree in Mechanical Engineering from Texas A&M University.

**SCOTT E. STRELLER, age 45.** Mr. Steller has served as a director of the Company since August 2006. He currently serves as chairman of Company's Nominating Committee and as a member on the Audit and Compensation Committees. In 1992, Mr. Steller founded the Scott Steller Insurance and Financial Services Agency (Farmers Insurance), which has been recognized both regionally and nationally as one of the top agencies within the Farmers Insurance Group of Companies. Mr. Steller is active in the community and has served in a variety of leadership roles in local public and non-profit organizations. Additionally, Mr. Steller frequently serves as a guest lecturer at local universities and insurance and financial services seminars. Mr. Steller earned a Bachelor's Degree in Business Management from the University of Central Oklahoma. In addition, Mr. Steller received a Master's in Athletic Administration from Oklahoma State University, where he served as a Graduate Assistant Coach in men's basketball under Coach Eddie Sutton.

**What does the board of directors recommend?**

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THESE DIRECTORS**

**What are the committees of the Board?**

Our board of directors has the following committees:

<b>Committee</b>	<b>Members</b>	<b>Principal Functions</b>	<b>Number of Meetings in 2013</b>
Audit	Donald L. Dillingham David L. Houston* Scott E. Steller	Reviews and discusses with management and the independent auditors the integrity of our accounting policies, internal controls, financial statements, accounting and auditing processes and risk management compliance.  Monitors and oversees our accounting, auditing and financial reporting processes generally, including the qualifications, independence and performance of the independent auditor.	Ten (10)

Monitors our compliance with legal and regulatory requirements.

Establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Reviews and approves related party transactions.

Appoints, determines compensation, evaluates and terminates our independent auditors.

Pre-approves audit and permissible non-audit services to be performed by the independent auditors.

Prepares the report required by the Securities and Exchange Commission, or the SEC, for the inclusion in our annual proxy statement.

Reviews and reassesses the adequacy of the audit committee charter on a periodic basis.

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<b>Committee</b>	<b>Members</b>	<b>Principal Functions</b>	<b>Number of Meetings in 2013</b>
Compensation	David L. Houston* Michael S. Reddin** Scott E. Streller	<p>Oversees and administers our executive compensation policies, plans and practices and evaluates their impact on risk and risk management.</p> <p>Assists the board of directors in discharging its responsibilities relating to the compensation of our executives, including our chief executive officer, and other key employees.</p> <p>Administers our equity-based compensation plans, including the grants of stock options, restricted stock awards and other equity awards under such plans.</p> <p>Reviews, approves and administers our cash-based incentive bonus plans, including the establishment of performance criteria, targets and awards under our 2014 Executive Annual Incentive Compensation Plan.</p> <p>Makes recommendations to the board with respect to incentive compensation.</p> <p>Conducts annual performance evaluation of the committee.</p> <p>Reviews disclosure related to executive compensation in our proxy statement.</p> <p>Reviews and considers the stockholders' advisory vote on executive compensation and the frequency of holding such advisory vote.</p> <p>Reviews and reassesses the adequacy of the compensation committee charter.</p>	Six (6)

Nominating Donald L. Dillingham Assists the board of directors in developing criteria for, Two (2)  
David L. Houston identifying and evaluating individuals qualified to serve as  
members of our board of directors.

Michael S. Reddin\*\*

Scott E. Streller\* Selects and recommends director candidates to the board of  
directors to be submitted for election at the Annual Meeting and  
to fill any vacancies on the board of directors.

Periodically reviews and makes recommendations regarding  
the composition and size of the board of directors and each of its  
committees.

Reviews and recommends to the board of directors  
appropriate corporate governance policies and procedures for  
the Company.

Conducts an annual assessment of the qualifications and  
performance of the board of directors.

Annually reviews and reports to the board of directors on the  
performance of management.

Reviews and reassesses the adequacy of the nominating  
committee charter.

\* Committee Chairperson

\*\* Joined committee upon his appointment to the Board on April 22, 2014.

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**Do the committees have written charters?**

Yes. The charters for our Audit Committee, Compensation Committee and Nominating Committee can be found on our website at [www.gulfportenergy.com](http://www.gulfportenergy.com) under the Corporate Governance caption. You may also obtain copies of these charters, as well as our Code of Business Conduct and Ethics, which is described below, by writing to our Corporate Secretary, Michael G. Moore, at Gulfport Energy Corporation, 14313 N. May Avenue, Suite 100, Oklahoma City, Oklahoma 73134.

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**Corporate Governance Matters and Communications with the Board**

**Who are our independent directors?**

Our board of directors has determined that Donald L. Dillingham, Craig Groeschel, David L. Houston, Michael S. Reddin and Scott E. Steller meet the standards regarding independence set forth in the Nasdaq listing standards and are free of any relationship which, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out their responsibilities as directors of the Company.

