

LINN ENERGY, LLC  
Form DEF 14A  
March 10, 2015  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**Linn Energy, LLC**

**(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):

- 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:
  
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  - (4) Proposed maximum aggregate value of transaction:
  
  - (5) Total fee paid:
- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  
  - (2) Form, Schedule or Registration Statement No.:
  
  - (3) Filing Party:

(4) Date Filed:

**Table of Contents**

**LINN ENERGY, LLC**

**600 Travis, Suite 5100**

**Houston, Texas 77002**

**NOTICE OF ANNUAL MEETING OF UNITHOLDERS**

**To Be Held on April 21, 2015**

Dear Unitholder:

You are cordially invited to attend the 2015 Annual Meeting of Unitholders (Annual Meeting) of Linn Energy, LLC, a Delaware limited liability company (LINN), which will be held on Tuesday, April 21, 2015, at 11:45 a.m., Central Daylight Time, at the 601 Travis Auditorium, 601 Travis Street, Houston, Texas 77002.

The Annual Meeting will be held for the following purposes:

1. To elect six directors to LINN's Board of Directors to serve until the 2016 Annual Meeting of Unitholders;
2. To ratify the appointment of KPMG LLP as independent public accountant of LINN for the fiscal year ending December 31, 2015; and
3. To transact such other business as may properly come before the Annual Meeting and any reconvened meeting following any adjournments or postponements of the meeting.

Additional information regarding the Annual Meeting is set forth in the attached Proxy Statement. Only unitholders of record at the close of business on February 23, 2015 are entitled to receive notice of and to vote at the Annual Meeting or any reconvened meeting following any adjournments or postponements thereof. A list of our unitholders will be available for examination at the Annual Meeting and at our Houston office at least ten days prior to the Annual Meeting.

By Order of the Board of Directors,

Candice J. Wells

*Vice President, General Counsel and  
Corporate Secretary*

Houston, Texas

March 10, 2015

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE AS PROMPTLY AS POSSIBLE. IF YOU ATTEND THE MEETING AND SO DESIRE, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
UNITHOLDERS MEETING TO BE HELD ON APRIL 21, 2015**

**This Proxy Statement and our 2014 Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).**

**Table of Contents**

**PROXY STATEMENT**  
**TABLE OF CONTENTS**

<b><u>PROXY STATEMENT</u></b>	<b>1</b>
<b><u>Internet Availability of Proxy Materials</u></b>	1
<b><u>Proposals to be Voted On at Annual Meeting</u></b>	1
<b><u>Quorum Required</u></b>	2
<b><u>How to Vote</u></b>	2
<b><u>Revoking Your Proxy</u></b>	2
<b><u>Outstanding Units Held on Record Date</u></b>	3
<b><u>PROPOSAL ONE: ELECTION OF DIRECTORS</u></b>	<b>4</b>
<b><u>Director Nominees</u></b>	4
<b><u>Qualifications of Director Nominees</u></b>	6
<b><u>Required Vote</u></b>	7
<b><u>CORPORATE GOVERNANCE</u></b>	<b>8</b>
<b><u>Director Independence</u></b>	8
<b><u>Governance Guidelines and Codes of Ethics</u></b>	8
<b><u>Communications to Our Board of Directors</u></b>	9
<b><u>Meetings of Our Board of Directors; Executive Sessions</u></b>	9
<b><u>Leadership Structure</u></b>	9
<b><u>Risk Oversight</u></b>	10
<b><u>Committees of Our Board of Directors</u></b>	10
<b><u>Members of the Committees of the Board of Directors</u></b>	10
<b><u>Audit Committee</u></b>	10
<b><u>Compensation Committee</u></b>	11
<b><u>Nominating and Governance Committee</u></b>	11
<b><u>Report of the Audit Committee</u></b>	12
<b><u>PROPOSAL TWO: RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANT</u></b>	<b>14</b>
<b><u>Audit Fees</u></b>	14
<b><u>Audit-Related Fees</u></b>	14
<b><u>Tax Fees</u></b>	14
<b><u>All Other Fees</u></b>	14
<b><u>Audit Committee Approval of Audit and Non-Audit Services</u></b>	14
<b><u>Required Vote</u></b>	15
<b><u>COMPENSATION DISCUSSION &amp; ANALYSIS</u></b>	<b>16</b>
<b><u>2014 Highlights and Executive Summary</u></b>	16
<b><u>Response to 2014 Say on Pay Vote</u></b>	17
<b><u>Key Features of our Executive Compensation Program</u></b>	18
<b><u>Executive Compensation Overview</u></b>	19
<b><u>The Compensation Committee</u></b>	19
<b><u>The Compensation Setting Process</u></b>	19
<b><u>Our Executive Compensation Program</u></b>	21
<b><u>2014 Executive Compensation Components</u></b>	23
<b><u>Tax and Accounting Implications</u></b>	34
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	<b>35</b>

<b><u>2014 SUMMARY COMPENSATION TABLE</u></b>	<b>36</b>
<b><u>2014 GRANTS OF PLAN BASED AWARDS</u></b>	<b>39</b>
<b><u>OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2014</u></b>	<b>40</b>
<b><u>2014 OPTION EXERCISES AND UNITS VESTED</u></b>	<b>41</b>
<b><u>PENSION BENEFITS</u></b>	<b>41</b>
<b><u>NON-QUALIFIED DEFERRED COMPENSATION</u></b>	<b>41</b>
<b><u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL</u></b>	<b>41</b>
<b><u>Payments Made Upon Termination For Any Reason</u></b>	<b>41</b>
<b><u>Payments Made Upon Termination Without Cause or for Good Reason</u></b>	<b>42</b>
<b><u>Payments Made Upon Death or Disability</u></b>	<b>43</b>

---

**Table of Contents**

<b><u>Payments Made Upon a Termination Following a Change of Control</u></b>	43
<b><u>Payments Made Upon a Termination Following a Change of Control Jamin B. McNeil</u></b>	44
<b><u>Excise Taxes</u></b>	45
<b><u>Non-Competition Provisions</u></b>	45
<b><u>Quantification of Payments on Termination</u></b>	46
<b><u>DIRECTOR COMPENSATION</u></b>	<b>48</b>
<b><u>2014 Director Summary Compensation Table</u></b>	48
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	<b>50</b>
<b><u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u></b>	<b>51</b>
<b><u>Review and Approval of Related Party Transactions</u></b>	51
<b><u>Relationship with LinnCo, LLC</u></b>	51
<b><u>Related Party Transactions</u></b>	52
<b><u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	<b>52</b>
<b><u>UNITHOLDER PROPOSALS AND DIRECTOR NOMINATIONS</u></b>	<b>53</b>
<b><u>Proposals for 2016 Annual Meeting</u></b>	53
<b><u>Nominations for 2016 Annual Meeting</u></b>	54
<b><u>Recommendation of Director Candidates to the Nominating and Governance Committee</u></b>	54
<b><u>SOLICITATION AND MAILING OF PROXIES</u></b>	<b>55</b>
<b><u>HOUSEHOLDING</u></b>	<b>55</b>
<b><u>WHERE YOU CAN FIND MORE INFORMATION ABOUT US</u></b>	<b>55</b>
<b><u>OTHER MATTERS FOR 2015 ANNUAL MEETING</u></b>	<b>57</b>



**Table of Contents**

**LINN ENERGY, LLC**

**600 Travis, Suite 5100**

**Houston, Texas 77002**

**PROXY STATEMENT**

**Annual Meeting of Unitholders**

**To Be Held on April 21, 2015**

This Proxy Statement is being furnished to you in connection with the solicitation of proxies by and on behalf of the Board of Directors of Linn Energy, LLC (the Board), for use at our 2015 Annual Meeting of Unitholders (Annual Meeting) or at any reconvened meeting after any adjournments or postponements thereof. The Annual Meeting will be held on April 21, 2015, at 11:45 a.m., Central Daylight Time, at the 601 Travis Auditorium, 601 Travis Street, Houston, Texas 77002. You can obtain directions to the Annual Meeting by calling our Investor Relations line at **(281) 840-4110**. Only holders of record of units at the close of business on February 23, 2015 (the Record Date) were entitled to notice of, and are entitled to vote at, the Annual Meeting and any reconvened meeting following any adjournments or postponements thereof, unless such adjournment or postponement is for more than 30 days, in which event we will set a new record date. Unless the context requires otherwise, the terms LINN, the Company, our, we, and similar terms refer to Linn Energy, LLC, together with its consolidated subsidiaries.

**Internet Availability of Proxy Materials**

We have elected to take advantage of the Notice and Access rules adopted by the U.S. Securities and Exchange Commission (the SEC), which allow us to deliver to our unitholders a Notice of Internet Availability of Proxy Materials and to provide internet access to our proxy materials and Annual Report.

Accordingly, on or about March 10, 2015, we will begin mailing to our unitholders of record a Notice of Internet Availability of Proxy Materials, which we refer to as the Notice of Internet Availability, except for unitholders who have indicated their preference to receive a full, printed set of materials for future meetings, to whom we will begin mailing the requested printed materials on such date. The Notice of Internet Availability will include instructions on accessing and reviewing our proxy materials and our 2014 annual report to unitholders on the internet, and will provide instructions on submitting a proxy on the internet.

At the time we begin mailing our Notice of Internet Availability, we will also first make available on the internet at [www.proxyvote.com](http://www.proxyvote.com) our meeting notice, our Proxy Statement and our 2014 Annual Report to unitholders. Any unitholder may also request a printed copy of these materials by any of the following methods:

internet at [www.proxyvote.com](http://www.proxyvote.com);

e-mail at [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com); or

telephone at 1-800-579-1639.

Pursuant to the SEC's rules, our 2014 Annual Report to unitholders, which includes our audited consolidated financial statements, is not considered a part of, or incorporated by reference in, the proxy solicitation materials.

**Proposals to be Voted On at Annual Meeting**

At our 2015 Annual Meeting, we are asking our unitholders to consider and act upon proposals to: (1) elect six directors to serve until our 2016 Annual Meeting; and (2) ratify the appointment of KPMG LLP as our independent public accountant for the fiscal year ending December 31, 2015.

## **Table of Contents**

### **Quorum Required**

The presence, in person or by proxy, of the holders as of the Record Date of a majority of our outstanding units is necessary to constitute a quorum for purposes of voting on the proposals at the Annual Meeting. Withheld votes, abstentions and broker non-votes (which result when a broker holding shares for a beneficial owner has not received timely voting instructions on certain matters from such beneficial owner and when the broker does not otherwise have discretionary power to vote on a particular matter) will count as present for purposes of establishing a quorum on the proposals.

### **How to Vote**

If you are a holder of our units, you are entitled to one vote at the meeting for each unit that you held as of the Record Date for each proposal and director nominee. If you do not wish to vote for a particular director nominee, you must clearly identify such nominee on your proxy card. Votes withheld will have the same effect as not voting. A plurality of the votes cast by holders of the units present in person or represented by proxy at the meeting and entitled to vote on the election of directors is required to elect each nominee for director. If units are held in street name (in the name of a broker or by a bank or other nominee) and the broker, bank or other nominee is not given direction on how to vote, the broker will not have discretion to vote such shares on non-routine matters, including the election of directors. Abstentions and broker non-votes, if any, though counted for purposes of determining a quorum, will not be included in the vote totals and therefore will not have any effect on any proposal. For matters other than the election of directors, approval will be determined by a majority of those votes cast affirmatively or negatively by members holding outstanding units and entitled to vote on the matter.

You may vote in person at the Annual Meeting or by proxy. Even if you plan to attend the Annual Meeting, we encourage you to complete, sign and return your proxy card in advance of the Annual Meeting. If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the meeting. However, please note that if your units are held in street name, you are considered the beneficial owner of these units and proxy materials are being forwarded to you by your broker or nominee, which is considered, with respect to these units, the unitholder of record. As the beneficial owner, you have the right to direct your broker how to vote; however, since you are not the unitholder of record, you may not vote these units in person at the Annual Meeting unless you obtain a legal proxy from your brokerage firm. Please mail your completed, signed and dated proxy card in the enclosed postage-paid return envelope as soon as possible so that your units may be represented at the Annual Meeting.

### **Revoking Your Proxy**

You may revoke your proxy before it is voted at the Annual Meeting as follows: (i) by delivering, before or at the Annual Meeting, a new proxy with a later date; (ii) by delivering, on or before the business day prior to the Annual Meeting, a notice of revocation to our Corporate Secretary at the address set forth in the notice of the Annual Meeting; (iii) by attending the Annual Meeting in person and voting, although your attendance at the Annual Meeting, without actually voting, will not by itself revoke a previously granted proxy; or (iv) if you have instructed a broker to vote your units, you must follow the directions received from your broker to change those instructions.

All units represented by valid proxies that LINN receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your units voted before signing and returning it, your proxy will be voted:

Edgar Filing: LINN ENERGY, LLC - Form DEF 14A

1. FOR the election of each of the six nominees for the LINN board of directors; and
2. FOR the ratification of the selection of KPMG LLP as independent public accountant for LINN for 2015.

**Table of Contents**

**Outstanding Units Held on Record Date**

As of the Record Date, there were 335,551,106 outstanding units entitled to vote at the Annual Meeting.

**Table of Contents****PROPOSAL ONE: ELECTION OF DIRECTORS**

Members of our Board are elected each year at the annual meeting of unitholders. All of our current Board members have been nominated to stand for re-election at our annual meeting. Each of the nominees is currently a director and was previously elected by the unitholders at the 2014 annual meeting.

We encourage our director nominees to attend our annual meetings to provide an opportunity for unitholders to communicate directly with directors about issues affecting our company. We anticipate that all director nominees will attend the Annual Meeting. In 2014 all the current directors attended the annual meeting.

At the Annual Meeting, our unitholders will consider and act upon a proposal to elect six directors to our Board to serve until the 2016 Annual Meeting of Unitholders. Each of the nominees has consented to being named in this Proxy Statement and to serve as a director if so elected. Each nominee who is elected to our Board will serve in such capacity until his term expires or his successor has been duly elected and qualified or, if earlier, until such director dies, resigns or is removed. The persons named as proxies in the accompanying proxy card, who have been designated by our Board, intend to vote **FOR** the election of each of the director nominees unless otherwise instructed by a unitholder in a proxy card. If any of these nominees becomes unable for any reason to stand for election as a director, the persons named as proxies in the accompanying proxy card will vote for the election of such other person or persons as our Board may recommend and propose to replace such nominee or nominees, or the size of the Board may be reduced accordingly; however, the Board is not aware of any circumstances likely to render any nominee unavailable.

Information concerning the six director nominees is set forth below.

**Director Nominees**

<b>Name</b>	<b>Age</b>	<b>Position with Our Company</b>	<b>Director Since</b>
Mark E. Ellis	58	Chairman, President and Chief Executive Officer	2010
David D. Dunlap	53	Independent Director	2012
Stephen J. Hadden	60	Independent Director	2013
Michael C. Linn	63	Independent Director	2003
Joseph P. McCoy	64	Independent Director	2007
Jeffrey C. Swoveland	60	Independent Director	2006

*Mark E. Ellis* is the Chairman, President and Chief Executive Officer of the Company and has served in such capacity since December 2011 and has been the Chairman, President and Chief Executive Officer of LinnCo, LLC, an affiliate of LINN (LinnCo), since April 2012. He previously served as President, Chief Executive Officer and Director of the Company from January 2010 to December 2011. From December 2007 to January 2010, Mr. Ellis served as President and Chief Operating Officer of the Company. Mr. Ellis serves on the boards of the Independent Petroleum Association of America (the IPAA), National Petroleum Council (the NPC), American Exploration & Production Council, Industry Board of Petroleum Engineering at Texas A&M University, Houston Museum of Natural Science and The Center for the Performing Arts at The Woodlands. In addition, he is a member of the Society of Petroleum Engineers, Chairman of the Board for The Center for Hearing and Speech, and holds a position as trustee on the Texas A&M University 12th Man Foundation Board of Trustees.

*David D. Dunlap* was appointed to the Board in May 2012. Mr. Dunlap is an independent director. Mr. Dunlap also served on the LinnCo board of directors from May 2012 until February 2013. Mr. Dunlap serves on the Company's Audit, Compensation, Nominating and Governance and Conflicts Committees. Mr. Dunlap is President and Chief Executive Officer and director of Superior Energy Services, Inc. (Superior), positions that he has held since April 2010. Prior to joining Superior, Mr. Dunlap was Executive Vice President and Chief Operating Officer for BJ Services Company (BJ Services). During a twenty-five year career with BJ Services, he

---

**Table of Contents**

served in a variety of engineering, operations and management positions including President of BJ Services International Division and Vice President of Division Sales. Mr. Dunlap is a member of the board of directors of the Texas A&M University Petroleum Engineering Industry Board, The John Cooper School Board of Trustees, the Board of Directors of The Cynthia Woods Mitchell Pavilion, the Woodlands Children's Museum Board of Directors and holds a position as trustee on the Texas A&M University 12th Man Foundation Board of Trustees.

*Stephen J. Hadden* was appointed to the Board and the board of directors of LinnCo in December 2013. Mr. Hadden is an independent director. Mr. Hadden serves on the Company's Audit, Compensation and Nominating and Governance Committees. Previously, Mr. Hadden was a director with Berry Petroleum Company from February 2011 until its acquisition by the Company and served on its audit and corporate governance and nominating committees.

Mr. Hadden was appointed to the board of directors and the compensation committee of the board of directors of FMSA Holdings Inc. and the advisory board of Tennenbaum Capital Partners in January 2015. Mr. Hadden has over 30 years of experience in the oil and gas industry, having served in various management roles for Texaco Inc. (now Chevron Corporation). More recently, Mr. Hadden was Executive Vice President of Worldwide Exploration and Production for Devon Energy Corporation from July 2004 until March 2009 and served on the following: the advisory board of the Society of Petroleum Engineers, the upstream committee of the American Petroleum Institute, the Allied Arts Board and the Oklahoma City Petroleum Club Board.