Our board of directors has determined that each member of the Audit Committee is independent for purposes of serving on such committee under the Nasdaq listing standards and applicable federal law. In addition, our board of directors has determined that each current member of the Audit Committee is financially literate under the Nasdaq listing standards and that each of Mr. Houston, who serves as the Chairman of the Audit Committee, and Mr. Dillingham qualifies as the audit committee financial expert, as such term is defined in Item 407(d) of Regulation S-K.

Our board of directors has also determined that each member of the Compensation Committee and the Nominating Committee meets the independence requirements applicable to those committees under the Nasdaq rules. In addition, our board of directors determined that each member of our compensation committee is an outside director in accordance with Section 162(m) of the Internal Revenue Code and a non-employee director in accordance with Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

**Do our non-management directors meet separately without management?**

Our non-management directors have the opportunity to meet in an executive session following each regularly scheduled meeting of the board of directors. During 2013, our non-management directors met in an executive session on October 15, 2013.

**How can I communicate with the board of directors?**

Individuals may communicate with our board of directors or individual directors by writing to our Corporate Secretary, Michael G. Moore, at Gulfport Energy Corporation, 14313 N. May Avenue, Suite 100, Oklahoma City, Oklahoma 73134. Our Corporate Secretary will review all such correspondence and forward to our board of directors a summary of all such correspondence and copies of all correspondence that, in the opinion of our Corporate Secretary, relates to the functions of our board of directors or a committee thereof or that he otherwise determines requires their attention. Directors may review a log of all such correspondence received by us and request copies. Concerns relating to accounting, internal control over financial reporting or auditing matters will be immediately brought to the attention of the chairman of the audit committee and handled in accordance with the audit committee procedures established with respect to such matters.

**Do directors attend the Annual Meeting?**

Recognizing that director attendance at our Annual Meeting can provide our stockholders with an opportunity to communicate with directors about issues affecting the Company, we actively encourage our directors to attend the Annual Meeting of Stockholders. Five of our six directors then-serving attended the 2013 Annual Meeting of Stockholders in person.





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**Code of Business Conduct and Ethics**

We have adopted a Code of Business Conduct and Ethics designed to help directors and employees resolve ethical issues. Our Code of Business Conduct and Ethics applies to all directors and employees, including the Chief Executive Officer, the Chief Financial Officer and all senior financial officers. Our Code of Business Conduct and Ethics covers various topics including, but not limited to, conflicts of interest, fair dealing, discrimination and harassment, confidentiality, compliance procedures and employee complaint procedures. Our Code of Business Conduct and Ethics is posted on our website under the Investor Relations Corporate Governance caption.

**Nominating Process for Directors, Director Qualifications and Review of Director Nominees**

The Nominating Committee is comprised of four non-employee directors, all of whom are independent under Nasdaq listing standards. As provided by the Nominating Committee's charter, our Nominating Committee identifies, investigates and recommends to our board of directors candidates with the goal of creating a balance of knowledge, experience and diversity. Generally, the committee identifies candidates through the personal, business and organizational contacts of the directors and management and through the use of third-party search firms.

Potential directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the interests of our stockholders. In addition to reviewing a candidate's background and accomplishments, candidates for director nominees are reviewed in the context of the current composition of our board of directors and the evolving needs of our business. It is the policy of our board of directors that at all times at least a majority of its members meets the standards of independence promulgated by Nasdaq and the SEC and that all members reflect a range of talents, ages, skills and expertise, particularly in the areas of accounting and finance, management, leadership and oil and gas related industries sufficient to provide sound and prudent guidance with respect to our operations and the interests of our stockholders. In addition to the foregoing factors, our Nominating Committee considers diversity in its evaluation of candidates for board membership. Although our board of directors does not have a formal diversity policy, our board believes that diversity with respect to viewpoint, skills and experience should be an important factor in board composition. Our Nominating Committee ensures that diversity considerations are discussed in connection with each potential nominee, as well as on a periodic basis in connection with its periodic review of the composition of the board and the size of the board as a whole.

We also require that the members of our board of directors be able to dedicate the time and resources sufficient to ensure the diligent performance of their duties on our behalf, including attending meetings of the board of directors and applicable committee meetings. In accordance with its charter, our Nominating Committee periodically reviews the criteria for the selection of directors to serve on our board and recommends any proposed changes to our board of directors for approval.