*Michael C. Linn* is our Founder and an independent director of the Company and has served in that capacity since December 2011 and has been a director of LinnCo since April 2012. Prior to that, he was Executive Chairman of the Board since January 2010. He served as Chairman and Chief Executive Officer from December 2007 to January 2010; Chairman, President and Chief Executive Officer from June 2006 to December 2007; and President, Chief Executive Officer and Director of the Company from March 2003 to June 2006. Following his retirement as an officer of the Company, Mr. Linn formed MCL Ventures LLC (MCL Ventures), a private investment vehicle that focuses on purchasing oil and gas royalties as well as non-operated interests in oil and gas wells, subject to the non-competition provisions in his retirement agreement with the Company, and is the President and CEO of MCL Ventures. Mr. Linn also serves on the board of directors of, and is chairman of the compensation committee for, Nabors Industries, Ltd, the board of directors for Black Stone Minerals Company, and the board of directors of Western Refining Logistics GP, LLC, and is non-executive director of Centrica plc and senior advisor for Quantum Energy Partners, LLC. Mr. Linn was previously a lecturer at the C.T. Bauer College of Business at the University of Houston. Mr. Linn currently serves on: the NPC and the IPAA past chairman and board member. He previously served on the following: Natural Gas Supply Association director; National Gas Council chairman and director; Independent Oil and Gas Associations of New York, Pennsylvania and West Virginia chairman and president of each and is a past Texas Representative for the Legal and Regulatory Affairs Committee of the Interstate Oil and Gas Compact Commission. He was named the 2011 IPAA Chief Roughneck of the Year, inducted into the All American Wildcatters and received The Woodrow Wilson Award for Public Service. Mr. Linn also serves on the following: Texas Children's Hospital executive committee, board of trustees, chairman of compensation committee, member of finance committee, chairman of the Promise \$475 Million Capital Campaign; M.D. Anderson board of visitors and development committee; Houston Methodist Hospital senior cabinet of the President's Leadership Council; Texas Heart Institute foundation board; Houston Children's Charity advisory board; Museum of Fine Arts Houston building and grounds committee, long-range planning committee and finance committee; Houston Police Foundation board of directors; and Jones Graduate School of Business at Rice University member of the Council of Overseers.

*Joseph P. McCoy* was appointed to the Board in September 2007 and the LinnCo board of directors in April 2012. Mr. McCoy is an independent director and serves as Chairman of the Company's and LinnCo's Audit Committees and is a member of the Company's Compensation and Nominating and Governance Committees. Mr. McCoy served as Senior Vice President and Chief Financial Officer of Burlington Resources Inc. (Burlington) from 2005 until 2006 and Vice President and Controller (Chief Accounting Officer) of Burlington from 2001 until 2005. Prior to joining



Burlington, Mr. McCoy spent 27 years with Atlantic Richfield and

## **Table of Contents**

affiliates in a variety of financial positions. Mr. McCoy joined the board of directors of Global Geophysical Services, Inc., where he also serves as chairman of its audit committee, and Scientific Drilling International, Inc. during 2011 and served as a member of the board of directors of Rancher Energy, Inc. and BPI Energy Corp. from 2007 to 2009. Since 2006, other than his service on the Board and the other boards identified above, Mr. McCoy has been retired.

*Jeffrey C. Swoveland* was appointed to the Board in January 2006. Mr. Swoveland is an independent director. Mr. Swoveland also served on the LinnCo board of directors from April 2012 until February 2013. Mr. Swoveland is the Chairman of the Company's Compensation Committee and serves on the Company's Audit, Nominating and Governance and Conflicts Committees. Mr. Swoveland is active in advising and investing in technology startups. From June 2009 through February 2014, Mr. Swoveland served as the Chief Executive Officer of ReGear Life Sciences (formerly known as Coventina Healthcare Enterprises), a medical device company that develops and markets products which reduce pain and increase the rate of healing through therapeutic, deep tissue heating. From May 2006 to June 2009, Mr. Swoveland served as Chief Operating Officer of ReGear Life Sciences. From 2000 to 2006, he served as Chief Financial Officer of BodyMedia, a life-science and bioinformatics company. From 1994 to 2000, he served as Director of Finance, Vice President Finance & Treasurer and Interim Chief Financial Officer of Equitable Resources, Inc., a diversified natural gas company. Mr. Swoveland is also chairman of the board of directors of PDC Energy, Inc.

## **Qualifications of Director Nominees**

In making its recommendation to nominate the current directors for re-election, the Nominating and Governance Committee of the Board (Nominating Committee) determined that each of Mark E. Ellis, David D. Dunlap, Stephen J. Hadden, Michael C. Linn, Joseph P. McCoy and Jeffrey C. Swoveland, possess the following qualifications:

1. personal and professional integrity and high ethical standards;
2. good business judgment;
3. an excellent reputation in the industry in which the nominee or director is or has been primarily employed;
4. a sophisticated understanding of our business or similar businesses;
5. curiosity and a willingness to ask probing questions of management;
6. the ability and willingness to work cooperatively with other members of the Board and with our Chairman, President and Chief Executive Officer and our other members of senior management; and
7. the ability and willingness to support us with preparation for, attendance at and participation in Board meetings.

The Nominating Committee further found that each of the nominees possesses the following experience, qualifications, attributes and skills that, combined with those qualifications identified above, led the Nominating Committee to conclude that such nominee should serve as a member of our Board:

1. Mark E. Ellis

As current President and CEO of the Company, is well suited to inform the board of significant strategic matters and to lead the Board as Chairman.

Brings over 35 years of experience in the oil and natural gas industry, including membership in the NPC and the Society of Petroleum Engineers.

As an engineer, brings technical expertise.

**Table of Contents**

2. David D. Dunlap

As current President, CEO and director of Superior, brings significant knowledge of public company governance and process.

Brings significant experience in the oil and gas industry, including current position at Superior and prior service as Executive Vice President and Chief Operating Officer for BJ Services.

Brings over 29 years of experience in the well services business.

3. Stephen J. Hadden

As former Executive Vice President of Worldwide Exploration and Production for Devon Energy Corporation, brings significant knowledge of the business of the Company.

Brings significant experience in the oil and gas industry, including 30 years prior service with Texaco Inc. (now Chevron Corporation) and Devon Energy Corporation.

As a former board member and member of the audit and corporate governance and nominating committees of Berry Petroleum Company and current board member and member of the compensation committee of FMSA Holdings Inc., brings experience serving on public company boards.

4. Michael C. Linn:

As founder of the Company, brings historical knowledge and strategic experience and is well suited to serve as a link between board and management.

Brings significant experience in the oil and gas industry, including service on the NPC and as past chairman and board member of the IPAA.

As an attorney, brings legal expertise.

5. Joseph P. McCoy

As former Chief Financial Officer of Burlington, brings significant knowledge of the business of the Company.

As former director of Rancher Energy, Inc. and BPI Energy Corp. and current director of Global Geophysical Services, Inc., brings experience serving on public company boards.

As former Chief Financial Officer and Chief Accounting Officer of Burlington, brings significant financial expertise and experience in the preparation and review of financial statements and disclosure documents.

6. Jeffrey C. Swoveland

As former Vice President Finance & Treasurer and Interim Chief Financial Officer of Equitable Resources, Inc., brings significant financial expertise and experience in the preparation and review of financial statements and disclosure documents.

Brings expertise and experience in banking, including credit/financial analysis.

As chairman and former chairman of the audit committee and compensation committee of PDC Energy, Inc., brings experience serving on public company boards and as compensation committee chairman.

**Required Vote**

Our limited liability company agreement provides for plurality voting in the election of directors, and directors will be elected by a plurality of the votes cast for a particular position. Each outstanding unit shall be entitled to one vote on all matters submitted to members for approval and in the election of directors.

---

## **Table of Contents**

With respect to the Annual Meeting, we have six nominees and six available board seats. Each properly executed proxy received in time for the Annual Meeting will be voted as specified therein. The six nominees receiving the most votes cast at the Annual Meeting will be elected to our Board.

## **OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE FOR THE ELECTION OF EACH OF THE SIX NOMINEES FOR DIRECTOR.**

### **CORPORATE GOVERNANCE**

#### **Director Independence**

The Nominating Committee reviews director independence on an annual basis and makes a threshold determination as to the status of each director's independence. After this initial determination is made, the Nominating Committee makes a recommendation to the full Board, who then ultimately determine director independence. This subjective determination is made by considering all direct or indirect business relationships between each director (including his immediate family) and our company, as well as relationships between our company and charitable organizations with which the director is affiliated. The full Board, upon recommendation by the Nominating Committee, has determined that Messrs. Dunlap, Hadden, Linn, McCoy and Swoveland qualify as independent in accordance with the published listing requirements of The NASDAQ Global Select Market (NASDAQ). The NASDAQ independence definition includes a series of objective tests, including that the director is not an employee of our company and has not engaged in various types of business dealings with our company. In addition, as further required by the NASDAQ rules, the Nominating Committee has made a subjective determination as to each independent director that no relationships exist which, in the opinion of the Nominating Committee, would interfere with the exercise of his independent judgment in carrying out the responsibilities of a director. Mr. Ellis is not independent by virtue of his role as our Chairman, President and Chief Executive Officer. During the Board of Directors' most recent review of independence, the Board specifically considered that Mr. Dunlap is the President and Chief Executive Officer of Superior, which provides certain oilfield services to LINN. According to disclosures made by Mr. Dunlap, for the year ended December 31, 2014, LINN was billed approximately \$24.4 million by Superior and its subsidiaries for services rendered to LINN. These transactions were consummated on terms equivalent to those that prevail in arm's-length transactions and do not represent more than 5% of the consolidated gross revenues of Superior. The Board then determined that LINN's relationship with Superior would not interfere with Mr. Dunlap's exercise of his independent judgment in carrying out his responsibilities as a director of LINN.

In addition, the members of the Audit Committee of our Board each qualify as independent under standards established by the SEC for members of audit committees, and the Audit Committee includes at least one member who is determined by our Board to meet the qualifications of an audit committee financial expert in accordance with SEC rules. Mr. McCoy is the independent director who has been determined to be an audit committee financial expert. Unitholders should understand that this designation is a disclosure requirement of the SEC related to Mr. McCoy's experience and understanding with respect to certain accounting and auditing matters. The designation does not impose on Mr. McCoy any duties, obligations or liability that are greater than are generally imposed on him as a member of the Audit Committee and Board, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or Board.

#### **Governance Guidelines and Codes of Ethics**

Our Board has adopted Corporate Governance Guidelines to assist it in the exercise of its responsibility to provide effective governance over our affairs for the benefit of our unitholders. In addition, we have adopted a Code of

Business Conduct and Ethics, which sets forth legal and ethical standards of conduct for all our employees, as well as our directors. We also have adopted a separate code of ethics which applies to our Chief Executive Officer and Senior Financial Officers. All of these documents are available on our website, [www.linnenergy.com](http://www.linnenergy.com), and will be provided free of charge to any unitholder requesting a copy by writing to our

## **Table of Contents**

Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. If any substantive amendments are made to the Code of Ethics for our Chief Executive Officer and Senior Financial Officers or if we grant any waiver, including any implicit waiver, from a provision of such code, we will disclose the nature of such amendment or waiver within four business days on our website. The information on our website is not, and shall not be deemed to be, a part of this Proxy Statement or incorporated into any other filings we make with the SEC.

## **Communications to Our Board of Directors**

Our Board has a process in place for communication with unitholders. Unitholders should initiate any communications with our Board in writing and send them to our Board c/o Candice J. Wells, Vice President, General Counsel and Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. All such communications will be forwarded to the appropriate directors. This centralized process will assist our Board in reviewing and responding to unitholder communications in an appropriate manner. If a unitholder wishes for a particular director or directors to receive any such communication, the unitholder must specify the name or names of any specific Board recipient or recipients in the communication. Communications to our Board must include the number of units owned by the unitholder as well as the unitholder's name, address, telephone number and email address, if any.

## **Meetings of Our Board of Directors; Executive Sessions**

Our Board holds regular and special meetings from time to time as may be necessary. Regular meetings may be held without notice on dates set by our Board from time to time. Special meetings of our Board may be called with reasonable notice to each member upon request of the Chairman of the Board or upon the written request of any three Board members. A quorum for a regular or special meeting will exist when a majority of the members are participating in the meeting either in person or by conference telephone. Any action required or permitted to be taken at a Board meeting may be taken without a meeting, without prior notice and without a vote if all of the members sign a written consent authorizing the action.

During 2014, our Board held five regular and six special meetings. The standing Committees of our Board held an aggregate of 17 meetings during this period. Each director attended at least 75% of the aggregate number of meetings of the Board and Committees on which he served.

The Corporate Governance Guidelines adopted by our Board provide that the independent directors will meet in executive session at least quarterly, or more frequently if necessary. The lead director will chair the executive sessions of the independent directors.

## **Leadership Structure**

The Nominating Committee believes that Mr. Ellis serving as both Chairman and Chief Executive Officer is the most effective leadership structure for us because it makes clear that the Chairman of the Board and CEO is responsible for managing our business under the oversight and review of our Board, and enables our CEO to act as a bridge between management and the Board, helping both to act with a common purpose.

### *Lead Director*

The Board, upon recommendation of the Nominating Committee, appointed Terrence S. Jacobs as independent lead director in January 2012. Mr. Jacobs was reelected as lead director in January 2013 and served until his resignation from our Board in February 2013. Our current lead director is David D. Dunlap and was elected to that position in



February 2013. The Board intends to elect a lead director annually from the independent directors of the Board. The lead director has clearly defined leadership authority and responsibilities, which include presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors, and serving as liaison between the Chairman of the Board and

**Table of Contents**

the independent directors. Our lead director is afforded direct and complete access to the Chairman of the Board at any time as such director deems necessary or appropriate.

**Risk Oversight**

We maintain an Enterprise Risk Management Committee (ERM Committee) composed of members of senior management across all functions of the Company. The ERM Committee is led by our General Counsel and is tasked with coordinating risk management efforts across the organization to ensure appropriate protection and preservation of our employees, financial integrity and physical assets. In particular the ERM Committee ensures that sound policies, procedures and practices are in place for the enterprise-wide management of our material risks, and provides regular reports to the Board.

The Board provides oversight of our major risk exposures and the steps management has taken to monitor and manage such exposures. The Board also consults with the Compensation Committee of the Board regarding our major risk exposures and whether our compensation policies and practices create risks that are reasonably likely to have a material adverse effect on us. In January 2015, the Compensation Committee determined that, with respect to 2014, our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on us.

**Committees of Our Board of Directors**

Our Board has standing Audit, Compensation and Nominating and Governance Committees. Each member of these Committees is an independent director in accordance with the NASDAQ listing standards described above and applicable SEC rules. Our Board has adopted a written charter for each of these Committees, which sets forth each Committee's purposes, responsibilities and authority. Each Committee reviews and assesses on an annual basis the adequacy of its charter and recommends any proposed modifications. These committee charters are available on our website at [www.linnenergy.com](http://www.linnenergy.com). You may also contact Candice J. Wells, our Vice President, General Counsel and Corporate Secretary at Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002, to request paper copies free of charge. The following is a brief description of the functions and operations of the standing Committees of our Board.

***Members of the Committees of the Board of Directors***

<b>BOARD MEMBERS</b>	<b>AUDIT COMMITTEE</b>	<b>COMPENSATION COMMITTEE</b>	<b>NOMINATING COMMITTEE</b>
David D. Dunlap			
Mark E. Ellis			
Stephen J. Hadden			*
Michael C. Linn			
Joseph P. McCoy			
Jeffrey C. Swoveland			
Chair Member			

\* Elected to Chairman position in January 2015.

*Audit Committee*

The Audit Committee assists our Board in its general oversight of our financial reporting, internal controls, audit functions and oil and gas reserves, and is directly responsible for the appointment, retention, compensation and oversight of the work of our independent public accountant. During 2014, the Audit Committee held seven meetings. Each member of the Audit Committee is independent as defined by the NASDAQ listing standards and applicable SEC rules, and is financially literate. Mr. McCoy has been designated the audit committee financial expert.

## **Table of Contents**

Our Audit Committee also annually reviews related party transactions and other specific matters that our Board believes may involve conflicts of interest. The Audit Committee determines if the related party transaction or resolution of the conflict of interest is in the best interest of our company. In accordance with our limited liability company agreement, any conflict of interest matters approved by the Audit Committee will be conclusively deemed to be fair and reasonable to our company and approved by all of our unitholders. The report of our Audit Committee appears under the heading *Report of the Audit Committee* on page 12 of this Proxy Statement.

## ***Compensation Committee***

The Compensation Committee's primary responsibilities are to: (i) approve the compensation arrangements for our senior management and for our Board members, including establishment of salaries and bonuses and other compensation for our executive officers, (ii) to approve any compensation plans in which our officers and directors are eligible to participate and to administer such plans, including the granting of equity awards or other benefits under any such plans and (iii) to review and discuss with our management the Compensation Discussion and Analysis to be included in our annual proxy statement. The Compensation Committee also oversees the preparation of the report on executive compensation for inclusion in the annual proxy statement.

During 2014, the Compensation Committee held six meetings. Each of the Compensation Committee members is independent as defined by the NASDAQ listing standards. All Compensation Committee members are also non-employee directors as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended (Exchange Act) and outside directors under Rule 162(m) of the Internal Revenue Code. The report of our Compensation Committee appears under the heading *Compensation Committee Report* on page 35 of this Proxy Statement.

## **Procedures and Processes for Determining Executive and Director Compensation**

Please refer to *Compensation Discussion and Analysis The Compensation Committee*, beginning on page 19 of this Proxy Statement for a discussion of the Compensation Committee's procedures and processes for making compensation determinations.

## **Compensation Committee Interlocks and Insider Participation**

No member of our Compensation Committee serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee. No member of our Compensation Committee has ever been an officer or employee of ours. There are no family relationships among any of our directors or executive officers.

## ***Nominating and Governance Committee***

The Nominating Committee's primary responsibilities are to: (i) develop criteria, recruit and recommend candidates for election to our Board, (ii) develop and recommend corporate governance guidelines to our Board, and to assist our Board in implementing such guidelines, (iii) lead our Board in its annual review of the performance of the Board and its Committees, (iv) review and recommend to the Board amendments, as appropriate, to our Code of Business Conduct and Ethics and our Code of Ethics for Chief Executive Officer and Senior Financial Officers and (v) assess the independence of each non-employee director and to determine whether a director qualifies as an audit committee financial expert. The Nominating Committee will consider the following qualifications, along with such other individual qualities the Board identifies from time to time, for director nominees:

personal and professional integrity and high ethical standards;

good business judgment;

## **Table of Contents**

an excellent reputation in the industry in which the nominee or director is or has been primarily employed;

a sophisticated understanding of our business or similar businesses;

curiosity and a willingness to ask probing questions of management;

the ability and willingness to work cooperatively with other members of the Board and with the Chief Executive Officer and other senior management; and

the ability and willingness to support us with his or her preparation for, attendance at and participation in Board meetings.

The Nominating Committee will evaluate each nominee based upon a consideration of a nominee's qualification as independent and consideration of diversity, age, skills and experience in the context of the needs of the Board as described in our Corporate Governance Guidelines. The Nominating Committee does not have a policy with regard to the consideration of diversity in identifying director nominees. Diversity, including diversity of experience, professional expertise, gender, race and age, is one factor outlined in our Corporate Governance Guidelines that the Nominating Committee considers in evaluating a nominee. The Nominating Committee may rely on various sources to identify director nominees. These include input from directors, management, professional search firms and others that the Nominating Committee determines are reliable.

The Nominating Committee will consider director candidate suggestions made by unitholders in the same manner as other candidates. Any such nominations, together with appropriate biographical information, should be submitted to the Chairman of the Nominating and Governance Committee, c/o Candice J. Wells, Vice President, General Counsel and Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. For other procedures that must be followed in order for the Committee to consider recommendations from unitholders, please read "Unitholder Proposals and Director Nominations - Recommendation of Director Candidates to the Nominating and Governance Committee."

In 2014, the Nominating Committee held four meetings. Each member of the Nominating Committee is independent as defined by the NASDAQ listing standards.

There have been no material changes to the procedures by which LINN unitholders may recommend nominees to the Board implemented since LINN's most recent disclosure of such procedures in its Joint Proxy Statement/Prospectus for the Annual Meeting of Unitholders held on April 22, 2014.

## **Report of the Audit Committee**

The Audit Committee oversees our financial reporting process on behalf of the Board. Management has the primary responsibility for the preparation of the financial statements and the reporting process, including the systems of internal control.

With respect to the consolidated financial statements for the year ended December 31, 2014, the Audit Committee reviewed and discussed the consolidated financial statements of Linn Energy, LLC and the quality of financial reporting with management and the independent public accountant. In addition, it discussed with the independent

public accountant the matters required to be discussed by Auditing Standard No.16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (PCAOB) on August 15, 2012. The Audit Committee also discussed with the independent public accountant its independence from Linn Energy, LLC and received from the independent public accountant the written disclosures and the letter from the independent public accountant complying with the applicable requirements of the PCAOB regarding the independent public accountant's communications with the Audit Committee concerning independence. The Audit Committee determined that the non-audit services provided to Linn Energy, LLC by the independent public accountant (discussed below under Proposal Two: Ratification of Independent Public Accountant ) are compatible with maintaining the independence of the independent public accountant.

**Table of Contents**

Based on the reviews and discussions described above, the Audit Committee recommended to our Board that the consolidated financial statements of Linn Energy, LLC be included in the Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the SEC.

Submitted By:

**Audit Committee**

Joseph P. McCoy, Chair

David D. Dunlap

Stephen J. Hadden

Jeffrey C. Swoveland

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Exchange Act that might incorporate this Proxy Statement or future filings with the SEC, in whole or in part, the preceding report shall not be deemed to be soliciting material or to be filed with the SEC or incorporated by reference into any filing except to the extent the foregoing report is specifically incorporated by reference therein.



**Table of Contents**

**PROPOSAL TWO: RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANT**

The Audit Committee of our Board has selected KPMG LLP to continue as our independent public accountant for 2015. KPMG LLP has served as LINN's independent public accountant since 2005. The Audit Committee has determined to submit KPMG LLP's selection to unitholders for ratification. Unitholder ratification of the selection of KPMG LLP as our independent public accountant is not required by our limited liability company agreement or otherwise. We are submitting the selection of KPMG LLP to unitholders for ratification as a matter of good corporate practice. If this selection of independent public accountant is not ratified by a majority of the outstanding units present in person or by proxy and entitled to vote at the Annual Meeting, the Audit Committee will reconsider its selection of independent public accountant. We are advised that no member of KPMG LLP has any direct or material indirect financial interest in our company or, during the past three years, has had any connection with us in the capacity of promoter, underwriter, voting trustee, director, officer or employee. A representative of KPMG LLP will attend the Annual Meeting. The representative will have the opportunity to make a statement if he desires to do so and to respond to appropriate questions.

**Audit Fees**

The fees for professional services rendered by KPMG LLP for the audit of our annual consolidated financial statements for the years ended December 31, 2013 and 2014, and the reviews of the financial statements included in any of our Quarterly Reports on Forms 10-Q for each of those years, were approximately \$1,700,000 and \$1,728,000, respectively. In addition, in connection with our subsidiary Berry Petroleum Company, LLC (Berry), we incurred audit fees to KPMG LLP of \$450,000 and \$775,000 for the years ended December 31, 2013 and 2014, respectively.

**Audit-Related Fees**

KPMG LLP also received fees for services in connection with our senior notes offerings and equity offerings in 2013 and 2014. These fees totaled approximately \$225,000 and \$1,115,000 for the years ended December 31, 2013 and 2014, respectively.

**Tax Fees**

KPMG LLP received fees for services related to a transfer pricing project totaling approximately \$40,000 for the year ended December 31, 2013. We incurred no fees for the year ended December 31, 2014 for tax-related services provided by KPMG LLP.

**All Other Fees**

We incurred no other fees for the years ended December 31, 2013 and 2014 for any other services provided by KPMG LLP.

**Audit Committee Approval of Audit and Non-Audit Services**

The Audit Committee pre-approves all audit and non-audit services to be provided to us by our independent public accountant in the upcoming year at the last meeting of each calendar year and at subsequent meetings as necessary. The non-audit services to be provided are specified and shall not exceed a specified dollar limit. During the course of a fiscal year, if additional non-audit services are identified, these services are presented to the Audit Committee for pre-approval. All of the services covered under the caption "Audit-Related Fees" were approved by the Audit Committee and none were provided under the *de minimis* exception of Section 10A of the Exchange Act.



**Table of Contents**

**Required Vote**

Under our limited liability company agreement, unitholder ratification of KPMG LLP as our independent public accountant for 2015 is not required. However, in the event we elect to submit such ratification for unitholder approval, as we have done here, this approval would require the affirmative vote of a majority of the votes cast affirmatively or negatively by members holding outstanding units and entitled to vote on the proposal.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE FOR APPROVAL OF THE RATIFICATION OF THE SELECTION OF KPMG LLP AS OUR INDEPENDENT PUBLIC ACCOUNTANT FOR 2015.**

In the event of a negative vote on such ratification, the Audit Committee will reconsider its selection. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent public accountant at any time during the year if the Audit Committee believes that such a change would be in the best interest of our company and our unitholders.

**Table of Contents****COMPENSATION DISCUSSION & ANALYSIS****2014 Highlights and Executive Summary**

Pay for performance is a fundamental tenet of our compensation philosophy. We believe that sustainable performance is what ultimately drives unitholder value and that designing a compensation plan that closely aligns the interests of Named Officers (defined below) and unitholders is critical. As a result, a substantial portion of our Named Officers total compensation is tied to our performance and delivered as incentive compensation, with a relatively small portion of the total delivered as fixed base salary. We deliver incentive compensation through our cash-based Employee Incentive Compensation Program (EICP) and our equity-based Long Term Incentive Plan (LTIP), both of which are explained further in Compensation Discussion & Analysis 2014 Executive Compensation Components beginning on page 23.

The Committee, with the assistance of the Company's management and the Committee's independent consultant, oversees, approves and assesses the effectiveness of our compensation program in relation to our compensation philosophy and the market for executive talent. The table below describes each of the elements of our executive compensation program and its link to our compensation objectives.

Compensation Element	Attract and retain talented executives	Align with unitholder interests	Provide performance-based compensation that is		
			Provide total compensation tied to individual performance	balanced between short and long-term results	Encourage long-term commitment; maintain forfeitable balances
Base Salary	ü		ü		
Employee Incentive Compensation Program (EICP)	ü	ü		ü	
Long Term Incentive Plan (LTIP)	ü	ü	ü	ü	ü
Benefits, Perquisites and other Compensation (including Severance and Change of Control Arrangements)	ü				

As discussed in more detail below in Compensation Discussion & Analysis Our Executive Compensation Program beginning on page 21, the Compensation Committee believes in setting challenging annual goals that focus our Named Officers on the measures of company performance that create short and long-term value for you as a unitholder.

2014 was a transformative year for the Company. We executed a new strategic plan focused on reducing base decline and capital intensity and striving to live within internally generated cash flow going forward. We met substantially all of the goals we set at the beginning of 2014, despite some significant challenges, including the dramatic decline in commodity prices in late 2014 and the resulting decline in our unit price. The following are highlights:

We acquired approximately \$3.9 billion and sold approximately \$3.6 billion of properties in 2014, lowering our capital intensity and our overall base decline rate from 27% to 15%; we accomplished these through innovative arrangements including like-kind exchanges and property trades;

We demonstrated the willingness to reduce our distribution when necessary to further the goal of striving to live within internally generated cash flow in the future and maintaining the strength of our distribution;

We improved our liquidity position by extending the maturity of LINN's credit facility and issuing \$1.1 billion in senior notes;

We executed a \$1.5 billion capital program resulting in approximately 3-4% organic growth in 2014;

## Table of Contents

We resolved all shareholder lawsuits related to the Berry transaction and related events and in early 2015, the SEC notified us it has closed its informal inquiry of LINN and recommended no enforcement action; and

We developed relationships with numerous financial partners and explored a variety of innovative joint venture structures to accelerate our ability to develop and acquire properties during a time of challenging commodity prices.

The Committee's primary compensation considerations for 2014 were as follows:

We met our operational and distribution funding goals for the year. These goals included actual production volumes, total cash costs (including lease operating expenses and general and administrative expenses), cash costs on a per Mcfe basis, cash flow per unit and Distribution Coverage Ratio. These metrics and goals are discussed further beginning on page 24;

Despite our success in transforming the Company through a variety of innovative strategies, we had a materially negative total unitholder return in 2014 due primarily to a rapid decrease in our unit price in late 2014 as a result of the dramatic decline in commodity prices in late 2014;

The Committee considered the results of the Company's 2014 say-on-pay vote and clarified certain of its practices and expectations (see chart below);

The Committee remained focused on continuing and enhancing its performance-oriented pay philosophy to reflect demonstrated performance in both EICP and LTIP awards, including grants of performance units in January 2015, as described below in Compensation Discussion & Analysis 2014 Executive Compensation Components beginning on page 23; and

The Committee approved EICP awards at 115% of target for 2014 for our performance against our goals for operations, ability to pay and strategic pathways while accounting for our unitholder return (a detailed explanation of the Committee's method for determining this percentage is further discussed on pages 27-28).

### **Response to 2014 Say on Pay Vote**

Although we received greater than a majority of units cast for our named executive officer compensation (75%) at our 2014 Annual Meeting of Unitholders, the Committee sought information on how to improve the results. Throughout 2014, we reviewed the analysis provided by each of the proxy advisory firms and considered feedback from our unitholders. The Committee determined that it needed to provide unitholders additional clarity in this disclosure around certain of its compensation practices and decisions; these include:

The chart labeled Key Features of our Executive Compensation Program on page 18, which identifies existing compensation practices and certain new policies that highlight the Committee's performance-oriented approach to governance;

The expanded disclosure of our Employee Incentive Compensation Program on pages 23-28, which provides a more detailed explanation of how the Committee determined the Company score and associated EICP award for 2014;

We added performance awards in 2014, which make up approximately 25% of our Named Executive Officers (NEOs) LTIP awards and the payout of which is tied to our total unitholder return versus a group of peer master limited partnerships. The Performance Unit Awards section beginning on page 29 adds disclosure regarding the peer companies used and the multiplier for performance units; and

The Termination Arrangements and Change of Control Provisions section on page 33, which explains that we have eliminated the use of employment contracts for new executive officers and eliminated excise tax gross-ups for future executive officers.

We will have our next advisory vote on our executive compensation program at our 2017 Annual Meeting of Unitholders.

---

**Table of Contents**

**Key Features of our Executive Compensation Program**

**Our Executive Compensation Practices**

**(What We Do)**

- YES Pay for Performance** Our executives' total compensation is heavily weighted toward performance-based pay. Our Employee Incentive Compensation Program is based on performance against key financial and operational metrics. The ultimate value delivered by our LTIP is tied to both absolute and relative unitholder return performance. EICP awards and performance unit awards are capped at 200% of cash and unit targets, respectively.
- YES Utilize a Quantitative Process for Cash Awards** The Committee establishes Company performance measures and goals at the beginning of the performance year that are assigned weightings. In considering EICP awards for the year, the Committee scores the Company's performance on each measure as part of arriving at an overall score that determines the amount of any EICP awards.
- YES Executive Ownership Guidelines** We have adopted stock ownership guidelines for our senior executives and directors with good corporate governance practices. The requirements are:
- Chairman, President and Chief Executive Officer: 5 times base salary;
  - Executive Vice Presidents: 4 times base salary;
  - Senior Vice Presidents: 3 times base salary;
  - Non-employee directors: 3 times their annual cash retainer.
- YES External Benchmarking** Our Compensation Committee reviews competitive compensation data based on an appropriate group of exploration and production corporations prior to making annual compensation decisions.
- YES Double-Trigger Severance** Upon a change of control, our employment agreements with our CEO, CFO, COO and CAO and our Change of Control Plan confer cash severance benefits only if the employee is actually or constructively terminated during the applicable period.
- YES Independent Compensation Consultant** The Compensation Committee has engaged an independent executive compensation advisor who reports directly to the Compensation Committee and provides no other services to the Company.
- YES Regular Review of Unit Utilization** We evaluate unit utilization by reviewing overhang levels (dilutive impact of equity compensation on our unitholders) and annual run rate (the aggregate units awarded each year as a percentage of total outstanding units).



**Executive Compensation Practices We Have Not Implemented**

**(What We Do Not Do)**

- NO New Golden Parachute Excise Tax Gross-Ups** We will not offer new excise tax gross-up benefits to future officers.
- NO Repricing** Our LTIP does not permit the repricing of underwater stock options.
- NO Hedging, Pledging or Derivative Trading of LINE or LNCO Securities** These practices are strictly prohibited for all officers, directors and employees of the Company.
- NO Excessive Perquisites** We offer limited perquisites to our NEOs, consistent with the perquisites offered by our peer companies, which are intended primarily to offset the cost of tax preparation, financial planning and related expenses.
- NO Egregious Employment Agreements** The Company has not entered into contracts containing multi-year guarantees for salary increase or non-performance-based bonus or equity compensation. We have also eliminated the use of employment contracts for new executive officers.
- NO Separate Employment Agreements for Incoming Executives** The Company has not entered into separate employment or change of control agreements with new executive officers. Such executives are subject to the Company's Change of Control Plan adopted in 2009.

## **Table of Contents**

### **Executive Compensation Overview**

We use traditional compensation elements of base salary, annual cash incentives, long-term equity based incentives, and employee benefits to deliver competitive compensation. Our executive compensation programs are administered by an independent compensation committee, with assistance from an independent consultant. We generally target the median of our peer group for total compensation, while providing the Named Officers with an opportunity to earn higher levels of incentive pay based on company performance. In 2014, we promoted David Rottino to Executive Vice President, Business Development and Chief Accounting Officer and Jamin McNeil to Senior Vice President Houston Division Operations. Our Named Officers for 2014 discussed below are:

Mark E. Ellis, our Chairman, President and Chief Executive Officer;

Kolja Rockov, our Executive Vice President and Chief Financial Officer;

Arden L. Walker, Jr., our Executive Vice President and Chief Operating Officer;

David B. Rottino, our Executive Vice President, Business Development and Chief Accounting Officer; and

Jamin B. McNeil, our Senior Vice President Houston Division Operations.

The sections below address the following topics:

the role of our Compensation Committee in establishing executive compensation;

our process for setting executive compensation;

our compensation philosophy and policies regarding executive compensation; and

our compensation decisions with respect to our Named Officers.

### **The Compensation Committee**

The Compensation Committee of our Board has overall responsibility for the approval, evaluation and oversight of all our compensation plans, policies and programs. The fundamental responsibilities of the Committee are to: (i) establish the goals, objectives and policies relevant to the compensation of our senior management, and evaluate performance in light of those goals to determine compensation levels, (ii) approve and administer our incentive compensation plans, (iii) set compensation levels and make awards under incentive compensation plans that are consistent with our compensation principles and our performance and (iv) review our disclosure relating to compensation. The Committee also has responsibility for evaluating compensation paid to our non-employee directors.

## **The Compensation Setting Process**

*Compensation Committee Meetings.* Our Compensation Committee holds regular quarterly meetings each year, which coincide with our quarterly Board meetings. It also holds additional meetings as required to carry out its duties. The Committee Chairman works with our Corporate Secretary to establish each meeting agenda.

At the regular first quarter meeting, the Committee:

considers and approves changes in base salary and EICP targets for the upcoming year;

reviews actual results compared to the pre-established performance measures for the previous year to determine 1) annual cash incentive awards for our executive officers under our EICP and 2) the Company score used to determine the Company portion of EICP awards for our employees;

**Table of Contents**

grants equity awards under our LTIP based on past Company performance and forward-looking retention and establishes performance metrics and the appropriate peer group for our performance-based LTIP awards;

approves the performance measures under our EICP for the upcoming year, which may include both quantitative financial and operational measures and qualitative performance measures intended to focus on and reward activities that create unitholder value;

evaluates the compensation paid to our non-employee directors and, to the extent it deems appropriate, approves any adjustments; and

evaluates and reviews the summary results of the Board's written evaluations of our Chief Executive Officer, as well as the Chief Executive Officer's self-evaluation.

The Committee receives updates periodically on our progress toward the goals set at the beginning of the year. At a special meeting of the Committee held in October, the Committee reviews and discusses a compensation analysis prepared by its independent compensation consultant (please see *Role of Compensation Consultant* below) and begins discussions on compensation for the succeeding calendar year.

The Committee meets in an executive session to consider appropriate compensation for our Chairman, President and Chief Executive Officer. With respect to compensation for all other Named Officers, the Committee generally meets with our Chairman, President and Chief Executive Officer outside the presence of all our other executive officers. When individual compensation decisions are not being considered, the Committee typically meets in the presence of our Chairman, President and Chief Executive Officer, our Senior Vice President of Corporate Services and our General Counsel and Corporate Secretary. Depending upon the agenda for a particular meeting, the Committee may also invite other officers, the Company's compensation consultant and a representative of the Committee's compensation consultant to participate in Committee meetings. The Committee also regularly meets in executive session without management to discuss other matters.

*Role of Compensation Consultant.* The Committee's Charter grants the Committee the sole and direct authority to retain and terminate compensation advisors and to approve their fees. All such advisors report directly to the Compensation Committee, and all assignments are directed by the Committee Chairman. For 2014, the Committee engaged Meridian Compensation Partners, LLC (Meridian) to assist the Committee in assessing and determining competitive compensation packages for our executive officers. Meridian did no other work for the Company in 2014. Prior to Meridian providing any services in 2014, the Committee assessed the independence of Meridian pursuant to SEC rules and concluded that no conflict of interest exists that would prevent Meridian from independently representing the Committee.

In this capacity, Meridian, at the Committee's request and under the direction of the Committee Chairman, provides input on our compensation program and structure generally and makes recommendations on the program design. Meridian also assembled information regarding comparable executive positions among independent oil and natural gas producers. Meridian's data for 2014 was based primarily on survey sources, and to a lesser extent on data compiled from the public filings of a peer group of various companies.

*Compensation Benchmarking Peer Group.* The chart below identifies the members of our 2013 and 2014 compensation benchmarking peer groups. Selection of an appropriate peer group is challenging for the Company due to its size and unique structure. While LINN competes with other upstream master limited partnerships for investors,

these companies are significantly smaller in size and are not necessarily appropriate as a peer for compensation purposes. The Committee instead focuses on similarly situated upstream oil and gas producers as the Company's indicative labor market for talent, thus as compensation benchmarking peers. In selecting companies within that industry sector the Committee considers each company's market capitalization, asset size, asset mix and revenues but focuses primarily on enterprise value to establish comparable scope. For 2013, due to the significant increase in the enterprise value of the Company, the Committee revised the peer group for

**Table of Contents**

compensation benchmarking. When the Committee reviewed the compensation benchmarking peer group for 2014, the Company remained situated around the median of peers in size and scope, thus the Committee made no changes to the compensation benchmarking peer group in 2014.

**Compensation Benchmarking Peer Group**

Cabot Oil & Gas Corporation  
Concho Resources Inc.  
Continental Resources, Inc.  
Denbury Resources Inc.  
Devon Energy Corporation  
Encana Corporation  
EOG Resources, Inc.  
Marathon Oil Corporation  
Newfield Exploration Company  
Noble Energy, Inc.  
Pioneer Natural Resources Company  
QEP Resources, Inc.  
Range Resources Corporation  
Southwestern Energy Company  
Talisman Energy Inc.

The Committee uses a different peer group for purposes of evaluating the Company's relative total unitholder return under the performance-based portion of our LTIP. See page 30 for a description of these peers.

The Company also employs an individual as a consultant to support us in managing our executive compensation process. Our consultant did not provide any other services to us in 2014.

*Role of Executive Officers.* Except with respect to his own compensation, our Chairman, President and Chief Executive Officer, with assistance from the Company's consultant, plays an important role in the Committee's establishment of compensation levels for our executive officers. The most significant aspects of his role in the process are:

evaluating performance;

recommending EICP award targets and quantitative and qualitative performance measures under our EICP;

recommending base salary levels, actual EICP awards and LTIP awards; and

advising the Committee with respect to achievement of performance measures under the EICP.

**Our Executive Compensation Program**

*Compensation Objectives.* Our executive compensation program is intended to align executive officer interests with unitholder interests by motivating our executive officers to achieve strong financial and operating results and ultimately grow our Company. We believe that profitable growth, both organically and through acquisitions, drives our ability to maintain the strength of unitholder distributions. The Company aligns these interests primarily through our EICP and LTIP programs. These programs achieve the following objectives:

attract and retain talented executive officers by providing total compensation levels competitive with that of executives holding comparable positions in similarly-situated organizations;

provide total compensation that is supported by individual performance;

provide a performance-based compensation component that balances rewards for short-term and long-term results and is tied to company performance; and

**Table of Contents**

encourage the long-term commitment of our executive officers to the Company and to unitholders' long-term interests.

*Compensation Strategy.* Our total direct compensation program serves to attract, motivate and retain executives who have the character, industry experience and professional accomplishments required to grow and develop the Company. We seek to align executive compensation with unitholder interests by placing a significant portion of total direct compensation at risk.

At risk means the executive officer will not realize full value unless:

for EICP awards, performance goals are achieved, approximately 65% of which are directly tied to the Company's quantitative performance targets and 35% of which are associated with the achievement of our strategic pathways;

for restricted unit awards under our LTIP, we maintain or increase both our unit price and per unit distribution; and

for performance unit awards under our LTIP, we achieve at least a median ranking among our performance peers in total unitholder returns.

To appropriately incentivize our executive officers to take a long-term view, unit-based awards under our LTIP are the largest component of our at risk compensation, as described in the following chart:

Our executive compensation program consists of three principal elements: (i) base salary, (ii) cash incentive opportunities under the EICP based upon the achievement of specific Company performance objectives, and (iii) unit-based awards under the LTIP, which provide long-term incentives that are intended to encourage the achievement of superior results over time and to align the interests of executive officers with those of our unitholders.

To ensure that our total compensation package is competitive, Meridian develops an assessment of industry compensation levels through both an analysis of survey data and information disclosed in compensation benchmarking peer companies' public filings. While the Committee considers this data when assessing the reasonableness of our executive officers' total compensation, it also considers a number of other factors including:

historical compensation levels;

the specific role the executive plays within our company;

the individual performance of the executive; and



the relative compensation levels among our executive officers.

**Table of Contents**

There is no pre-established policy or target for the Committee's allocation of total compensation between long-term compensation in the form of LTIP awards and short-term compensation in the form of base salary and EICP awards. The allocation is at the discretion of the Committee and generally is based upon an analysis of how our peer companies use long-term and short-term compensation to compensate their executive officers. Each year the Committee reviews this peer company data when setting EICP targets and LTIP awards for that year but also considers other factors when granting LTIP awards, including Company performance and the individual Named Officer's performance.

**2014 Executive Compensation Components**

For 2014, the principal components of compensation for Named Officers were:

Short term compensation:

base salary

employee incentive compensation plan

Long-term equity compensation in the form of restricted units and performance units

Other benefits

***Short Term Compensation***

***Base Salary***

We provide Named Officers and other employees with a base salary to provide them with a reasonable base level of monthly income relative to their role and responsibilities. Each of our Named Officers, other than Mr. McNeil, has an employment agreement that provides for a minimum level of base salary and upward adjustments at the discretion of the Board. For a summary of the material terms of the Named Officers' employment agreements, please see Narrative Disclosure to the 2014 Summary Compensation Table.

Salary levels are typically considered annually as part of our performance review process as well as upon a promotion or other change in job responsibilities. During its review of base salaries for executive officers, the Committee primarily considers:

survey and published peer data provided by the Committee's independent compensation consultant;

internal review of the executive's compensation, both individually and relative to other executive officers;  
and

recommendations by our Chairman, President and Chief Executive Officer (on executives other than himself).

For 2014, after reviewing peer data and considering the other factors mentioned above under Compensation Strategy, the Committee increased the base salary of each of our Named Officers to maintain base salary around the median of our peers (see 2014 Summary Compensation Table on page 36 for further information). For 2015, in connection with a Company-wide cost cutting initiative resulting from the dramatic decline in commodity prices, the Committee determined not to raise base salary for any of our Named Officers.

*Employee Incentive Compensation Program*

**EICP Award Targets**

Our EICP is an annual cash incentive program which provides guidelines for the calculation of annual cash incentive based compensation. The EICP program is intended to focus on and reward achievement of near term financial, operating and strategic priorities that we believe drive long-term value for unitholders. The Committee

**Table of Contents**

reviews peer data and internal parity in setting EICP award targets and for 2014 set EICP award targets for each Named Officer as a percentage of base salary. Actual awards can range up to a maximum of 200% of target depending on Company and individual performance.

EICP award targets for our Named Officers in 2014 were set as follows:

<b>Named Officer</b>	<b>% of Base Salary</b>
Mark E. Ellis	115%
Kolja Rockov	90%
Arden L. Walker, Jr.	90%
David B. Rottino	90%
Jamin B. McNeil	75%

Mr. Ellis's EICP target was increased from 100% to 115% in 2014 to maintain his total cash compensation opportunity around the median of peer company CEOs. Mr. Rottino's EICP target was increased in 2014 from 80% to 90% to reflect his promotion to Executive Vice President. In 2015, the Committee elected to keep EICP targets consistent with 2014.

**Performance Measures**

In early 2014, the Committee established 1) targets for quantitative performance measures based on our 2014 budget targets and budget ranges (other than unitholder return) and 2) qualitative strategic pathways designed to align with our strategy and future vision for the Company. To ensure the right level of focus on the quantitative performance measures, the Committee decided to weight the quantitative measures at 65% and the qualitative measures at 35% in the determination of the total EICP payout.

To provide the Committee the flexibility it needs to adjust for and react to macroeconomic events, such as dramatic changes in commodity prices or volatile capital markets, or to consider Company performance not otherwise reflected in the pre-established performance measures, the Committee prefers not to rely on a purely formulaic approach based on pre-established thresholds resulting in automatic payouts. No payment level is guaranteed and the payment level can never exceed 200% of target. The Committee retains some discretion to determine awards as it thinks appropriate given all the circumstances at the time of award. See Actual Results below for the specific 2014 quantitative performance measures and budget targets and the qualitative strategic pathways. To determine the EICP payout levels for 2014, the Committee reviewed 1) the Company's performance on the quantitative performance measures described below, and 2) the Company's progress on and achievement of the qualitative strategic pathways.

**Quantitative Performance Measures**

For 2014, 65% percent of each Named Officer's EICP award opportunity was based on the Company's performance with respect to the following measures set at the beginning of 2014:

- a) Operations measured by actual production volumes, total cash costs (including lease operating expenses and general and administrative expenses) and total cash costs on a per Mcfe basis, each as compared to our 2014 budget, as revised;

b) Ability to Pay Distribution measured by:

1. our cash flow per unit (defined below) compared to our 2014 budget, as revised;
2. our Distribution Coverage Ratio (defined below) as compared to our 2014 budget, as revised; and

**Table of Contents**

c) Total Unitholder Return/Relative Unitholder Return The Committee selects a peer group for purposes of evaluating the Company's relative and total unitholder return that utilizes the compensation benchmarking peer group on page 21 and the S&P 500 E&P Index as well as a peer group of master limited partnerships and index that is currently composed of:

1. Breitburn Energy Partners LP
2. Eagle Rock Energy Partners, L.P.
3. EV Energy Partners, L.P.
4. Legacy Reserves LP
5. Memorial Production Partners LP
6. Vanguard Natural Resources, LLC
7. Alerian MLP Index

This second group reflects management's and the Committee's view that this group of master limited partnerships and index have historically been the peer group we believe analysts and investors follow most closely when comparing our total return. Using this group in addition to our compensation benchmarking peer group allows us to compare ourselves to our peers both in the upstream master limited partnerships space and also against other similarly situated master limited partnerships through the Alerian MLP Index to reflect our relative size versus other upstream master limited partnerships. We use a different set of peer companies for our 2014 performance unit awards (please see page 30).

For purposes of determining performance relative to executive compensation, we define cash flow per unit as our net cash provided by operating activities plus discretionary adjustments considered by the Board (other than discretionary reductions for a portion of oil and natural gas development costs) divided by the number of units outstanding. We define Distribution Coverage Ratio as net cash provided by operating activities plus discretionary adjustments considered by the Board divided by total distributions to unitholders.

In setting the measures in January 2014, the Committee determined that the measures above should be weighted equally because the Committee believed that each was a factor important to the Company's overall performance and none should be given more importance or weight than the others. See Actual Results below for how the Committee actually considered the objectives.

Qualitative Strategic Pathways

The other 35% of the EICP award opportunity was based on our achievement of or progress made on the following qualitative strategic pathways, which were recommended by management and reviewed by the Committee in January

2014:

- a) Operations Excellence;
- b) Accounting/Integration Goals;
- c) Acquisitions Excellence;
- d) Culture People Development and Growth; and
- e) Access to Capital/Optimizing Capital Structure.

25

**Table of Contents****Actual Results**

Upon completion of the fiscal year, the Committee reviewed and assessed our performance for each quantitative measure described above relative to our original budget, and as revised throughout the year (other than unitholder return) and made a subjective determination with respect to the Company's achievement as compared to those metrics.

Results for 2014 were as follows:

	Revised Budget Target*	Revised Budget Range*	2014 Estimated Performance as of January 2015 <sup>(1)</sup>
<b>Operations</b>			
Volumes (MMcfe/day)	1,220	1,129-1,313	1,210
Total Cash Costs (Lease Operating Expenses and General and Administrative Expenses) (in millions)	\$ 1,012	\$ 961-\$1,064	\$ 1,045
Cash Costs per Mcfe (Lease Operating Expenses and General and Administrative Expenses) (\$/Mcfe)	\$ 2.27	\$ 2.10-\$2.44	\$ 2.36
<b>Ability to Pay Distributions</b>			
Cash Flow/Unit	\$ 4.67	\$ 3.88-\$5.08	\$ 5.42
Distribution Coverage Ratio	0.99x	.91x-1.06x	1.01x

\* Budget targets and ranges were updated throughout the year to reflect acquisitions and divestitures.

(1) The Committee based its decisions on estimates of 2014 performance available at the January 2015 Committee Meeting. Actual final results were released in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and the Company's Earnings Release, filed on Current Report on Form 8-K, each filed on February 19, 2015.

In reviewing the quantitative measures, the Committee focused on:

**Operations:**

- 1) We were on target for production volumes;
- 2) Our costs were within our budgeted range, though slightly higher than target due to higher natural gas prices affecting steam generation costs in California, as well as certain Berry integration costs affecting G&A;

**Ability to Pay:**

- 1) We exceeded our revised budget targets in cash flow per unit by approximately 16%;



2) We ended 2014 with an estimated distribution coverage ratio of 1.01x;

**Relative Unitholder Return:**

- 1) Our total unitholder return was negative for 2014 and the three-year period ending in 2014 and we were in the bottom quartile of our peer group for relative unitholder return in both of these periods; and
- 2) Concurrent with dramatic declines in commodity prices, our unit price declined significantly during the last quarter of 2014.

**Table of Contents**

The Committee then reviewed our performance relative to the qualitative strategic pathways and determined the following with respect to those objectives:

<b>Objective</b>	<b>Outstanding Results</b>
Consistent Operational Results and Execution	ii
<p>Our maintenance of a safe and environmentally sound operation</p> <p>Our meeting volume goals while focused on cost savings and base optimization efforts, which are reducing decline rates and improving returns</p> <p>Our successful transition of divested assets and integration of acquired assets and the successful integration of Berry</p>	
Accounting/Integration Goals	ii
<p>Our migration of Berry's financial systems into LINN systems and our continued ability to report and disclose financial information regarding Berry in SEC filings</p> <p>We had no accounting significant deficiencies or material weaknesses noted</p>	
Acquisitions Excellence	ii
<p>Our continued leadership in mergers and acquisition, through:</p> <p>Our strategic initiative to exchange or sell our horizontal Wolfcamp position in the Permian Basin, which we did through two property trades with Exxon Mobil Corporation and a sale of our Wolfberry positions in Ector and Midland counties in the Permian Basin</p> <p>Our divestiture of assets in the Granite Wash and Cleveland plays located in the Texas Panhandle and western Oklahoma</p> <p>Our acquisitions of assets from Devon Energy Corporation and Pioneer Natural Resources Company</p> <p>Our continued evaluation of our assets for like kind exchanges, joint ventures or farm-outs to further develop our assets</p>	
Culture People Development and Growth	ii
<p>Our continued support of employees, ongoing operations and organizational growth while consistently focusing on our values</p> <p>Our reinforcement of our commitment to the communities we operate in through charitable giving and active community participation</p>	
Access to Capital/Optimizing Capital Structure	ii

Our continued access to the capital markets to finance growth and preserve liquidity while optimizing our capital structure, through bank lending, public debt issuances, maintenance of positive relationships with rating agencies and investor presentations

Our facilitation of major business development initiatives through sufficient access to capital, our portfolio optimization and innovative DrillCo and AcquisitionCo structures

**Relative Unitholder Return.** Historically, the Committee has used total unitholder return relative to a group of peers as a performance measure in the EICP. The Committee removed total unitholder return as a performance measure in the EICP with our implementation of performance units, as described beginning on page 29. However, for 2014 EICP awards, the Committee took total unitholder return into account since performance units awarded in January 2014 will not become eligible for payment until early 2016. The Company ranked in the bottom quartile in total unitholder return in 2014 compared to both our compensation benchmarking peer group and the upstream master limited partnership/index peers described earlier over the last one and three year periods.

In addition to reviewing the results of the quantitative and qualitative measures with a focus on the above mentioned factors and considering the objectives of the Company's compensation program, the Committee used

**Table of Contents**

the following scores and weighting, along with its business judgment and experience, and determined that an overall award of 115% of each Named Officer's EICP award target was appropriate:

	Score	Weighting
Operations		
Volumes (MMcfe/day)		
Total Cash Costs (Lease Operating Expenses and General and Administrative Expenses) (in millions)		
Cash Costs per Mcfe (Lease Operating Expenses and General and Administrative Expenses) (\$/Mcfe)	1.05x	32.5%
Ability to Pay Distributions		
Cash Flow/Unit		
Distribution Coverage Ratio	1.25x	32.5%
<b>Quantitative Subtotal Score</b>	<b>1.15x</b>	<b>65.0%</b>
Strategic Pathways	1.75x	35.0%
<b>Total Score</b>	<b>1.36x</b>	
Adjustment for Total Unitholder Return	(0.26x-0.21x)	
<b>Adjusted Total Score</b>	<b>1.10x-1.15x</b>	

On the Operations targets, we were within range of our target volumes despite challenges in 2014. On our Ability to Pay Distributions targets, we exceeded both our targets and achieved an estimated 1.01x coverage ratio for the year. On our Strategic Pathways, we executed on our transformational strategy. See pages 26-27 for further explanation of our actual results versus our goals. As a result of the Company's total unitholder return performance, the Committee determined that a downward adjustment in the award level was appropriate.

Generally, the Committee believes that the Company's performance is a reflection of executive officer performance in total. The Committee may, however, apply discretion upward or downward to reflect individual performance. For 2014, the Committee did not make any differentiation in EICP awards due to individual performance; thus each Named Officer received approximately 115% of his or her EICP award target. As an example, Mr. Rockov, whose EICP award target was 90% of his base salary, received an award of approximately 103.5% of his base salary.

**Long-Term Incentive Compensation**

Our LTIP encourages participants to focus on our long-term performance and provides an opportunity for executive officers and other employees to increase their stake in our company through grants of our units based on a three-year vesting period. Long-term incentive awards benefit the Company by:

enhancing the link between the creation of unitholder value and long-term executive incentive compensation;

maintaining significant forfeitable equity stakes among executives thereby fostering retention; and

maintaining competitive levels of total compensation.

LTIP awards are typically made in January and have been intended primarily as forward-looking long-term incentives. In determining the size of the awards generally, the Committee uses peer data as a guide and targets the total value of each grant such that each Named Officer's LTIP award, when combined with base salary and EICP award, would place the executive's total direct compensation between the median and 75<sup>th</sup> percentile of similarly situated executives in our compensation benchmarking peer group, depending on Company performance; however, the Committee also considers our performance in the prior year in determining the ultimate size of the award. The Committee always has discretion to award above the 75<sup>th</sup> percentile in years where it determines that exceptional performance is achieved and below the median of the peer group in years of poor performance or when economic conditions dictate.

---

**Table of Contents**

In determining individual unit awards in January 2014, the Committee considered the industry market data, our performance for the previous year (including our prevailing unit price), its subjective evaluation of the individual performances of each Named Officer, the relative responsibilities of each Named Officer role, and how each Named Officer contributed to our achievement of quantitative and qualitative performance measures.

In 2014, the Committee granted all of its awards to Named Officers as restricted units and performance units (except for Mr. McNeil, who only received restricted units). The Committee believes that granting restricted units and performance units results in a simple, straightforward LTIP program and closely aligns the Company with how other exploration and production corporations and master limited partnerships are currently using long-term incentive awards. For example, due to the significant decline in our unit price, our NEOs, who are required by our Ownership Guidelines to own 3x to 5x their base salary in units, have endured the same decline in equity value as our unitholders. Because our Named Officers receive distributions on vested and unvested units at the same rate as all our unitholders, the Committee believes that restricted units and performance units closely align management's interests with those of our unitholders, by providing incentive to maintain the strength of our distributions.

*Restricted Unit Awards*

For our Named Officers, other than Mr. McNeil, our Executive Restricted Unit Grant Agreement provides for vesting in equal installments over three years and provides that upon termination of employment with us (a) by the Company other than for Cause, (b) by the officer with Good Reason, or (c) by reason of death, Disability or retirement (as those terms are defined below under the section titled Payments Made Upon Termination Without Cause or For Good Reason), all restrictions lapse and the grant immediately vests in full. Additionally, and for Mr. McNeil's awards, in the event of a change of control, restricted unit awards vest automatically and immediately in full upon the change of control.

Participants, including Named Officers, who receive restricted unit grants under the LTIP receive monthly distributions on all the units awarded (whether vested or unvested), with the units being retained in our transfer agent's custody and subject to restrictions on sale or transfer until vested. The Committee does not include amounts received from monthly cash distributions in its calculations of total direct compensation for comparison to our compensation benchmarking peer group.

*Performance Unit Awards*

In 2014, the Committee implemented a new Performance Unit program that was intended to replace 25% of the annual restricted unit award. Our Executive Performance Unit Grant Agreement provides for a target number of units that will vest after a predetermined period of time based on the Company's relative unitholder return against a performance peer group of comparably sized energy industry master limited partnerships. The initial 2014 award to our Named Officers, other than Mr. McNeil, who did not receive a performance unit award in 2014, vests 50% after two years and 50% three years from the award date. On such vesting dates, the number of units that are actually issued will increase or decrease by a multiplier, which is based on the relative total unitholder return of the Company's units relative to the returns of peer company equity. The ranking is determined by comparing the change in the trading price of the Company's units during such vesting period plus any distributions during such vesting period against our peers change in the trading price of their equity during such vesting period plus any distributions, during the same vesting period. If our performance is not sufficient over these periods of time, then our applicable NEOs could lose the entire value of this grant.

Performance unit awards for 2014 used a group of 20 master limited partnerships as the performance peer group (which is subject to update annually by the Committee). This group was chosen in January 2014 due to the

Committee's determination that it most appropriately reflected the Company's competitors for investor dollars. Selecting an appropriate peer group is challenging because the Company 1) is substantially larger than the other upstream master limited partnerships and 2) is in a different line of business than the midstream master limited partnerships.

**Table of Contents**

The following chart shows the companies that compose the peer group used to determine performance for the 2014 performance unit awards:

<b>Company Name</b>
<b><i>Midstream Master Limited Partnerships</i></b>
Plains All American Pipeline, L.P.
Magellan Midstream Partners, L.P.
Spectra Energy Partners, LP
ONEOK Partners, L.P.
Access Midstream Partners, L.P.*
MarkWest Energy Partners, L.P.
Enbridge Energy Partners, L.P.
Buckeye Partners, L.P.
El Paso Pipeline Partners, L.P.
Sunoco Logistics Partners L.P.
Western Gas Partners, L.P.
Targa Resource Partners LP
Regency Energy Partners LP
Boardwalk Pipeline Partners, LP
Genesis Energy, L.P.
<b><i>Upstream Master Limited Partnerships</i></b>
Breitburn Energy Partners LP
Vanguard Natural Resources, LLC
EV Energy Partners, L.P.
Legacy Reserves LP
QR Energy, LP*

\* No longer publicly traded

The table below describes the payout multipliers (as a percent of the awarded units) associated with LINN's unitholder return rank within the performance peer group.

<b>Performance Ranking</b>	<b>Multiplier</b>
90 <sup>th</sup> percentile or above	200%
80 <sup>th</sup> percentile	175%
70 <sup>th</sup> percentile	150%
60 <sup>th</sup> percentile	125%
50 <sup>th</sup> percentile	100% (Target)
40 <sup>th</sup> percentile	75%
30 <sup>th</sup> percentile	50%
Below 30 <sup>th</sup> percentile	0%

Based on the company's total unitholder return ranking below the 30<sup>th</sup> percentile of the performance peers through December 31, 2014, the 2014 awarded performance units were on track to have no value.



In January 2015 the Committee and management reviewed a peer group analysis provided by the Committee's independent consultant. The analysis indicated that LINN units had stronger unitholder return correlations in the current environment with other upstream exploration and production companies than they did with the 2014 performance peers, who largely represent the midstream transportation industry segment. As a result, the Committee approved a new performance peer group of 15 companies for the 2015-2017 performance period that included the upstream master limited partnerships from the 2014 performance peer group, supplemented with other publicly traded upstream companies. The 2014 performance peer group will remain in place for the 2014-2016 performance period.

**Table of Contents**

The Executive Performance Unit Grant Agreement provides that upon termination of employment with us (a) by the Company other than for Cause or (b) by the officer with Good Reason (as those terms are defined in the Executive's employment agreement and described below under the section titled "Payments Made Upon Termination Without Cause or For Good Reason"), the grant vests on the originally scheduled vesting date at the performance level multiplier applicable on that date. If employment terminates by reason of death or Disability (as those terms are defined in the Executive's employment agreement and described below under the section titled "Payments Made Upon Termination Without Cause or For Good Reason"), the grant immediately vests at the target level. Additionally, in the event of a change of control, the grant vests on the change of control date with the multiplier determined as if the vesting period ended on the change of control date instead of the originally scheduled date.

Performance unit recipients will not receive distributions on awarded units during the performance period. Recipients will instead receive additional performance units in an amount equal to the value of such cash distribution divided by the fair market value of a unit on the record date for such distribution and such increased amount of units shall be deemed the target performance units.

*Option Awards*

Options, when awarded, are awarded at the NASDAQ closing price of our units on the date of the grant. The Committee has never granted options with an exercise price that is less than the closing price of our units on the grant date, nor has it granted options which are priced on a date other than the grant date and it does not reprice options after issuance.

Other than the special incentive options awarded in October 2012 to recognize and reward the creativity and effort involved in the success of the IPO of LinnCo, Named Officer options granted by the Committee generally vest in equal installments over the first three years of the ten-year option term, with the vesting date scheduled in January of each year. Upon termination of the Named Officer's employment with us (a) other than by the Company for Cause, (b) by the grantee with Good Reason, or (c) by reason of death, Disability or retirement (as those terms are defined below under the section titled "Payments Made Upon Termination Without Cause or For Good Reason"), the option grant automatically and immediately vests in full. Prior to the exercise of a unit option, the holder has no rights as a unitholder with respect to the units subject to such unit option, including voting rights or the right to receive distributions.

**Table of Contents**

***CEO Realizable Compensation***

The CEO's awarded compensation in 2014 aligned strongly with both the positive operating and strategic performance measured in the EICP and the unitholder return performance recognized in the LTIP awards. As of December 31, 2014, the CEO's 2014 realizable compensation was 59% lower than his intended target compensation opportunity (see below chart).

Realizable compensation includes salary paid, the EICP award earned for 2014 performance, the current fair value of restricted and performance units based on the closing price of LINE units on December 31, 2014, and the relative performance factor (0%) that applied to awarded performance units as of December 31, 2014.

***Unit Ownership Guidelines***

In August 2009, the Committee adopted minimum unit ownership guidelines for our executive officers and non-employee directors. Each of our Named Officers is required to own such number of units representing a value that is the multiple of his or her base salary listed below:

Chairman, President and Chief Executive Officer: 5 times base salary

Executive Vice Presidents: 4 times base salary

Senior Vice Presidents: 3 times base salary

Our non-employee directors are required to own units representing a value that is three times the annual cash retainer for non-employee directors. The calculation of the applicable number of units is determined as of the last day of the fiscal year based on the average high and low closing price of the Company's units on the NASDAQ for the prior 12 months and salary or cash retainer in effect as of the last day of the year. Each of our Named Officers and non-employee directors is in compliance with these guidelines. The Committee has discretion to allow sufficient time to permit the Named Officer or director to regain compliance with these guidelines should he or she fall out of compliance due to fluctuating unit price. The Committee believes that continued unit ownership by executives and non-employee directors helps tighten the alignment among the interests of board members, executives, and unitholders and demonstrates the Named Officers' and directors' confidence in the Company.

***Restrictions on Pledging and Derivative Transactions***

Effective March 2015, the Board approved certain amendments to the Company's Policy on Trading in Securities which prohibit Named Officers and directors from pledging any Company securities as collateral for a loan. This policy also prohibits any kind of derivative transaction involving Company or LinnCo securities.

## Table of Contents

### *Other Benefits*

#### *Termination Arrangements and Change of Control Provisions*

To attract and retain talented executives, the Committee currently provides change of control and/or severance benefits to our Named Officers through either the Company's Change of Control Protection Plan (COC Plan) or an individual employment agreement. In 2014, with the promotion of Mr. McNeil, the Committee ceased providing, to newly named officers, individual employment agreements and eliminated the tax gross-up benefit to new executives who are subject to excise tax on severance benefits related to a change of control of the Company. Currently, Mr. McNeil is covered under the COC Plan. The Committee elected to grandfather the existing employment agreements with Messrs. Ellis, Rockov, Walker and Rottino, including the tax gross-up benefit.

The employment agreements and COC Plan are designed to meet the following objectives:

**Change of Control.** In certain scenarios, a merger or acquisition of the Company by another person may be in the best interests of our unitholders. We provide severance compensation to the Named Officers if such officer's employment terminates following a change of control transaction to promote the ability of the officer to act in the best interests of our unitholders even though his or her employment could be terminated as a result of the transaction.

**Termination without Cause.** If we terminate the employment of certain executive officers without cause as defined in their applicable employment agreement, we are obligated to pay the officer certain compensation and other benefits as described in greater detail in **Potential Payments Upon Termination or Change of Control** below. We believe these payments are appropriate because the terminated officer is generally bound by confidentiality obligations for five years, and non-solicitation and non-compete provisions for one year after termination. Both parties have mutually agreed to severance terms that would be in place prior to any termination event. This provides us with more flexibility to make a change in senior management if such a change is in the best interests of the Company and its unitholders.

The employment agreements and COC Plan are described in more detail elsewhere in this Proxy Statement. Please read **Narrative Disclosure to the 2014 Summary Compensation Table**.

#### *Perquisites*

We believe in a simple, straightforward compensation program and as such, Named Officers have not in the past been provided unique perquisites or other personal benefits. The Committee periodically reviews our charitable contributions, the use of aircraft, vehicles and potential perquisites that could result in personal benefits to our Named Officers. Other than as described below, consistent with the Committee's general strategy, no perquisites or other personal benefits exceeded \$10,000 for any of our Named Officers in 2014.

#### Private Aircraft

Other than our Chairman, President and CEO, Named Officers and employees are discouraged from personal use of company leased aircraft. In an effort to provide for maximum efficiency and security in his travel, the Committee elected to provide 35 hours of flight time on company paid private aircraft in 2014 to our Chairman, President and CEO, at an approximate value of \$371,708. The Chairman, President & CEO has elected not to utilize any hours of

flight time on company paid private aircraft in 2015.

Tax Preparation

In an effort to provide for consistent personal income tax treatment among our Named Officers, the Committee authorized reimbursement, in an amount up to \$10,000 per year, for personal income tax preparation services for each of our Named Officers.

## **Table of Contents**

### *Retirement Savings Plan*

All employees, including our Named Officers, may participate in our Retirement Savings Plan, or 401(k) Plan. We provide this plan to help our employees save for retirement in a tax-efficient manner. Employees, including Named Officers, can contribute the maximum amount allowed by law. We currently make a matching contribution equal to 100% of the first 6% of eligible compensation contributed by the employee on a before-tax basis. As contributions are made throughout the year, plan participants become fully vested in the amounts contributed.

### *Nondiscriminatory Health and Welfare Benefits*

All eligible employees, including our Named Officers, may participate in our health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance.

## **Tax and Accounting Implications**

*Code Section 162(m).* Section 162(m) of the Code generally disallows a tax deduction to public companies for compensation over \$1 million paid to the principal executive officer, the principal financial officer and the three additional most highly compensated executive officers of a company (other than the principal executive officer or the principal financial officer), as reported in that company's most recent proxy statement. Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. As part of its role, the Committee reviews and considers the deductibility of executive compensation; however, due to our status as a publicly traded partnership for tax purposes rather than a publicly held corporation, we believe that the provisions of Section 162(m) are inapplicable to us.

*Code Section 280G and Code Section 4999.* We consider the impact of Sections 280G and 4999 of the Code in determining our post-termination compensation, and provide reimbursement for any excise tax, interest and penalties incurred if payments or benefits received due to a change of control would be subject to an excise tax under Section 4999 of the Code.

*Code Section 409A.* Section 409A of the Code provides that deferrals of compensation under a nonqualified deferred compensation plan or arrangement are to be included in an individual's current gross income to the extent that such deferrals are not subject to a substantial risk of forfeiture and have not previously been included in the individual's gross income, unless certain requirements are met. We structure our executive officer employment agreements, change of control plan and incentive plans, each to the extent they are subject to Section 409A, to be in compliance with Section 409A.

*Accounting for Unit-Based Compensation.* The Company recognizes expense for unit-based compensation over the requisite service period, in an amount equal to the fair value of unit-based payments granted.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT**

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

Submitted By:

**Compensation Committee**

Jeffrey C. Swoveland, Chair

Stephen J. Hadden

David D. Dunlap

Joseph P. McCoy

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Exchange Act that might incorporate this Proxy Statement or future filings with the SEC, in whole or in part, the preceding report shall not be deemed to be soliciting material or to be filed with the SEC or incorporated by reference into any filing except to the extent the foregoing report is specifically incorporated by reference therein.

**Table of Contents****2014 SUMMARY COMPENSATION TABLE**

The following table sets forth certain information with respect to the compensation paid for the fiscal years ended December 31, 2012, 2013 and 2014 to our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers (collectively, the Named Officers):

(a) Name and Principal Position	(b) Year	(c) Salary (\$)	(d) Bonus (\$)	(e) Unit Awards (\$) <sup>(2)</sup>	(f) Option Awards (\$) <sup>(2)</sup>	(g) Non-Equity Incentive Plan Compensation (\$) <sup>(3)</sup>	(h) All Other Compensation (\$) <sup>(4)</sup>	(i) Total (\$) <sup>(5)</sup>
<b>Mark E. Ellis</b> Chairman, President and Chief Executive Officer	2014	900,000		7,586,711		1,191,000	397,308	10,075,019
	2013	850,000		5,245,218		807,500	375,300	7,278,018
	2012	775,000		5,080,407	5,043,835	1,434,000	125,000	12,458,242
<b>Kolja Rockov</b> Executive Vice President and Chief Financial Officer	2014	500,000		2,917,945		518,000	25,600	3,961,545
	2013	475,000		2,017,398		406,000	25,300	2,923,698
	2012	430,000		2,032,170	2,123,720	716,000	25,000	5,326,890
<b>Arden L. Walker, Jr.</b> Executive Vice President and Chief Operating Officer	2014	500,000		2,451,056		518,000	25,600	3,494,656
	2013	475,000		2,017,398		406,000	25,300	2,923,698
	2012	430,000		2,032,170	2,123,720	716,000	25,000	5,326,890
<b>David B. Rottino</b> Executive Vice President, Business Development and Chief Accounting Officer	2014	470,000		2,334,361		487,000	25,600	3,316,961
	2013	425,000		1,210,451		323,000	25,300	1,983,751
	2012	390,000		1,219,317	1,592,790	578,000	25,000	3,805,107
<b>Jamin B. McNeil</b> <sup>(1)</sup> Senior Vice President Houston Division Operations	2014	375,000		922,551		324,000	25,600	1,647,151

(1) Mr. McNeil has been an employee of the Company since June 2007. Mr. McNeil became classified as a Named Officer during 2014.

(2) The amounts in columns (e) and (f) reflect the aggregate grant date fair value of awards granted under our LTIP, computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 5 to our audited consolidated financial statements for the year ended December 31, 2014, included in our Form 10-K. The value ultimately realized upon the actual vesting of the award(s) or the exercise



- of the stock option(s) may or may not be equal to this determined value. The values in the Unit Awards column represent the grant date fair values for both restricted unit and performance unit awards. The performance unit awards are subject to market conditions and have been valued based on the probable outcome of the market conditions as of the grant date. For performance unit awards granted in 2014, if the maximum level of performance is achieved, the grant date fair value will be approximately \$8,818,390 for Mr. Ellis, \$3,391,663 for Mr. Rockov, \$2,848,970 for Mr. Walker and \$2,713,330 for Mr. Rottino. Mr. McNeil did not receive any performance unit awards in 2014.
- (3) The amounts in column (g) reflect the cash EICP awards approved by the Compensation Committee under our EICP for performance in 2012, 2013 and 2014. The 2012 amounts were not actually paid until February 2013, the 2013 amounts were not actually paid until February 2014 and the 2014 amounts were not actually paid until February 2015.
  - (4) For each Named Officer, the amount shown in column (h) reflects (1) matching contributions allocated by us to each of our Named Officers pursuant to the Retirement Savings Plan (which is more fully described under the heading -Other Benefits ) and (2) \$10,000 paid by us for reimbursement of certain tax preparation expenses. Mr. Ellis's 2012, 2013 and 2014 amounts also include approximately \$100,000, \$350,000 and \$371,708, respectively, paid by LINN for personal usage of company-leased aircraft.
  - (5) Distributions paid during 2014 on issued, but unvested restricted units pursuant to the equity awards are not shown in column (i) because the fair value shown in column (e) reflects the value of distributions.

**Table of Contents**

Distributions are paid to our Named Officers at the same rate as all unitholders, currently \$1.25 per unit on an annualized basis. The distribution was previously \$2.90 per unit on an annualized basis for 2012 through 2014. Distributions paid in 2012, 2013 and 2014 are shown below. Unvested performance units are not paid cash distributions. See pages 29-31 for an explanation of how distributions on unvested performance units are made.

<b>Executive</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Mark E. Ellis	936,404	959,791	857,810
Kolja Rockov	361,717	365,674	319,989
Arden L. Walker, Jr.	334,990	355,372	287,477
David B. Rottino	249,711	223,527	197,708
Jamin B. McNeil	132,290		

**Narrative Disclosure to the 2014 Summary Compensation Table**

*Mark E. Ellis, Chairman, President and Chief Executive Officer.*

We entered into a First Amended and Restated Employment Agreement with Mr. Ellis, effective December 17, 2008, as amended effective January 1, 2010, that provides for an annual base salary not less than \$600,000, subject to annual review and upward adjustment by the Compensation Committee. Mr. Ellis is entitled to receive incentive compensation payable at the discretion of the Compensation Committee. The Compensation Committee may set, in advance, an annual target bonus. Mr. Ellis is eligible for awards under the LTIP at the discretion of the Compensation Committee. Under the LTIP and the related grant agreements, Mr. Ellis receives distributions payable on all vested and unvested restricted units at the same rate as that paid to all unitholders, currently \$1.25 per unit on an annualized basis.

Mr. Ellis's agreement contains certain confidentiality and non-compete obligations that restrict his ability to compete with our business for up to one year following his termination, unless the termination is without Cause or for Good Reason and occurs within the six months before or two years after a Change of Control (as defined in the agreement).

*Kolja Rockov, Executive Vice President and Chief Financial Officer.*

We entered into a Third Amended and Restated Employment Agreement with Mr. Rockov, effective December 17, 2008, that provides for an annual base salary of not less than \$285,000, subject to annual review and upward adjustment by the Compensation Committee. The remaining terms governing Mr. Rockov's compensation under the agreement are the same as Mr. Ellis's employment agreement.

*Arden L. Walker, Jr., Executive Vice President and Chief Operating Officer.*

We entered into a First Amended and Restated Employment Agreement with Mr. Walker, effective December 17, 2008, and as amended on April 26, 2011, that provides for an annual base salary of \$415,000, subject to annual review and upward adjustment by the Compensation Committee. The remaining terms governing Mr. Walker's compensation under the agreement are the same as Mr. Ellis's employment agreement.

*David B. Rottino, Executive Vice President, Business Development and Chief Accounting Officer.*

We entered into a Second Amended and Restated Employment Agreement with Mr. Rottino, effective December 17, 2008, that provides for an annual base salary of \$235,000, subject to annual review and upward adjustment by the

Compensation Committee. Other than the non-compete after termination obligations of Mr. Ellis' s employment agreement, the remaining terms governing Mr. Rottino' s compensation under the agreement are the same as Mr. Ellis' s employment agreement.

**Table of Contents**

*Jamin B. McNeil, Senior Vice President Houston Division Operations.*

The Compensation Committee has eliminated the use of employment contracts for newly hired or promoted executive officers. Mr. McNeil is thus employed by the Company on an at-will basis and is only subject to our Change of Control Protection Plan, dated as of April 25, 2009, which is applicable to all employees.

Please read *Quantification of Payments on Termination* beginning on page 46 for a summary of the compensation upon termination provisions of each Named Officer's employment agreement or change of control arrangements.

**Table of Contents****2014 GRANTS OF PLAN BASED AWARDS**

(a) Name	(b) Grant Date <sup>(1)</sup>	(c) Estimated Future Payouts Under Non-Equity Incentive Plan Awards Target (\$) <sup>(2)</sup>	(d) Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(3)</sup> Target (#)	(e) Maximum (#)	(f) All Other Unit Awards: Number of Units (#)	(g) Grant Date Fair Value of Unit and Option Awards (\$) <sup>(4)</sup>
Mark E. Ellis	01/23/2014	1,035,000	52,726	105,452	158,177	7,586,711
Kolja Rockov	01/23/2014	450,000	20,279	40,558	60,837	2,917,945
Arden L. Walker, Jr.	01/23/2014	450,000	17,034	34,068	51,103	2,451,056
David B. Rottino	01/23/2014	423,000	16,223	32,446	48,670	2,334,361
Jamin B. McNeil	01/23/2014	281,250			27,580	922,551

- (1) In each case, the grant date is the same as the date of committee approval. The Compensation Committee also approved the following restricted unit grants and performance units to our Named Officers on January 26, 2015:

Executive	Restricted Unit Awards	Performance Unit Awards
Mark E. Ellis	369,980	123,330
Kolja Rockov	128,070	42,690
Arden L. Walker, Jr.	128,070	42,690
David B. Rottino	128,070	42,690
Jamin B. McNeil	48,385	16,130

- (2) In January 2014, the Compensation Committee set EICP targets for 2014 as a percentage of base salary. The Compensation Committee has discretion to adjust the actual award above or below the target, but in no event is the payment more than 200% of target. The amount shown represents the payout at target; the actual awards for 2014 (awarded on January 26, 2015) are shown in column (g) of the Summary Compensation Table.
- (3) See pages 29-31 for an explanation of how future payouts of performance units are structured.
- (4) The amounts shown in column (g) represent the grant date fair value for each award under FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 5 to our audited consolidated financial statements for the year ended December 31, 2014, included in our Form 10-K.

**Table of Contents****OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2014**

Name	Option Awards				Unit Awards	
	Number of Units Underlying Unexercised Options Exercisable (#)	Number of Units Underlying Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date <sup>(1)</sup>	Number of Units That Have Not Vested (#)	Market Value of Unvested Units (\$) <sup>(2)</sup>
Mark E. Ellis <sup>(3)</sup>	50,000		32.18	12/18/2016		
Mark E. Ellis <sup>(3)</sup>	50,000		23.61	12/18/2017		
Mark E. Ellis <sup>(3)</sup>	125,000		21.70	1/29/2018		
Mark E. Ellis <sup>(3)</sup>	135,765		15.95	2/4/2019		
Mark E. Ellis <sup>(7)</sup>		950,000	40.01	10/11/2019		
Mark E. Ellis <sup>(4)</sup>					45,425	460,155
Mark E. Ellis <sup>(5)</sup>					118,656	1,201,985
Mark E. Ellis <sup>(6)</sup>					158,177	1,602,333
Kolja Rockov <sup>(3)</sup>	111,250		21.00	1/19/2016		
Kolja Rockov <sup>(3)</sup>	85,000		27.94	12/6/2016		
Kolja Rockov <sup>(3)</sup>	83,350		21.70	1/29/2018		
Kolja Rockov <sup>(3)</sup>	88,625		15.95	2/4/2019		
Kolja Rockov <sup>(7)</sup>		400,000	40.01	10/11/2019		
Kolja Rockov <sup>(4)</sup>					18,169	184,052
Kolja Rockov <sup>(5)</sup>					45,636	462,293
Kolja Rockov <sup>(6)</sup>					60,837	616,279
Arden L. Walker, Jr. <sup>(3)</sup>	50,000		33.00	2/5/2017		
Arden L. Walker, Jr. <sup>(3)</sup>	45,850		21.70	1/29/2018		
Arden L. Walker, Jr. <sup>(3)</sup>	57,700		15.95	2/4/2019		
Arden L. Walker, Jr. <sup>(7)</sup>		400,000	40.01	10/11/2019		
Arden L. Walker, Jr. <sup>(4)</sup>					18,169	184,052
Arden L. Walker, Jr. <sup>(5)</sup>					45,636	462,293
Arden L. Walker, Jr. <sup>(6)</sup>					51,103	517,673
David B. Rottino <sup>(3)</sup>	50,000		24.29	6/9/2018		
David B. Rottino <sup>(3)</sup>	42,240		15.95	2/4/2019		
David B. Rottino <sup>(7)</sup>		300,000	40.01	10/11/2019		
David B. Rottino <sup>(4)</sup>					10,901	110,427
David B. Rottino <sup>(5)</sup>					27,382	277,380
David B. Rottino <sup>(6)</sup>					48,670	493,027
Jamin B. McNeil <sup>(3)</sup>	15,000		34.20	6/19/2017		
Jamin B. McNeil <sup>(3)</sup>	7,500		20.46	2/5/2018		
Jamin B. McNeil <sup>(7)</sup>		150,000	40.01	10/11/2019		
Jamin B. McNeil <sup>(4)</sup>					6,020	60,983
Jamin B. McNeil <sup>(5)</sup>					12,642	128,063
Jamin B. McNeil <sup>(6)</sup>					27,580	279,385

- (1) Except as otherwise indicated, options expire ten years from date of grant.
- (2) Based on the closing sales price of our units on December 31, 2014 of \$10.13.
- (3) These unit options are fully vested as of the date of this Proxy Statement.
- (4) These restricted unit awards vest in three equal installments on January 26, 2013, 2014 and 2015.
- (5) These restricted unit awards vest in three equal installments on January 19, 2014, 2015 and 2016.
- (6) These restricted unit awards vest in three equal installments on January 23, 2015, 2016 and 2017.
- (7) These unit options vest in full on January 19, 2016, and expire seven years from the date of grant.

**Table of Contents**

As there is no threshold performance level for the 2014 performance unit awards, such awards are not included in the table above. The target level for these awards is 52,726 for Mr. Ellis, 20,279 for Mr. Rockov, 17,034 for Mr. Walker and 16,223 for Mr. Rottino. Mr. McNeil had no performance-based awards in 2014.

**2014 OPTION EXERCISES AND UNITS VESTED**

(a) Name	Option Awards		Unit Awards	
	(b) Number of Units Acquired on Exercise (#)	(c) Value Realized on Exercise (\$)	(d) Number of Units Acquired on Vesting (#)	(e) Value Realized on Vesting (\$) <sup>(1)</sup>
Mark E. Ellis <sup>(2)</sup>			166,927	5,438,488
Kolja Rockov <sup>(3)</sup>			62,307	2,028,809
Arden L. Walker, Jr. <sup>(4)</sup>			58,754	1,911,595
David B. Rottino <sup>(5)</sup>			38,806	1,264,190
Jamin B. McNeil <sup>(6)</sup>			20,233	659,557

- (1) The value realized represents the total fair market value of the shares on unit vesting date reported as earned compensation during 2014.
- (2) Mr. Ellis vested and sold 64,688 units to satisfy statutory federal payroll tax withholding requirements.
- (3) Mr. Rockov vested and sold 21,430 units to satisfy statutory federal payroll tax withholding requirements.
- (4) Mr. Walker vested and sold 19,933 units to satisfy statutory federal payroll tax withholding requirements.
- (5) Mr. Rottino vested and sold 11,721 units to satisfy statutory federal payroll tax withholding requirements.
- (6) Mr. McNeil vested and sold 5,563 units to satisfy statutory federal payroll tax withholding requirements.

**PENSION BENEFITS**

We do not provide pension benefits for our Named Officers or other employees. Retirement benefits are provided through the Retirement Savings Plan, as discussed previously.

**NON-QUALIFIED DEFERRED COMPENSATION**

We do not have a non-qualified deferred compensation plan. The Retirement Savings Plan is a 401(k) deferred compensation arrangement and a qualified plan under section 401(a) of the Internal Revenue Code (Code).

**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL****Payments Made Upon Termination For Any Reason**

Under each of our Named Officer's employment agreement (other than Mr. McNeil who does not have an employment agreement), regardless of the manner in which his or her employment terminates, the executive will be entitled to receive amounts earned (but unpaid) during his term of employment. Such amounts include:

earned, but unpaid base salary;



unused vacation pay;

amounts contributed and vested through our Retirement Savings Plan;

any other amounts that may be reimbursable by us to the Named Officer under his or her employment agreement; and

**Table of Contents**

any payments or benefits required to be made or provided under applicable law.

**Payments Made Upon Termination Without Cause or for Good Reason**

In addition to the payments described above, in the event of termination by us other than for Cause or termination by the executive for Good Reason except in the event of a change of control, each Named Officer's employment agreement (other than Mr. McNeil who does not have an employment agreement) provides for severance payments equal to two times the Named Officer's highest base salary in effect at any time during the 36 months prior to the date of the termination. Each Named Officer will also receive his earned, but unpaid EICP awards determined as follows:

(i) If such Named Officer was employed for the entire previous year but was terminated prior to the Compensation Committee finally determining his or her EICP award for the preceding year, then such Named Officer will be deemed to have been awarded 100% of his target EICP award for that year; or

(ii) If such Named Officer was employed for the entire previous year and the Compensation Committee had already finally determined the EICP award for the preceding year by the date of termination, but it had not yet been paid, then such Named Officer will receive the actual amount of the EICP award; *plus* in either case

an amount representing a pro-rata, deemed (assuming an award at 100% of his or her target) EICP award for the fiscal year in which the termination date occurs. We will also pay our portion of COBRA continuation coverage, as well as pay certain costs of continuing medical coverage after the expiration of the maximum required period under COBRA. The footnotes to the table below describe each Named Officer's specific severance payments (other than Mr. McNeil who does not have an employment agreement entitling him to severance payments under these circumstances).

In addition, in the event of termination by us other than for Cause or termination by such Named Officer for Good Reason, (other than Mr. McNeil) all outstanding restricted unit and unit option awards will vest in full. Performance units continue to vest on the originally scheduled vesting date at the performance level multiplier applicable on that date.

We will have Cause to terminate such Named Officer's employment under their employment agreement by reason of any of the following: a) his or her conviction of, or plea of *nolo contendere* to, any felony or to any crime or offense causing substantial harm to us (whether or not for personal gain) or involving acts of theft, fraud, embezzlement, moral turpitude or similar conduct; b) his or her repeated intoxication by alcohol or drugs during the performance of his or her duties; c) his or her willful and intentional misuse of any of our funds; d) embezzlement by him or her; e) his or her willful and material misrepresentations or concealments on any written reports submitted to us; f) his or her willful and intentional material breach of his or her employment agreement; g) his or her willful and material failure to follow or comply with the reasonable and lawful written directives of the Board; or h) conduct constituting a material breach of our then current (A) Code of Business Conduct and Ethics, and any other written policy referenced therein, or (B) the Code of Ethics for Chief Executive Officer and Senior Financial Officers, if applicable, provided that in each case such Named Officer knew or should have known such conduct to be a breach.

*Good Reason* will mean any of the following to which a Named Officer with an employment agreement will not consent in writing: (i) a reduction in his or her then current base salary; (ii) failure by us to pay in full on a current basis (A) any of the compensation or benefits described in the Named Officer's employment agreement (if applicable) that are due and owing, or (B) any amounts that are due and owing to such Named Officer under any long-term or short-term or other incentive compensation plans, agreements or awards; (iii) material breach of any provision of the Named Officer's employment agreement (if applicable) by us; (iv) any material reduction in such Named Officer's title, authority or responsibilities; or (v) in certain circumstances, a relocation of such Named Officer's primary place of employment to a location more than fifty (50) miles from our then current location in Houston, Texas.



---

**Table of Contents**

If the Named Officer with an employment agreement is terminated for Cause or voluntarily terminates his or her employment without Good Reason, such Named Officer will receive only the amounts identified under Payments Made Upon Termination For Any Reason.

**Payments Made Upon Death or Disability**

In the event of the death or Disability (as defined below) of a Named Officer (other than Mr. McNeil who does not have an employment agreement), he or she will receive amounts earned (but unpaid) during his term of employment as described above. In addition, upon the death or Disability of a Named Officer, all outstanding restricted units and unit option awards will vest in full and performance units will immediately vest at the target level. *Disability* means the earlier of (a) written determination by a physician selected by us and reasonably agreed to by such Named Officer that such Named Officer has been unable to perform substantially his or her usual and customary duties for a period of at least one hundred twenty (120) consecutive days or a non-consecutive period of one hundred eighty (180) days during any twelve-month period as a result of incapacity due to mental or physical illness or disease; and (b) Disability as such term is defined in our applicable long-term disability insurance plan.

**Payments Made Upon a Termination Following a Change of Control**

Our LTIP and the employment agreements with each Named Officer (other than Mr. McNeil who does not have an employment agreement) provide certain benefits if his or her employment is terminated by us without Cause (as defined above) or by the Named Officer for Good Reason (as defined above) during the period beginning six (6) months prior to a Change of Control and ending two (2) years following the Change of Control.

In addition to the earned benefits and amounts listed under the heading Payments Made Upon Termination For Any Reason, the Named Officer (other than Mr. McNeil who does not have an employment agreement) will receive:

a lump sum severance payment that ranges from two to three times the sum of such Named Officer's base salary at the highest rate in effect at any time during the thirty-six (36) month period immediately preceding the termination date, plus the highest EICP award that the Employee was paid in the thirty-six (36) months immediately preceding the Change of Control;

COBRA continuation coverage as described above upon a termination without Cause or for Good Reason ;

his or her earned, but unpaid EICP award determined as described above upon a termination without Cause or for Good Reason ;

an amount equal to the excise tax charged to such Named Officer as a result of the receipt of any change of control payments;

all restricted units and unit option awards held by such Named Officer will automatically vest and become exercisable; and

all performance units held by such by such Named Officer will automatically vest with the multiplier determined as if the vesting period ended on the date of the Change of Control instead of the originally scheduled date.

With respect to the definition of Change of Control, each of the Named Officers who have employment agreements is the same. Change of Control means the first to occur of:

1. The acquisition by any individual, entity or group (within the meaning of Section 13(d) (3) or 14(d) (2) of the Exchange Act) (a Person) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty-five percent (35%) or more of either (A) the then-outstanding equity interests of LINN (the Outstanding Linn Energy Equity) or (B) the combined voting power of the then-outstanding voting securities of LINN entitled to vote generally in the election of

**Table of Contents**

directors (the Outstanding Linn Energy Voting Securities); provided, however, that, for purposes of this Section 1, the following acquisitions will not constitute a Change of Control: (1) any acquisition directly from LINN, (2) any acquisition by LINN, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by LINN or any affiliated company, or (4) any acquisition by any corporation or other entity pursuant to a transaction that complies with Section (3)(A), Section (3)(B) or Section (3)(C) below;

2. Any time at which individuals who, as of the date hereof, constitute the Board (the Incumbent Board) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by LINN's unitholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board;
  
3. Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving LINN or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of LINN, or the acquisition of assets or equity interests of another entity by LINN or any of its subsidiaries (each, a Business Combination), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Linn Energy Equity and the Outstanding Linn Energy Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the then-outstanding equity interests and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation or other entity that, as a result of such transaction, owns LINN or all or substantially all of LINN's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Linn Energy Equity and the Outstanding Linn Energy Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of LINN or such corporation or other entity resulting from such Business Combination) beneficially owns, directly or indirectly, thirty-five percent (35%) or more of, respectively, the then-outstanding equity interests of the corporation or other entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation or other entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation or equivalent body of any other entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or
  
4. Consummation of a complete liquidation or dissolution of LINN.

**Payments Made Upon a Termination Following a Change of Control Jamin B. McNeil**

As noted, Mr. McNeil does not have an employment agreement with us. Our Change of Control Protection Plan (COC Plan), however, provides certain benefits if Mr. McNeil's employment is terminated by us other than for Cause as defined in the COC Plan (which is substantively the same as that term is defined under our other Named Officers

employment agreements), death or disability or by the Named Officer for "Good Reason" as defined in the COC Plan (which is substantively the same as that term is defined under our other Named Officers' employment agreements) during the period ending two (2) years following a "Change of Control" as defined in the COC Plan (which is substantively the same as that term is defined under our other Named Officers' employment agreements).

**Table of Contents**

Mr. McNeil will receive:

a lump sum cash payment equal to 1.5 times his then current annual base salary plus 1.5 times his most recent EICP award immediately preceding the Change of Control;

payment of the Company's portion of COBRA continuation coverage for 18 months; and

six months of outplacement services;

Additionally, Mr. McNeil's awards under our LTIP will immediately and fully vest upon a Change of Control under the LTIP (which is substantively the same as the definition under our other Named Officers' employment agreements).

**Excise Taxes**

If any benefits payable or otherwise provided under each Named Officer's employment agreement (other than Mr. McNeil, who does not have an employment agreement) would be subject to the excise tax imposed by Section 4999 of the Code (Excise Tax), then we will provide for the payment of, or otherwise reimburse the executive for, an amount up to such Excise Tax and for Mr. Ellis, any related taxes, fees or penalties thereon. The Compensation Committee has eliminated tax gross-ups for future officers.

**Non-Competition Provisions**

The non-competition provisions of the employment agreements of each of the Named Officers (other than Mr. McNeil, who does not have an employment agreement) are described above in the section of the Proxy Statement titled Narrative Disclosure to the 2014 Summary Compensation Table.



**Table of Contents****Quantification of Payments on Termination**

The chart below reflects the amount of compensation to each of our Named Officers in the event of termination of such officer's employment pursuant to his or her employment agreement and our LTIP. The amount of compensation payable to each Named Officer upon voluntary termination with Good Reason, involuntary termination other than for Cause, termination following a Change of Control and the occurrence of the Disability or death of the executive is shown below. Mr. McNeil does not have an employment agreement thus is not contractually entitled to any specific termination payments, other than as described below for a change of control. The amounts shown are calculated assuming that such termination was effective as of December 31, 2014, and thus include amounts earned through such time (other than amounts payable pursuant to our Retirement Savings Plan) and are estimates of the amounts which would be paid to the executives upon their termination. The actual amounts to be paid out can only be determined at the time of the Named Officer's actual separation from us.

Name and Reason for Termination	Severance Pay (\$)	Bonus (\$) <sup>(5)</sup>	Health Benefits (\$)	Early Vesting of Equity Awards (\$) <sup>(a)</sup>	Estimated Tax Gross Up (\$) <sup>(6)</sup>	Total (\$)
<b>Mark E. Ellis</b> <sup>(1)</sup>						
Without cause or good reason	1,800,000	1,035,000	45,640	3,264,473		6,145,113
Change of Control	7,002,000	1,035,000	68,460	3,264,473		11,369,933
Death or Disability		1,035,000		3,798,588		4,833,588
<b>Kolja Rockov</b> <sup>(2)</sup>						
Without cause or good reason	1,000,000	450,000	45,286	1,262,624		2,757,910
Change of Control	3,040,000	450,000	56,607	1,262,624		4,809,231
Death or Disability		450,000		1,468,050		1,918,050
<b>Arden L. Walker, Jr.</b> <sup>(2)</sup>						
Without cause or good reason	1,000,000	450,000	32,716	1,164,018		2,646,734
Change of Control	3,040,000	450,000	32,716	1,164,018		4,686,734
Death or Disability		450,000		1,336,572		1,786,572
<b>David B. Rottino</b> <sup>(3)</sup>						
Without cause or good reason	940,000	423,000	45,286	880,834		2,289,120
Change of Control	2,096,000	423,000	45,286	880,834		3,445,120
Death or Disability		423,000		1,045,173		1,468,173
<b>Jamin B. McNeil</b> <sup>(4)</sup>						
Without cause or good reason						
Change of Control	840,375		33,964	468,431		1,342,770
Death or Disability						

(a) Closing price of units on December 31, 2014 was \$10.13. Other than for Mr. McNeil, all restricted units and unit option awards under the LTIP fully vest upon termination without cause, good reason, death, disability or a change of control (as each is defined in the respective employment agreements). Mr. McNeil's restricted units and

unit option awards immediately and fully vest upon a change of control (as defined in the applicable award agreement).

Performance units provide that upon termination of employment with us (a) by the Company other than for Cause or (b) by the officer with Good Reason (as those terms are defined in the Executive's employment agreement and described above under the section titled "Payments Made Upon Termination Without Cause or For Good Reason"), the grant vests on the originally scheduled vesting date at the performance level multiplier applicable on that date. If employment terminates by reason of death or Disability (as those terms are defined in the Executive's employment agreement and described above under the section titled "Payments Made Upon Termination Without Cause or For Good Reason"), the grant immediately vests at the target level. Additionally, in the event of a change of control, the grant vests on the change of control date with the multiplier determined as if the vesting period ended on the change of control date instead of the originally scheduled date.

**Table of Contents**

- (1) If Mr. Ellis's employment is terminated without cause or by him for good reason, his employment agreement provides that, in addition to the amounts earned but unpaid, (1) he will receive a lump sum severance payment of two times his base salary at the highest rate in effect at any time during the thirty-six (36) month period immediately preceding the termination (Severance Pay), (2) we will pay our portion of COBRA continuation coverage, as well as pay certain costs of continuing medical coverage for Mr. Ellis for up to six months after the expiration of the maximum required period under COBRA, and (3) all of Mr. Ellis's granted but unvested awards under the LTIP shall immediately vest.

If Mr. Ellis is terminated without cause or by him for good reason during the period beginning six (6) months prior to a Change of Control and ending two (2) years following a Change of Control (COC Period), he is entitled to the same severance benefits described above, except that (1) the Severance Pay will be three times the sum of a) his highest base salary in effect at any time during the 36-month period immediately preceding termination (Highest Base Salary) and b) his highest annual EICP award in the 36 months prior to the change of control (Highest EICP Award) and (2) the period for continued coverage of medical benefits will be up to eighteen months after the expiration of the maximum period required by COBRA. Mr. Ellis will also receive a gross up of any Excise Tax (Excise Tax Gross Up) and of any Section 409A penalties and interest.

- (2) If either of Mr. Rockov or Mr. Walker is terminated without cause or by him for good reason, his employment agreement provides for severance benefits substantially similar to Mr. Ellis. If Mr. Rockov or Mr. Walker is terminated without cause or by him for good reason during the COC Period, each will be entitled to substantially the same benefits as Mr. Ellis except that 1) his Severance Pay is 2.5 times the sum of his Highest Base Salary and Highest EICP Award and 2) the period for continued coverage of medical benefits will be up to twelve months after the expiration of the maximum required period under COBRA. Mr. Rockov's and Mr. Walker's employment agreements include the Excise Tax Gross Up but no gross up for penalties or interest under Section 409A.
- (3) If Mr. Rottino is terminated without cause or by him for good reason, the employment agreement provides for severance benefits substantially similar to Mr. Ellis. If Mr. Rottino is terminated without cause or by him for good reason during the COC Period, he will be entitled to substantially the same benefits as Mr. Ellis, except (1) Severance Pay shall be two times the sum of his Highest Base Salary and Highest EICP Award and (2) the period for continued coverage of medical benefits will remain up to six months after the expiration of the maximum required period under COBRA. Mr. Rottino's employment agreement includes the Excise Tax Gross Up but no gross up for penalties or interest under Section 409A.
- (4) Mr. McNeil is classified as a Managerial Participant under the Company's Change of Control Protection Plan, dated April 25, 2009 (COC Plan), which applies to all employees of the Company. As such, if Mr. McNeil is terminated (i) other than for cause, death or disability or (ii) by him with good reason, within two years after the occurrence of a Change of Control (as defined in the COC Plan) transaction, Mr. McNeil is entitled to a lump sum payment equal to 1.5 times his current annual salary and his most recent annual bonus as well as payment for 18 months of the Company's portion of Mr. McNeil's COBRA continuation coverage and fees for six months of outplacement services.
- (5) The amounts listed under Bonus represent each Named Officer's target EICP award for 2014, other than for Mr. McNeil. As described above under -Payments Made Upon Termination Without Cause or for Good Reason, if the Named Officer was employed for the entire previous year but was terminated prior to the Compensation Committee finally determining his or her EICP award for the preceding year (in the hypothetical case presented in the table above, on December 31, 2014), he or she would have received his or her target EICP award. The Compensation Committee determined actual EICP awards for 2014 performance on January 26, 2015; the actual awards for each Named Officer are identified in column (g) of the Summary Compensation Table, but are not reflected in the table above.

- (6) Using a hypothetical termination date of December 31, 2014, we determined that none of our Named Officers would have excess parachute payments as defined in Section 280G of the Code; thus none would be entitled to a tax gross up.

**Table of Contents****DIRECTOR COMPENSATION**

We use a combination of cash and unit-based incentive compensation to attract and retain qualified candidates to serve on our Board. In setting director compensation, we consider the significant amount of time that directors expend in fulfilling their duties to us as well as the skill level required by us of members of our Board.

*Annual Retainer and Fees.* In 2014, each non-employee director (as determined by our Board pursuant to the applicable NASDAQ listing standards) received the following cash compensation for serving on our Board:

Annual cash retainer of \$90,000 paid in four quarterly installments;

Annual committee chair fees of:

\$15,000 for our Audit Committee chair paid in four quarterly installments;

\$10,000 for our Compensation Committee chair paid in four quarterly installments;

\$7,500 for our Nominating and Governance Committee chair paid in four quarterly installments; and

Annual LinnCo director fee of \$15,000 (for directors serving on the boards of both the Company and LinnCo), payable quarterly; and

Annual lead director fee of \$10,000, payable quarterly.

Additionally, our Conflicts Committee members received a one-time payment of \$15,000 in 2013.

*Restricted Unit Grants.* In January 2014, the Compensation Committee approved an annual grant of 6,170 restricted units to each of the Company's non-employee directors. Restricted units are granted under the Company's LTIP and vest over three years. The restricted units have the same terms and conditions as grants made to our Named Officers.

**2014 Director Summary Compensation Table**

The table below summarizes the compensation we paid to our non-employee directors for the fiscal year ended December 31, 2014.

(a) Name <sup>(1)</sup>	(b) Fees Earned or Paid in Cash (\$)	(c) Unit Awards (\$) <sup>(2) (3)</sup>	(d) Total (\$) <sup>(4)</sup>
----------------------------	---	---	-------------------------------------

Edgar Filing: LINN ENERGY, LLC - Form DEF 14A

George A. Alcorn <sup>(5)</sup>	24,375	206,387	230,762
David D. Dunlap	105,625	206,387	312,012
Stephen J. Hadden	90,000	206,387	296,387
Michael C. Linn	90,000	206,387	296,387
Joseph P. McCoy	105,000	206,387	311,387
Jeffrey C. Swoveland	100,000	206,387	306,387
Terrence S. Jacobs <sup>(6)</sup>		206,387	206,387
Linda M. Stephens <sup>(6)</sup>		206,387	206,387

- (1) Mark E. Ellis, our Chairman, President and Chief Executive Officer, is not included in this table as he was an employee in 2014 and thus received no additional compensation for his service as director. Mr. Ellis's compensation is shown in the Summary Compensation Table above.

**Table of Contents**

- (2) Reflects the aggregate grant date fair value of 2014 awards computed in accordance with FASB ASC Topic 718. The following represents outstanding unit grant awards as of December 31, 2014:

<b>Director</b>	<b>Phantom Unit Awards (#)</b>	<b>Value at Grant Date (\$)</b>	<b>Vested Phantom Units (#)</b>	<b>Vested Unit Options (#)</b>	<b>Exercise Price (\$)</b>	<b>Restricted Unit Awards (#)</b>	<b>Value at Grant Date (\$)</b>
David D. Dunlap						12,820	450,240
Stephen J. Hadden						6,170	206,387
Michael C. Linn						11,230	397,834
Joseph P. McCoy	6,946	196,798	6,946			11,230	397,834
Jeffrey C. Swoveland	9,946	277,918	9,946	10,000	20.18	11,230	397,834
Terrence S. Jacobs*	9,946	277,918	9,946			11,230	397,834
Linda M. Stephens*						9,640	308,647

- \* Mr. Jacobs and Ms. Stephens resigned as directors of the Company in February 2013 but continue to serve as directors of LinnCo. In that capacity, they continue to receive Company restricted unit grants; thus their outstanding unit grant awards as of December 31, 2014 are included in the table above.

- (3) In addition, the Committee approved the following restricted unit grants to our Directors (and Mr. Jacobs and Ms. Stephens, as directors of LinnCo) on January 26, 2015:

<b>Director</b>	<b>Restricted Unit Awards (#)</b>	<b>Value at Grant Date (\$)</b>
David D. Dunlap	14,420	146,219
Stephen J. Hadden	14,420	146,219
Michael C. Linn	14,420	146,219
Joseph P. McCoy	14,420	146,219
Jeffrey C. Swoveland	14,420	146,219
Terrence S. Jacobs	14,420	146,219
Linda M. Stephens	14,420	146,219

- (4) Distributions paid during 2014 on issued, but unvested units pursuant to the equity awards are not shown in column (d) because the fair value shown in column (c) reflects the value of distributions. Distributions are paid to our Directors at the same rate as all unitholders, currently \$1.25 per unit on an annualized basis. The distribution was previously \$2.90 per unit on an annualized basis for 2012 through 2014. Distributions paid in 2012, 2013 and 2014 are shown below.

<b>Director</b>	<b>2014 (\$)</b>	<b>2013 (\$)</b>	<b>2012 (\$)</b>
George A. Alcorn	35,501	57,659	55,060
David D. Dunlap	36,480	28,924	6,917

Edgar Filing: LINN ENERGY, LLC - Form DEF 14A

Stephen J. Hadden	16,397		
Michael C. Linn	38,737	106,726	280,707
Joseph P. McCoy	52,384	48,960	46,465
Jeffrey C. Swoveland	61,082	57,659	55,060
Terrence S. Jacobs	61,082	57,659	55,060
Linda M. Stephens	26,877	7,545	

- (5) Mr. Alcorn's term on the Board ended on April 22, 2014.
- (6) Mr. Jacobs and Ms. Stephens resigned from the Board in February 2013. Mr. Jacobs and Ms. Stephens received fees of \$100,000 and \$90,000, respectively, as compensation for their service on the board of directors of LinnCo in 2014.



**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth, as of February 23, 2015, the number of units beneficially owned by: (i) each person who is known to us to beneficially own more than 5% of a class of units; (ii) the current directors and nominees of our Board; (iii) each Named Officer; and (iv) all current directors and executive officers as a group. We obtained certain information in the table from filings made with the SEC. Unless otherwise noted, each beneficial owner has sole voting power and sole investment power.

Name of Beneficial Owner <sup>(1)</sup>	Units Beneficially Owned	Percentage of Units Beneficially Owned
LinnCo, LLC <sup>(2)</sup>	128,544,174	38.3%
Mark E. Ellis <sup>(2)(3)(4)</sup>	1,828,569	*
Kolja Rockov <sup>(2)(3)(5)</sup>	779,803	*
Arden L. Walker, Jr. <sup>(2)(3)(6)</sup>	634,823	*
David B. Rottino <sup>(2)(3)(7)</sup>	474,072	*
Jamin B. McNeil <sup>(2)(3)(8)</sup>	182,185	*
David D. Dunlap <sup>(2)(3)</sup>	37,065	*
Stephen J. Hadden <sup>(2)(3)</sup>	24,740	*
Michael C. Linn <sup>(2)(3)</sup>	540,121	*
Joseph P. McCoy <sup>(2)(3)(9)</sup>	48,864	*
Jeffrey C. Swoveland <sup>(2)(3)(10)</sup>	67,356	*
All executive officers and directors as a group (12 persons) <sup>(11)</sup>	4,793,790	1.4%

\* Less than 1% of class based on 335,551,106 units outstanding as of the Record Date.

- (1) To our knowledge after reviewing Schedule 13G/Ds filed with the SEC, LinnCo, LLC is the only holder of which we are aware that beneficially own more than 5% of our units.
- (2) The address of each beneficial owner, unless otherwise noted, is c/o Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002.
- (3) Includes unvested restricted unit awards that vest in equal installments, generally over approximately three years and performance units that vest based on certain performance criteria. Please see Outstanding Equity Awards at December 31, 2014 and Director Compensation for vesting schedule of unvested awards to officers and directors, respectively.
- (4) Includes 75,000 units as investment trustee for trusts held by immediate family members as to which Mr. Ellis disclaims beneficial ownership. Includes 360,765 units underlying options currently exercisable.
- (5) Includes 400 units as custodian under certain Uniform Gifts to Minors Accounts (UGMA) for immediate family members as to which Mr. Rockov disclaims beneficial ownership. Includes 368,225 units underlying options currently exercisable.
- (6) Includes 153,550 units underlying options currently exercisable.
- (7) Includes 92,240 units underlying options currently exercisable.
- (8) Includes 22,500 units underlying options currently exercisable.
- (9) Includes 6,946 phantom units.
- (10) Includes 10,000 units underlying options currently exercisable and 9,946 phantom units.

(11) Percentage ownership of executive officer and directors is based on total units outstanding as of the Record Date.

**Table of Contents**

**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

In the ordinary course of our business, we purchase products or services from, or engage in other transactions with, various third parties. Occasionally, these transactions may involve entities that are affiliated with one or more members of our Board. When they occur, these transactions are conducted in the ordinary course and on an arms-length basis.

**Review and Approval of Related Party Transactions**

We review all relationships and transactions in which our company and our directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. We have developed and implemented processes and controls to obtain information from our directors and executive officers with respect to related party transactions and for then determining, based on the facts and circumstances, whether we or a related party has a direct or indirect material interest in the transaction. As required under SEC rules, transactions that are determined to be directly or indirectly material to us or a related party are disclosed in our annual proxy statement. In addition, our Audit Committee or Board (if appropriate) reviews and approves or ratifies or disapproves any related party transaction that is required to be disclosed. In the course of its review of a disclosable related party transaction, consideration is given to:

the nature of the related party's interest in the transaction;

the material terms of the transaction, including, without limitation, the amount and type of transaction;

the importance of the transaction to the related party;

the importance of the transaction to us;

whether the transaction would impair the judgment of a director or executive officer to act in our best interest; and

any other matters deemed appropriate.

Any director who is a related party with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction; provided, however, that such director may be counted in determining the presence of a quorum at the meeting where the transaction is considered.

**Relationship with LinnCo, LLC**

*General.* As of February 23, 2015 LinnCo owned approximately 38% of our outstanding units. We control LinnCo's management and operations through our ownership of LinnCo's sole voting share.

*Omnibus Agreement.* Concurrent with the closing of LinnCo's initial public offering on October 17, 2012 (the LinnCo IPO), we entered into an omnibus agreement with LinnCo pursuant to which we agreed to provide LinnCo with certain financial, legal, accounting, tax advisory, financial advisory and engineering services. We also agreed to pay on LinnCo's behalf, or reimburse LinnCo for, any expenses incurred in connection with securing these services from third parties, as well as printing costs and other administrative and out-of-pocket expenses LinnCo incurs, along with any other expenses LinnCo may have incurred in connection with the IPO or will incur in any future offering of its shares or as a result of being a publicly traded entity, including costs associated with annual, quarterly and other reports to its shareholders, tax return and Form 1099 preparation and distribution, NASDAQ listing fees, printing costs, independent auditor fees and expenses, legal counsel fees and expenses, limited liability company governance and compliance expenses and registrar and transfer agent fees. We also provide LinnCo with cash management services, including treasury services with respect to the payment of dividends and allocation of reserves for taxes. These cash management services are intended to optimize the use of LinnCo's cash on hand and to reduce the likelihood of a change in the amount of any dividend paid to

---

**Table of Contents**

LinnCo's shareholders across periods other than as a result of any change in the amount of distributions paid by us. In addition, we have agreed to indemnify LinnCo and its officers and directors for damages suffered or costs incurred (other than income taxes payable by LinnCo) in connection with carrying out LinnCo's activities. Finally, we have granted LinnCo a license to utilize our trademarks.

*Future Offerings.* LinnCo will purchase from us a number of our units equal to or greater than the number of shares LinnCo sells in any future offering for an amount equal to or less than the net cash proceeds of such offering (after deducting underwriting discounts but before payment of other offering expenses) plus any properties or assets received by LinnCo in such offering. As a result, we will indirectly bear the cost of any underwriting discounts associated with future offerings of LinnCo's common shares. In connection with the Berry acquisition, LinnCo amended its limited liability company agreement to give effect to certain changes relating to issuances of additional securities by LinnCo.

*Contribution Agreement.* On February 20, 2013, we entered into a contribution agreement, as amended on November 3, 2013 (as amended, the Contribution Agreement), with LinnCo with respect to our issuance of units to LinnCo in connection with the contribution by LinnCo of all of the outstanding limited liability company interests in Linn Acquisition Company, LLC, the entity that acquired Berry, to us. The Contribution Agreement was consummated on December 16, 2013. Under the Contribution Agreement, at the end of calendar year 2015, we will work together with LinnCo in good faith to evaluate whether, in addition to any distribution to which LinnCo is entitled with respect to our units that it holds, we will make one or more special distributions to LinnCo solely out of funds available to make operating cash flow distributions (as such term is defined in Treasury Regulations Section 1.707-4(b)(2)) to reasonably compensate LinnCo for the actual increase in tax liability to LinnCo, if any, resulting from the allocation of depreciation, depletion and amortization and other cost recovery deductions using the remedial allocation method pursuant to Treasury Regulations Section 1.704-3(d), with respect to the assets acquired pursuant to the Contribution Agreement.

**Related Party Transactions**

Mr. Dunlap, a member of the Board, is the President and Chief Executive Officer of Superior, which provides certain oilfield services to LINN. According to disclosures made by Mr. Dunlap, for the year ended December 31, 2014, LINN was billed approximately \$24.4 million by Superior and its subsidiaries for services rendered to LINN. These transactions were consummated on terms equivalent to those that prevail in arm's-length transactions and do not represent more than 5% of the consolidated gross revenues of Superior. The Board has determined that LINN's relationship with Superior would not interfere with Mr. Dunlap's exercise of his independent judgment in carrying out his responsibilities as a director of LINN.

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

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of our common units to file reports of ownership and changes in ownership concerning our common units with the SEC and to furnish us with copies of all Section 16(a) forms they file. Based solely upon our review of the Section 16(a) filings that have been received by us and written representations that no other reports were filed, we believe that all filings required to be made under Section 16(a) during 2014 were timely made, except as noted in the following paragraphs.

Messrs. Mark E. Ellis, Kolja Rockov, Arden L. Walker, Jr., David B. Rottino, Jamin B. McNeil and Thomas E. Emmons and Ms. Candice J. Wells, executive officers of LINN, did not timely report the surrender of units to satisfy tax withholding obligations upon the vesting of restricted units on January 26, 2014 and January 28, 2014, in the

amounts of: 45,086; 15,361; 13,863; 8,035; 3,800; 2,713; and 1,247, respectively. Surrender of these restricted units was reported on a Form 4 in April 2014.

## Table of Contents

Due to a clerical error by the Company, the surrender of 1,525 units to satisfy tax withholding obligations upon the vesting of restricted units in January 2014 by Mr. Joseph P. McCoy, Director of LINN, was not reported on a timely basis. Mr. McCoy's corrected beneficial ownership amount was reported on a Form 4 in January 2015.

## **UNITHOLDER PROPOSALS AND DIRECTOR NOMINATIONS**

Unitholders may propose matters to be presented at unitholders' meetings and may also recommend persons for nomination or nominate persons to be directors, subject to the formal procedures that have been established under our limited liability company agreement.

### **Proposals for 2016 Annual Meeting**

Pursuant to rules promulgated by the SEC, any proposals of unitholders of our company intended to be presented at the Annual Meeting of Unitholders to be held in 2016 and included in our Proxy Statement and form of proxy relating to that meeting, must be received at our principal executive offices, 600 Travis, Suite 5100, Houston, Texas 77002, no later than December 11, 2015. Such proposals must be in conformity with all applicable legal provisions, including Rule 14a-8 of the General Rules and Regulations under the Securities Exchange Act of 1934.

In addition to the SEC rules described in the preceding paragraph, pursuant to Section 11.13 of our limited liability company agreement, only proposals of business made in accordance with the following procedures are eligible for consideration by our unitholders at an annual meeting of unitholders. Proposals may be made only (i) by or at the direction of our Board or (ii) by any holder of units who is entitled to vote at the meeting and who complied with the following notice procedures. For proposals to be properly brought before an annual meeting by a unitholder:

- (i) the unitholder must have given timely notice thereof in writing to our Corporate Secretary;
- (ii) such business must be a proper matter for unitholder action under our limited liability company agreement and the Delaware Act;
- (iii) if the unitholder, or the beneficial owner on whose behalf any such proposal is made, has provided us with a solicitation notice, such unitholder or beneficial owner must have delivered a proxy statement and form of proxy to holders of at least the percentage of outstanding units required under our limited liability company agreement or Delaware law to carry any such proposal, and must have included in such materials the solicitation notice; and
- (iv) if no solicitation notice relating thereto has been timely provided, the unitholder or beneficial owner proposing such business must not have solicited a number of proxies sufficient to have required the delivery of such a solicitation notice.

Our limited liability company agreement provides that to be timely, a unitholder's notice must be delivered to our Corporate Secretary at our principal executive offices not less than 90 days or more than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting. **For a proposal of business to be considered at the 2016 Annual Meeting of Unitholders, a unitholder's notice should be properly submitted to our Corporate Secretary at our principal executive offices, 600 Travis, Suite 5100, Houston, Texas 77002, no later than December 11, 2015, but not earlier than November 11, 2015.**

A unitholder's notice to our Corporate Secretary must set forth (a) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such unitholder and the beneficial owner, if any, on whose behalf the proposal is





---

## Table of Contents

made; and (b) as to the unitholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (i) the name and address of such unitholder, as they appear on our books, and of such beneficial owner, (ii) the class and number of units which are owned beneficially and of record by such unitholder and such beneficial owner, and (iii) whether either such unitholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of at least the percentage of units required under our limited liability company agreement or Delaware law to carry the proposal.

### **Nominations for 2016 Annual Meeting**

Pursuant to Section 11.13(b) of our limited liability company agreement, only persons who are nominated in accordance with the following procedures are eligible for election as directors. Nominations of persons for election to our Board may be made at a meeting of unitholders only (a) by or at the direction of our Board or (b) by any unitholder of our company: (i) who is entitled to vote at the meeting, (ii) who was a record holder of a sufficient number of units as of the record date for such meeting to elect one or more members to our Board assuming that such holder cast all of the votes it is entitled to cast in such election in favor of a single candidate and such candidate received no other votes from any other holder of units (or, in the case where such holder holds a sufficient number of units to elect more than one director, such holder votes its units as efficiently as possible for such candidates and such candidates receive no further votes from holders of outstanding units) and (iii) who complies with the following notice procedures. All nominations, other than those made by or at the direction of our Board, must be made pursuant to timely notice in writing to our Corporate Secretary. With respect to director elections held at our Annual Meetings, our limited liability company agreement provides that to be timely, a unitholder's notice must be delivered to our Corporate Secretary at our principal executive offices not less than 90 days or more than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting. **For a nomination of any person for election to our Board to be considered at the 2016 Annual Meeting of Unitholders, it must be properly submitted to our Corporate Secretary at our principal executive offices, 600 Travis, Suite 5100, Houston, Texas, 77002 no later than December 11, 2015, but not earlier than November 11, 2015.**

A unitholder's notice to our Corporate Secretary must set forth (a) as to each person whom the unitholder proposes to nominate for election or re-election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; and (b) as to the unitholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made (i) the name and address of such unitholder as they appear on our books and of such beneficial owner, (ii) the class and number of units which are owned beneficially and of record by such unitholder and such beneficial owner, and (iii) whether either such unitholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of units to elect such nominee or nominees.

### **Recommendation of Director Candidates to the Nominating and Governance Committee**

A unitholder or a group of unitholders may recommend potential candidates for consideration by the Nominating and Governance Committee by sending a written request to our Corporate Secretary not earlier than the 120<sup>th</sup> calendar day and not later than the 90<sup>th</sup> calendar day before the first anniversary of the mailing of the proxy materials in connection with the preceding year's annual meeting. Such written request must be sent to our principal executive offices, 600 Travis, Suite 5100, Houston, Texas 77002, Attn: Corporate Secretary. The written request must include the candidate's name, contact information, biographical information and qualifications. The request must also include the potential candidate's written consent to being named in the proxy statement as a nominee and to serve as a director if nominated

and elected. Additional information may be requested from time to time by the committee from the nominee or the unitholder or group of unitholders.

**Table of Contents**

**SOLICITATION AND MAILING OF PROXIES**

The expense of preparing, printing and mailing this Proxy Statement and the proxies solicited hereby will be borne by us. In addition to the use of the mail, proxies may be solicited by our representatives in person or by telephone, electronic mail or facsimile transmission. These representatives will not be additionally compensated for such solicitation, but may be reimbursed for out-of-pocket expenses incurred. If undertaken, we expect the expenses of such solicitation by our representatives to be nominal. We will also request brokerage firms, banks, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of our units as of the Record Date and will provide reimbursement for the cost of forwarding the proxy materials in accordance with customary practice.

If a unitholder wishes to give such holder's proxy to someone other than the names appearing in the proxy card, the names appearing in the proxy card must be crossed out and the name of another individual or individuals (not more than three) inserted. The signed card must be presented at the Annual Meeting by the individual or individuals representing such unitholder.

As a matter of policy, proxies, ballots, and voting tabulations that identify individual unitholders are kept private by us. Such documents are available for examination only by the inspectors of election and certain personnel associated with processing proxy cards and tabulating the vote. The vote of any unitholder is not disclosed except as necessary to meet legal requirements.

**HOUSEHOLDING**

The SEC permits a single set of annual reports and proxy statements to be sent to any household at which two or more unitholders reside if they appear to be members of the same family. Each unitholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information unitholders receive and reduces mailing and printing expenses. As a result, if you hold your shares through a broker and you reside at an address at which two or more unitholders reside, you will likely be receiving only one annual report and proxy statement unless any unitholder at that address has given the broker contrary instructions. However, if any such beneficial unitholder residing at such an address wishes to receive a separate annual report or proxy statement in the future, or if any such beneficial unitholder that receives separate annual reports or proxy statements wishes to receive a single annual report or proxy statement in the future, that unitholder should contact their broker or send a request to our principal executive offices, 600 Travis, Suite 5100, Houston, Texas 77002, Attn: Corporate Secretary. We will deliver, promptly upon written request to the Corporate Secretary, a separate copy of the 2014 Annual Report and this Proxy Statement to a beneficial unitholder at a shared address to which a single copy of the documents was delivered.

**WHERE YOU CAN FIND MORE INFORMATION ABOUT US**

We file annual, quarterly and current reports and proxy statements with the SEC. Our SEC filings are available to the public over the internet at the SEC's website at [www.sec.gov](http://www.sec.gov). You may also read and copy any document that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information on the public reference room and its copy charges. We maintain a website at [www.linnenergy.com](http://www.linnenergy.com), where we post our SEC filings.

You may request copies of our filings, including any documents incorporated by reference in this Proxy Statement as described below, without charge, by calling our Investor Relations representative at (281) 840-4110 or write to Investor Relations, 600 Travis, Suite 5100, Houston, Texas 77002.

If you would like to request documents from us, please do so at least five business days before the date of the Annual Meeting in order to receive timely delivery of the documents before the Annual Meeting. If you request any incorporated documents from us, we will mail them to you by first class mail or other equally prompt

**Table of Contents**

means within one business day of receipt of your request, provided that we will not mail any exhibits to the information that is incorporated by reference unless such exhibits are specifically incorporated by reference into the information that this Proxy Statement incorporates.

You should rely only on the information contained or incorporated by reference in this Proxy Statement to vote your units at the Annual Meeting. We have not authorized anyone to provide you with information that is different from what is contained or incorporated by reference in this Proxy Statement.

The information contained in this document or any document incorporated by reference herein speaks only as of the date indicated on the cover of this document or the document incorporated by reference unless the information specifically indicates that another date applies.

**Table of Contents**

**OTHER MATTERS FOR 2015 ANNUAL MEETING**

As of the date of this Proxy Statement, our Board knows of no matters to be acted upon at the Annual Meeting other than the proposals included in the accompanying notice and described in this Proxy Statement. If any other matter requiring a vote of unitholders arises, including a question of adjourning the Annual Meeting, the persons named as proxies in the accompanying proxy card will have the discretion to vote thereon according to their best judgment of what they consider to be in the best interests of our company. The accompanying proxy card confers discretionary authority to take action with respect to any additional matters that may come before the Annual Meeting or any adjournment or postponement thereof.

By Order of the Board of Directors,

Candice J. Wells

*Vice President, General Counsel and  
Corporate Secretary*

Houston, Texas

March 10, 2015

Table of Contents

\*\*\* Exercise Your *Right to Vote* \*\*\*

**Important Notice Regarding the Availability of Proxy Materials and Annual Report  
for the Unitholder Meeting to Be Held on April 21, 2015.**

**LINN ENERGY, LLC**

**Meeting Information**

*JPMORGAN CHASE TOWER  
600 TRAVIS, SUITE 5100  
HOUSTON, TX 77002*

**Meeting Type:** Annual Meeting  
**For holders as of:** February 23, 2015  
**Date:** April 21, 2015      **Time:** 11:45 A.M.  
**Location:** 601 Travis Auditorium  
601 Travis Street  
Houston, TX 77002

You are receiving this communication because you hold units in the company named above.

This is not a ballot. You cannot use this notice to vote these units. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. You may view the proxy materials online at [www.proxyvote.com](http://www.proxyvote.com) or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

**See the reverse side of this notice to obtain proxy materials and voting instructions.**





**Table of Contents**

**Before You Vote**

How to Access the Proxy Materials

**Proxy Materials Available to VIEW or RECEIVE:**

NOTICE, PROXY STATEMENT AND ANNUAL REPORT

**How to View Online:**

Have the information that is printed in the box marked by the arrow (located on the following page) and visit: [www.proxyvote.com](http://www.proxyvote.com).

**How to Request and Receive a PAPER or E-MAIL Copy:**

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

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

2) *BY TELEPHONE*: 1-800-579-1639

3) *BY E-MAIL*\*: [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com)

\* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow (located on the following page) in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before April 7, 2015 to facilitate timely delivery.

**How To Vote**

Please Choose One of the Following Voting Methods

**Vote In Person:** Many unitholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these units

**Vote By Internet:** To vote now by Internet, go to *www.proxyvote.com*. Have the information that is printed in the box marked by the arrow (located on the following page) available and follow the instructions.

**Vote By Mail:** You can vote by mail by requesting a paper copy of the materials, which will include a proxy card.

**Table of Contents**

**Voting  
Items**

**The Board of Directors recommends you vote FOR proposals 1 and 2.**

1. Election of each of the six nominees for the Board of Directors of Linn Energy, LLC ( LINN ).

**Nominees:**

- |                       |                          |
|-----------------------|--------------------------|
| 01) Mark E. Ellis     | 04) Michael C. Linn      |
| 02) David D. Dunlap   | 05) Joseph P. McCoy      |
| 03) Stephen J. Hadden | 06) Jeffrey C. Swoveland |

2. To ratify the appointment of KPMG LLP as independent public accountant of LINN for the fiscal year ending December 31, 2015.

**NOTE:** I hereby revoke any proxy or proxies previously given to represent or vote LINN units that I am entitled to vote, and I ratify and confirm all actions that the proxies, their substitutes, or any of them, may lawfully take in accordance with the terms of the proxy card.

**Table of Contents**