Our board of directors will consider stockholder nominations for director candidates upon written submission of such recommendation to our Corporate Secretary along with, among other things, the nominee's qualifications and certain biographical information regarding the nominee, such as the nominee's written consent to serving as a director if elected and being named in the proxy or information statement and certain information regarding the status of the stockholder submitting the recommendation, all in the manner required by our amended and restated bylaws and the applicable rules and regulations promulgated under the Exchange Act. Following verification of the stockholder status of persons proposing candidates, recommendations will be aggregated and considered by our board of directors at a regularly scheduled or special meeting. If any materials are provided by a stockholder in connection with the nomination of a director candidate, such materials will be forwarded to our board of directors. See Submission of Future Stockholder Proposals below for additional detail regarding submitting director nominees.

Our board of directors may also review materials provided by professional search firms or other parties in connection with a nominee who is not proposed by a stockholder. In evaluating such nominations, our board of directors will seek to achieve a balance of knowledge, experience and capability on the board. Our board of directors uses the same criteria for evaluating candidates nominated by stockholders as it does for those proposed by current board members, professional search firms and other persons. After completing its evaluation, our board of directors approves the final slate of director nominees.

Our Nominating Committee approved the director nominees submitted for election at this Annual Meeting. Each nominee is a current board member and brings a strong and unique background and set of skills to our board of directors, giving our board of directors as a whole competence and experience in a variety of areas, including corporate governance and board service, executive management, oil and natural gas industry, accounting and finance and risk assessment and management. Specifically, in nominating the candidates submitted for election at this Annual Meeting, our Nominating Committee considered such candidates' past service on our board and the information discussed in each of the directors' individual biographies set forth beginning on page 5 above. In particular, with regard to Mr. Dillingham, our Nominating Committee considered his strong background in finance and risk assessment and management developed as part of his career as a registered investment advisor and portfolio manager, as well as his academic experience. With regard to Mr. Groeschel, our Nominating Committee considered his leadership and prior board service at a non-profit organization, community involvement and administrative and public speaking skills. With regard to Messrs. Houston and Streller, our Nominating Committee considered their respective business backgrounds and risk assessment skills. Mr. Moore's public company experience while serving in various executive officer capacities at Gulfport and leadership skills that led to his promotion as our Chief Executive Officer in April 2014, as well as his strong oil and natural gas background and extensive experience in finance, accounting, financial

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reporting, internal controls and corporate governance, led our Nominating Committee to appoint Mr. Moore as a director and a nominee and to conclude that he should serve as one of our directors. Mr. Reddin's upstream engineering and operations expertise, prior public company experience and over 30 years of energy industry experience led our Nominating Committee, following an extensive search process undertaken by Preng & Associates, an independent third-party search firm, in which approximately 80 potential candidates were reviewed, to appoint Mr. Reddin as a director and to recommend Mr. Reddin as a nominee and to conclude that he should serve as one of our directors. As part of the search process, Preng & Associates completed an assessment of the current Board composition, identified numerous candidates and conducted interviews to support the nominating committee in the selection process. Each of the director nominees has consented to serve as a director if elected.

**Director Leadership Structure**

Since December 2005, the positions of Chairman of the Board and Chief Executive Officer have been held by two different individuals. Mike Liddell, our former Chairman of the Board, did not stand for re-election as a director at our 2013 annual meeting of stockholders held on June 13, 2013 and, effective as of that date, resigned as the Chairman of the Board. In July 2013, our board of directors amended our bylaws to make the Chairman of the Board a non-executive position, to be elected from among the directors by the board, and named Mr. Houston as Chairman of the Board until his successor is duly appointed. On February 14, 2014, as previously announced, James D. Palm retired as our Chief Executive Officer and resigned from our board of directors. He has been replaced as our Chief Executive Officer and as a member of our board of directors by Michael G. Moore. Separating the positions of Chairman of the Board and Chief Executive Officer has allowed our Chief Executive Officer to focus on our day-to-day business and operations, while allowing our Chairman of the Board to lead the board in its fundamental role of providing advice to and oversight of management. The Chairman of the Board has provided leadership to our board of directors and worked with the board of directors to define its structure and activities in the fulfillment of its responsibilities. The Chairman of the Board has set the board agendas, with the input from other members of the board and our management, facilitated communications among and information flow to directors, had the power to call special meetings of our board of directors and stockholders and presided at meetings of our board of directors and stockholders. The Chairman of the Board has also advised and counseled our Chief Executive Officer and other officers. Our board of directors does not have a position of a lead director.

We believe that our directors bring a broad range of leadership experience to the boardroom and regularly contribute to the thoughtful discussion involved in effectively overseeing the business and affairs of the Company. We believe that the atmosphere of our board is collegial, that all board members are well engaged in their responsibilities, and that all board members express their views and consider the opinions expressed by other directors. Five out of six of our director nominees are independent under the Nasdaq listing standards and SEC rules. We believe that all of our independent directors have demonstrated leadership in business enterprises and are familiar with board processes. Our independent directors are involved in the leadership structure of our board by serving on our Audit, Nominating and Compensation committees, each having an independent chairperson. Specifically, the chair of our Audit Committee oversees the accounting and financial reporting processes, as well as compliance with legal and regulatory requirements. The chair of our Compensation Committee oversees our compensation policies and practices and their impact on risk and risk management. The chair of our Nominating Committee monitors matters such as the composition of the board and its committees, board performance and best practices in corporate governance. As such, each committee chair provides independent leadership for purposes of many important functions delegated by our board of directors to such committee.

**Board of Director's Role in Risk Oversight**

As an exploration and production company, we face a number of risks, including risks associated with the supply of and demand for oil and natural gas, volatility of oil and natural gas prices, exploring for, developing, producing and delivering oil and natural gas, declining production, environmental and other government regulations and taxes, weather conditions, including hurricanes, that can affect oil and natural gas operations over a wide area, adequacy of our insurance coverage, political instability or armed conflict in oil and natural gas producing regions and overall economic environment. Management is responsible for the day-to-day management of risks we face as a company, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

Our board of directors believes that full and open communication between management and the board of directors is essential for effective risk management and oversight. Our Chairman of the Board meets regularly with our Chief Executive Officer and Chief Financial Officer to discuss strategy and risks facing the Company. Our executive officers regularly attend the board meetings and are available to address any questions or concerns raised by the board on risk management-related and any other matters. Other members of our management team periodically attend board meetings or are otherwise available to confer with the board to the extent their expertise is required to address risk management matters. Periodically, our board of directors receives presentations from senior management on strategic matters involving our operations. During such meetings, our board of directors also discusses strategies, key challenges, and risks and opportunities for the Company with senior management.

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While our board of directors is ultimately responsible for risk oversight at the Company, our three committees assist the board in fulfilling its oversight responsibilities in certain areas of risk. Our Audit Committee assists the board in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls and compliance with legal and regulatory requirements, and discusses policies with respect to risk assessment and risk management. Our Compensation Committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs. Our Nominating Committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure, succession planning for our directors and executive officers and corporate governance.

**Audit Committee Report**

The Audit Committee is responsible for providing independent, objective oversight for the integrity of the Company's financial reporting process and internal control system. Other primary responsibilities of the Audit Committee include the review, oversight and appraisal of the qualifications, independence and audit performance of the Company's independent registered public accounting firm and providing an open venue for communication among the independent registered public accounting firm, financial and senior management, our internal auditors and the board of directors of the Company. A more detailed description of the responsibilities of the Audit Committee is set forth in its written charter, which is posted on our website at [www.gulfportenergy.com](http://www.gulfportenergy.com). The following report summarizes certain of the Audit Committee's activities with respect to its responsibilities during 2013.

*Review with Management and Independent Registered Public Accounting Firm.* The Audit Committee has reviewed and discussed with management and Grant Thornton LLP, an independent registered public accounting firm, the audited consolidated financial statements of the Company for the year ended December 31, 2013.

*Controls and Procedures.* Management has established and maintains a system of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and includes controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in those reports is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of December 31, 2013, management conducted an evaluation of our disclosure controls and procedures. Based on this evaluation, our Interim Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Audit Committee discussed with management and Grant Thornton LLP the quality and adequacy of the Company's disclosure controls and procedures.

Management has also established and maintains a system of internal controls over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. These internal controls are designed to provide reasonable assurance that the reported financial information is presented fairly, that disclosures are adequate and that the judgments inherent in the preparation of financial statements are reasonable. Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on management's evaluation under the framework in Internal Control - Integrated Framework, management did not identify any material weaknesses in our internal control over financial reporting and concluded that our internal control over financial reporting was effective as of December 31, 2013, as discussed in more detail in Management's Report on

Internal Control Over Financial Reporting, which was included in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 28, 2014. Our internal control over financial reporting as of December 31, 2013 has been audited by Grant Thornton LLP, as stated in its attestation report, which was included in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 28, 2014. The Audit Committee reviewed and discussed with management and Grant Thornton LLP the Company's system of internal control over financial reporting in compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

*Discussions with Independent Auditing Firm.* The Audit Committee has discussed with Grant Thornton LLP, independent auditors for the Company, the matters required to be discussed by Rules on Auditing Standard No. 16, Communication with Audit Committees, as amended. The Audit Committee has received the written disclosures and the letter from Grant Thornton LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence and has discussed with that firm its independence from the Company.

*Recommendation to the board of directors.* Based on its review and discussions noted above, the Audit Committee recommended to the board of directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

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THE AUDIT COMMITTEE

David L. Houston, *Chairman*

Donald L. Dillingham

Scott E. Steller

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**Executive Officers**

The following table sets forth the name, age and positions of each of our executive officers as of the record date: