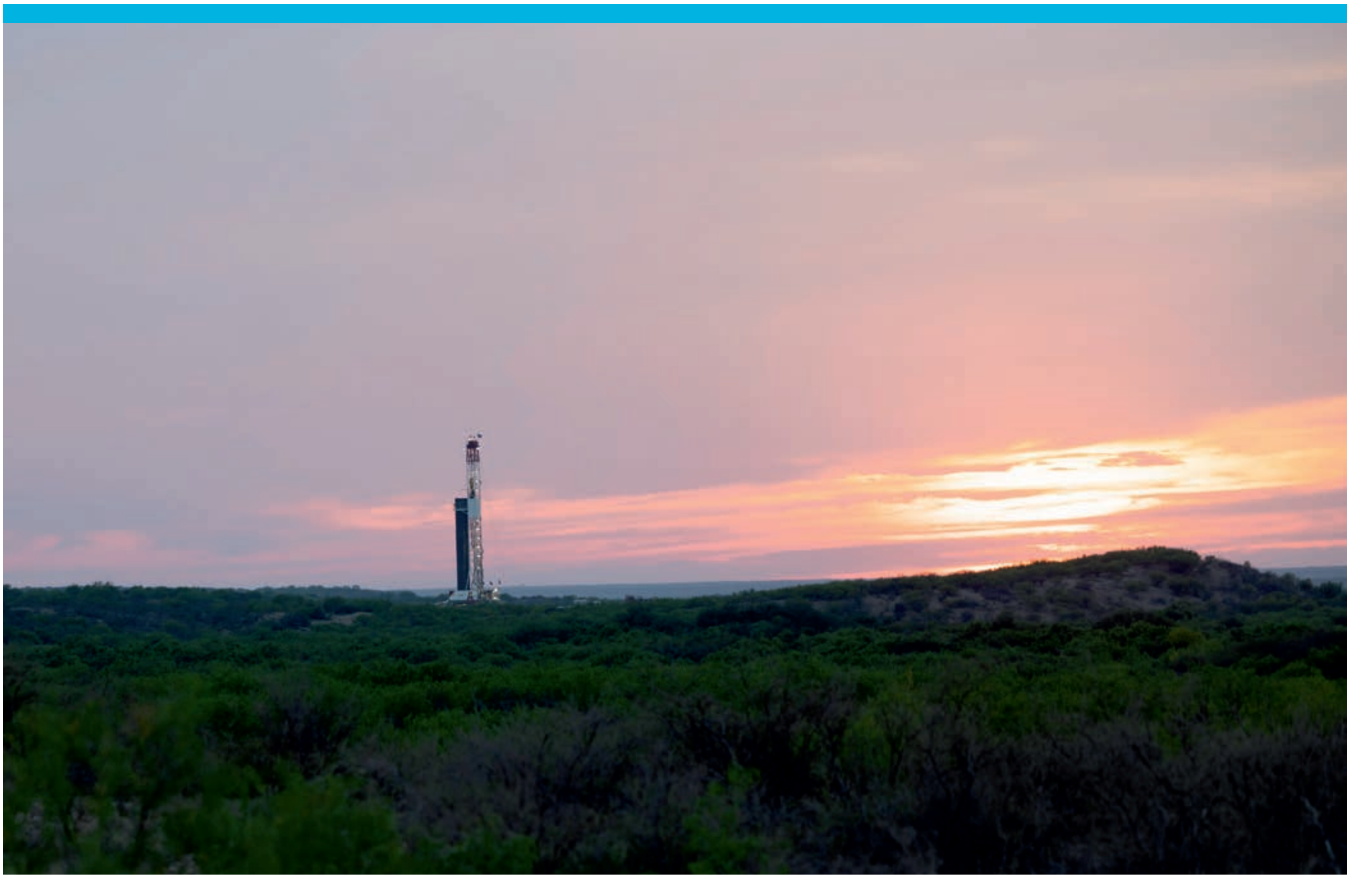
SM ENERGY

2024

Proxy Statement



Notice of Annual Meeting of Stockholders

May 23, 2024

Denver, Colorado

SM ENERGY

Dear Fellow SM Energy Stockholder,

On behalf of the Board of Directors, I am pleased to invite you to participate in SM Energy Company's 2024 Annual Meeting of Stockholders. We will continue to host the annual meeting in a virtual format because it allows for expanded access, improved communications, and reduced costs to our stockholders as we minimize the impact to the environment.

2023: Increasing Capital Return While Delivering Excellent Financial Results and Operational Performance

During 2023, we remained committed to our strategic objectives of sustainably growing value for all stakeholders through operational execution, maintaining and expanding our portfolio quality and depth, and returning capital to our stockholders. We returned approximately $300 million to our stockholders during the year, which we accomplished through share repurchases and the payment of dividends in the amount of $0.60 per share. Additionally, in late 2023, we announced a 20 percent increase to our fixed dividend, to $0.72 annually, beginning in the first quarter of 2024. In total, our capital return program delivered an approximate seven percent yield to market capitalization as of year-end 2023.

In addition to our capital return program, our financial and operational execution resulted in a strengthened balance sheet that achieved net debt[(1)] below $1 billion, while at the same time growing the Company's Midland Basin acreage position by nearly 30,000 net acres (37 percent increase), and achieving a Company-record level of estimated net proved reserves that represented an increase of 13 percent as compared with the prior year.

2024: Well Positioned to Build on our Successes

Looking forward into 2024, we intend to maintain focus on operational execution to deliver low breakeven and high return wells, continue to enhance our asset portfolio, and return capital to our stockholders. We believe that our geosciences, engineering and technology teams have a proven track record of consistently improving capital efficiencies, well performance and growing inventory.

Furthermore, building on our strong balance sheet, we expect to continue to return capital to our stockholders through our recently increased fixed dividend payments and our share repurchase program, under which approximately $215 million remained available for repurchases as of year-end 2023. We are well positioned as we enter the year and look forward to executing on our 2024 goals and strategy.

Stewardship and Safety

We believe that stewardship is a component of operational excellence, and safety is our top priority. During 2023, we demonstrated superior safety metrics, including a total recordable incident rate of 0.20 per 200,000 hours worked (a 38 percent improvement from 2022) and reported a spill rate that was a 45 percent improvement over 2022.

We continue to enhance our ESG-related disclosures through, among other efforts, ongoing participation in the CDP and TCFD disclosure frameworks. We are proud to report a Leadership level score of A- from CDP for participation in the 2023 Climate Change Questionnaire, a testament to our commitment to all aspects of being a premier operator. This score places SM Energy among leaders in the upstream energy space. ESG-related performance metrics continue to represent both quantitative and qualitative components of our compensation programs for all employees, and we set rigorous goals designed to incentivize employee performance in these areas.

Risk Oversight

Our Board is acutely focused on oversight of the risks that are most relevant to our business, including cyber and climate-related risks, and I invite you to review the *Risk Oversight* section of our *Corporate Governance* disclosures in the accompanying Proxy Statement for additional information.

Board Composition and Refreshment

The members of our Board of Directors are your elected representatives, and we seek to advance your long-term interests. We pursue this commitment, in part, through regular Board refreshment and by maintaining a diverse and broadly inclusive Board membership, with five of nine director nominees gender or ethnically diverse. In early 2024, we welcomed Mr. Bart Brookman to our Board and look forward to his insights and experience that will benefit our stockholders. Mr. Brookman is a seasoned executive in the upstream exploration and production industry, having served most recently as the President and Chief Executive Officer of PDC Energy.

We Ask for Your Support

Our purpose is to make people's lives better by responsibly producing energy supplies, contributing to domestic energy security and prosperity, and having a positive impact on the communities where we live and work. We value your input and the trust that you have placed in us through your continued investment in SM Energy. Your vote is important to us. We ask for your continued support as we seek to deliver sustainable profitability in a manner that places the safety and well-being of our employees and others above all, while recognizing our obligations as a good steward of the environment and the energy resources we produce.

Sincerely,

Julio M. Quintana
Chairman of the Board

(1) Net Debt, a non-GAAP metric used by management and the investment community to assess the Company's financial condition, is calculated as the total principal amount of outstanding senior notes plus amounts drawn, if any, on the Company's senior secured revolving credit facility, less cash and cash equivalents.

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To All Stockholders:

The 2024 Annual Meeting of Stockholders of SM Energy Company (the "Annual Meeting") is to be conducted by live audio webcast on Thursday, May 23, 2024, at 3:30 p.m. Mountain Time. In order to attend the virtual Annual Meeting, stockholders must register at: *http://www.viewproxy.com/sm-energy/2024/htype.asp*.

The meeting is being convened to:

1. elect nine individuals to our Board of Directors to serve until the next annual meeting of our stockholders and until their respective successors are elected and qualified, or until their earlier resignation or removal;
2. hold an advisory vote to approve the compensation of our named executive officers;
3. ratify the appointment by our Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for 2024; and
4. transact such other business that may properly come before the Annual Meeting or any adjournment(s) or postponement(s) thereof.

Our Board of Directors (the "Board") is using this Proxy Statement to solicit proxies on our behalf for use at the Annual Meeting and has fixed the close of business on April 1, 2024, as the record date (the "Record Date") for determining stockholders entitled to receive notice of, to participate in, and to vote at the Annual Meeting and at any adjournment(s) or postponement(s) thereof. We are furnishing our proxy materials, including this Proxy Statement, a proxy card or voting instruction card, and our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, to the majority of our stockholders via the Internet. Accordingly, on or about April 4, 2024, a Notice of Internet Availability of Proxy Materials (the "Notice") will be mailed by intermediaries to our stockholders as of the Record Date, containing instructions on how to access the proxy materials via the Internet or request proxy materials in printed form, and how to vote your shares.

You will be able to participate in the Annual Meeting from any location worldwide via live audio webcast, and electronically vote your shares and submit questions online. We have adopted this online format to expand access to the Annual Meeting, improve communications, and lower the cost to our stockholders, the Company and the environment. To participate in the virtual Annual Meeting, you must first register at *http://www.viewproxy.com/sm-energy/2024/htype.asp* by 11:59 p.m. (EDT) on May 22, 2024. You will need to enter your name, phone number, and email address, and you will then receive a meeting invitation by email containing your unique access link and password for joining the meeting. We recommend that you log in a few minutes before the Annual Meeting begins to ensure you are logged in when the meeting starts.

Participation in the Annual Meeting will be restricted to stockholders as of the Record Date who have registered by or before May 22, 2024, and our guests.

Your vote is important. Regardless of whether you plan to participate in the Annual Meeting, we encourage you to vote by using the Internet instructions provided in the Notice or the proxy card. If the Proxy Statement and a proxy card are mailed to you, please complete, sign, date, and return the proxy card in the enclosed envelope as soon as possible. Thank you for your support for the recommendations of our Board of Directors.

IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 23, 2024. The Notice of Annual Meeting of Stockholders, the Proxy Statement for the 2024 Annual Meeting of Stockholders, and the Form 10-K for the fiscal year ended December 31, 2023, are available at http://www.viewproxy.com/sm-energy/2024

By Order of the Board of Directors,

Andrew T. Fiske
Deputy General Counsel and Corporate Secretary
Denver, Colorado
April 4, 2024

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PROXY STATEMENT SUMMARY

This Proxy Statement Summary highlights important information presented throughout this 2024 Proxy Statement (this “Proxy Statement”) and is intended to assist you in evaluating the matters to be voted on at the Annual Meeting. This summary does not contain all of the information you should consider, and we encourage you to read this Proxy Statement in its entirety, as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “2023 Annual Report”), prior to voting.

Annual Meeting Information

DATE & TIME	PLACE	RECORD DATE	VOTING
Thursday, May 23, 2024 3:30 p.m. Mountain Time	Via the Internet Stockholders must register at *http://www.viewproxy.com/sm-energy/2024/htype.asp* by 11:59 p.m. (EDT) on May 22, 2024	April 1, 2024	Stockholders of record at the close of business on the Record Date may vote their shares at the Annual Meeting

Proposals and Voting Recommendations

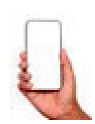
		Voting Recommendation	Page
Proposal 1:	Election of the nine directors named in this Proxy Statement.	**FOR each nominee**	16
Proposal 2:	Advisory vote to approve the executive compensation of our named executive officers.	**FOR**	60
Proposal 3:	Ratification of the appointment by our Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for 2024.	**FOR**	67

How to Vote Your Shares

ONLINE

Vote online prior to or during the Annual Meeting per the instructions on your proxy or voting instruction card.

CALL



Vote by phone by calling the phone number on your proxy or voting instruction card.

MAIL

If you have received a printed version of these proxy materials, vote by signing, dating, and returning your proxy card by mail.

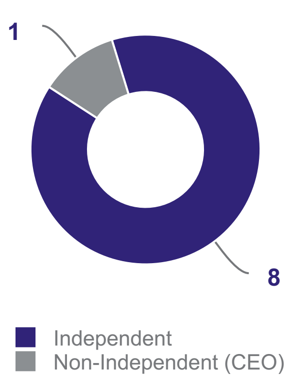
We strongly encourage you to vote. For more information about voting your shares, see “*Voting, Attendance, and Other Matters*” contained in this Proxy Statement.

Our 2024 Director Nominees:

A = Audit Committee C = Compensation Committee E = Executive Committee S = Environmental, Social & Governance Committee

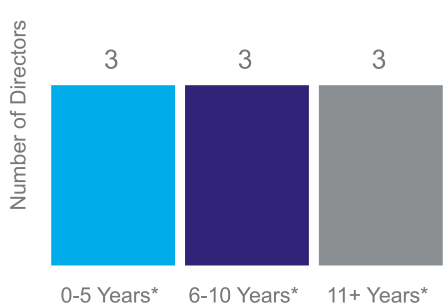
DIRECTOR INDEPENDENCE

Eight of nine (89 percent) director nominees are independent.



DIRECTOR TENURE

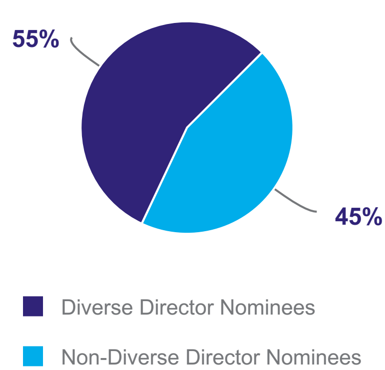
Our director nominees provide an effective balance of fresh perspectives and experience.



* As of December 31, 2023 (with the exception of Mr. Brookman, who joined the Board on February 16, 2024); a full year of credit is given for the year in which the respective directors are appointed.

DIRECTOR DIVERSITY

Our Board is committed to maintaining an appropriately diverse and broadly inclusive membership, with **five** of nine director nominees gender or ethnically diverse.



Including three female and two Hispanic nominees.

Business Highlights: Accomplishing our Goals and Returning Capital to our Stockholders

In 2023, we returned substantial capital to our stockholders, delivered excellent financial and operating results, continued to reduce leverage, and increased our net proved reserves to achieve a Company record.

2023 Return of Capital to Stockholders: $300 Million	• Includes share repurchases and dividends • Approximately 7% yield to market capitalization[(1)]
Net Cash Provided By Operating Activities: $1.6 Billion	• Net income of $818 million, or $6.86 per diluted common share
Net Debt[(2)] below $1 Billion	• Outstanding principal amount of long-term debt of $1.59 billion[(1)] and cash and cash equivalents of $616.2 million[(1)]
Estimated Net Proved Reserves: 605 MMBOE[(1)]	• 13% increase from year-end 2022 • Company record

All metrics given for the full year 2023 unless otherwise noted.

(1) As of December 31, 2023.

(2) Net Debt, a non-GAAP metric used by management and the investment community to assess the Company's financial condition, is calculated as the total principal amount of outstanding senior notes plus amounts drawn, if any, on the Company's senior secured revolving credit facility, less cash and cash equivalents.

Beginning in September 2022, our Board approved a stock repurchase program that authorized the repurchase of up to $500 million in aggregate value of our common stock through year-end 2024 (the "Stock Repurchase Program"). During 2023, we repurchased 6.9 million shares of our common stock for a total cost of $228.0 million, and we paid dividends of $0.60 per share, an increase from dividends of $0.16 per share paid in 2022. Inclusive of the Stock Repurchase Program and our payment of fixed dividends (collectively, our "Capital Return Program"), we returned a total of $300 million of capital to stockholders in 2023. In November of 2023, our Board increased the amount of our fixed dividend from $0.60 to $0.72 per share annually, to be paid in increments of $0.18 per quarter, beginning in the first quarter of 2024. We believe that our Capital Return Program, which we intend to fund with cash flows from operations, will be sustainable and will create long-term value for our stockholders, while our callable senior notes provide the opportunity to reduce absolute debt with cash on hand.

Executive Compensation Philosophy and Design

Our executive compensation program is designed to align executive pay with the Company's financial, operational and environmental, social and governance ("ESG") performance, and to incentivize the creation of positive stockholder returns throughout industry cycles. Total compensation opportunities for our NEOs are weighted heavily toward variable, performance-based awards. The primary elements of our executive compensation program include a fixed base salary targeted at the median of our comparative peer group, an annual cash incentive opportunity linked to achievement of individual and corporate performance, and a long-term equity-based compensation opportunity allocated between restricted stock units ("RSUs"), vesting ratably over a three-year period, and performance share units ("PSUs") tied to Company performance against our peer group and other established corporate goals over a three-year period. The following table depicts the components of our 2023 compensation program:

	Compensation Element	Duration	Description	Purpose
FIXED	**Base Salary (cash)**	Short-term (annual)	Fixed compensation based on position, experience, and expertise; generally targeted at median of peer group.	Attract and retain qualified employees; provide a level of fixed pay based on skills, competencies, experience, and individual performance.
AT-RISK	**Annual Cash Bonus**	Short-term (annual)	Annual cash incentive opportunity dependent upon individual and corporate performance in key financial, operational, and ESG-based metrics.	Drive superior annual performance; incentivize achievement of financial, operational, and ESG-based goals aligned with the Company's annual business plan. Aligns payout with stockholder outcomes through modifiers that increase/decrease payout based on absolute total shareholder return ("TSR") and adjusted free cash flow generation.
AT-RISK	**Restricted Stock Units**	Long-term (3-year)	Time-based restricted equity that vests ratably over a three-year period.	Promotes retention and stock ownership; incentivizes long-term sustainable value creation through stock price performance.
AT-RISK	**Performance Share Units**	Long-term (3-year)	Performance-based equity award based upon goals pertaining to adjusted free cash flow generation, absolute TSR, relative TSR, and ESG performance.	Incentivizes long-term sustainable value creation that is aligned with our strategic plan; requires a threshold level of performance to receive any payout under all metrics.

Corporate Governance Highlights

Our Board believes that sound corporate governance principles foster the ethical behavior and integrity owed to all of our stakeholders. This table sets forth certain best practices we employ:

- Majority (55%) of the Board is comprised of diverse directors
- Annual elections of the entire unclassified Board
- Independent Chairman of the Board
- Regular Board and committee oversight of financial, risk management and cybersecurity matters
- Regular Board and committee oversight of ESG matters
- Board and committee oversight of human capital management, including diversity, equity and inclusion, and career development and training
- Independent directors routinely meet in executive sessions
- Code of Business Conduct and Financial Code of Ethics regularly reviewed by the Board
- Meaningful director and executive stock ownership guidelines
- Annual evaluations of the Board and each committee
- Active and consistent stockholder engagement
- Standing Board committees composed entirely of independent directors
- Directors tender resignation subject to receiving majority vote of stockholders and Board acceptance
- Board appropriately tenured to provide effective balance of fresh perspectives and experience
- Director retirement policy in place and demonstrated commitment to Board refreshment
- Robust director nominee selection process

Stockholder Engagement and Responsiveness

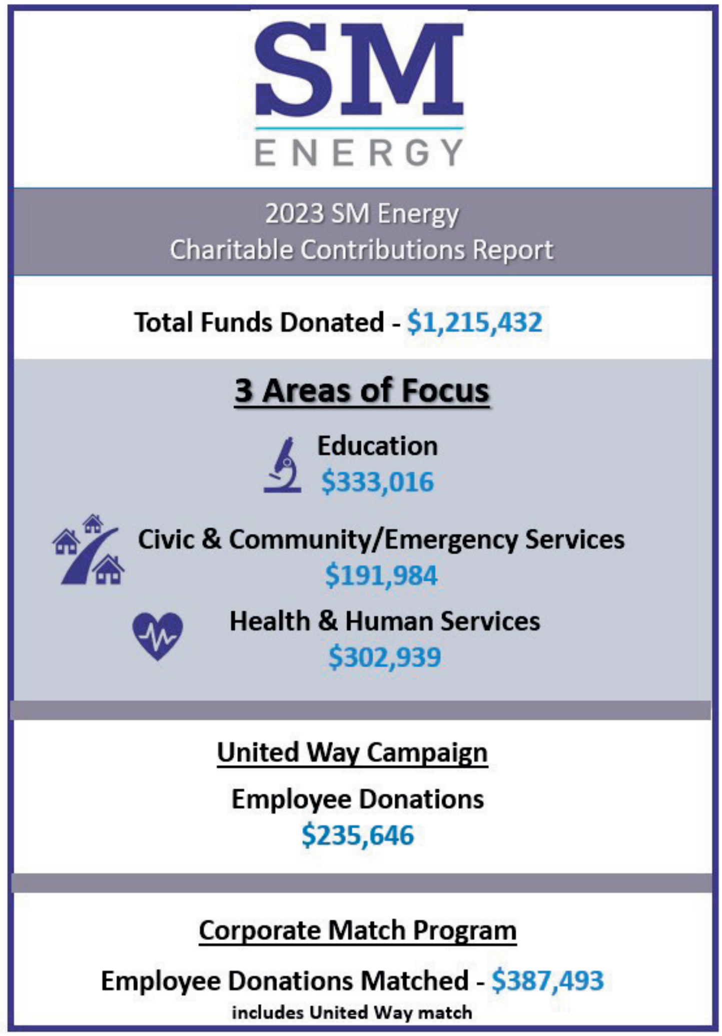
Our Board remains committed to open engagement with our stockholders concerning our business strategy, executive compensation program, risk oversight processes, ESG initiatives, and other matters of importance. As part of this commitment, our Board and management team regularly engage with stockholders to solicit input, answer questions and ensure that our Board has the information required to understand and respond to our stockholders' concerns. During 2023, our Board and management team continued this outreach commitment by directly contacting stockholders owning, in aggregate, approximately 60 percent of the Company's shares. For more information about our efforts to engage with and receive feedback from our stockholders, please see the "*Corporate Responsibility, Stockholder Engagement*" section of this Proxy Statement.

Commitment to Our Core Values: A Culture of Corporate Responsibility, Sustainability and Integrity

Our purpose is to make people's lives better by responsibly producing energy supplies, contributing to domestic energy security and prosperity, and having a positive impact on the communities where we live and work. Our long-term vision and strategy is to sustainably grow value for all of our stakeholders as a premier operator of top-tier assets by maintaining and optimizing our high-quality asset portfolio, generating cash flows, and maintaining a strong balance sheet. Our team executes this strategy by prioritizing safety, technological innovation, and stewardship of natural resources, all of which are integral to our corporate culture. Our near-term goals include returning value to stockholders through our Capital Return Program and focusing on continued operational excellence.

Our culture values approaching our business with integrity and ethical behavior; prioritizing safety, health, and environmental stewardship; promoting the success of others and the team; understanding and communicating the reasons for our actions and how every employee contributes; operating in a highly collaborative manner that is open to new ideas and technologies; supporting the development of all team members; and supporting the communities where we live and work.

As part of our commitment to positively impact the communities where we live and work, we encourage and support charitable giving with our corporate match program. This graphic illustrates 2023 charitable giving by employees and the corresponding corporate match.



ESG and Human Capital Highlights

During 2023, we prioritized ESG stewardship initiatives by:

- completing key frameworks, including the 2023 CDP Climate Change Questionnaire (the “CDP Questionnaire”), the Task Force on Climate-related Financial Disclosures (“TCFD”), and the Sustainability Accounting Standards Board (“SASB”) metrics relevant to ESG stewardship for oil and gas exploration and production companies;
- conducting scenario analysis to consider climate change related risks and opportunities for long-term sustainable development; and
- advancing ESG awareness and integrating ESG technologies, including building a state-of-the-art Operations Surveillance Room that allows 24/7 monitoring by operations specialists, improving our response time to reduce emissions and spill volumes.

Our Corporate Responsibility Report, SASB metrics, responses to the CDP Questionnaire, and our TCFD disclosures are available on our website at *www.sm-energy.com* (information on our website is not incorporated by reference into this Proxy Statement and should not be considered part of this document).

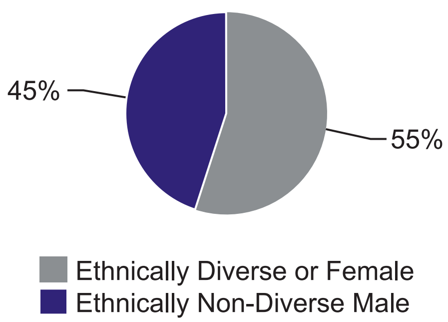
We operate only in the United States. We have established procedures and controls designed to support our objective of remaining, at all times, in material compliance with applicable federal, state, and local laws and governmental regulations. We strive to comply with all applicable employment laws that prohibit unlawful discrimination, regulate wages and compensation, and ensure a safe workplace. On a quarterly basis, we require our executives and other key employees to certify compliance with all such matters, or to report any circumstances of known or perceived non-compliance. On an annual basis, we require every employee to acknowledge their understanding of, and compliance with, our Code of Business Conduct and Conflict of Interest Policy (the “Code of Business Conduct”), which sets forth the Company’s expectations regarding business conduct and ethical standards. Our Audit Committee oversees this process. We maintain an ethics and compliance hotline that allows any person to anonymously report any perceived violations of our Code of Business Conduct, ethical standards, or other compliance-related matters, and our General Counsel directs appropriate investigations and reports to our Audit Committee and senior management concerning all such matters.

We are committed to diversity at all levels of our organization and we strive to provide equal employment opportunities to all employees and job applicants. On an annual basis, we analyze our workforce demographics and review our practices for any indication of discrimination and to ensure pay equity. No discriminatory practices have been identified, and no evidence of discrimination or material pay inequity has been found. In 2021, our

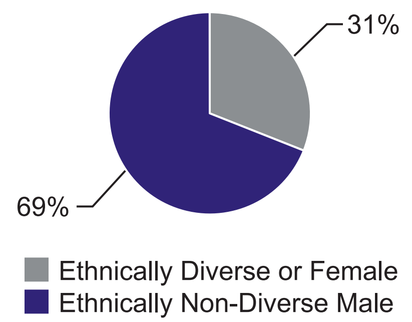
Board of Directors adopted a Human Rights Policy memorializing the Company's commitment to avoid causing or contributing to adverse human rights impacts.

The following charts present certain Board of Directors metrics as of February 16, 2024, and workforce metrics as of February 8, 2024:

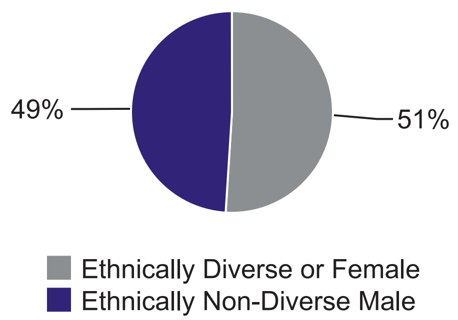
Board of Directors Diversity



Officer Diversity [1]



Employee Diversity



Note: Ethnic diversity data is determined under guidelines set forth by the United States Equal Employment Opportunity Commission and includes the following categories: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, or the combination of two or more races (not Hispanic or Latino).

(1) Includes officers at the level of Vice President and above.

CORPORATE GOVERNANCE

Overview

Our Board believes that sound corporate governance principles foster the ethical behavior and integrity owed to all of our stakeholders. The framework for our corporate governance principles is established by the charters for the committees of our Board, our Corporate Governance Guidelines, our Financial Code of Ethics and our Code of Business Conduct. Our Board adopted each of these policies and regularly reviews them for appropriate modifications based on evolving corporate governance standards. A complete copy of these documents is available on our website at *www.sm-energy.com* or in print, free of charge, to any stockholder who requests a copy, by contacting our Corporate Secretary (information on our website is not incorporated by reference into this Proxy Statement and should not be considered part of this document).

Our Financial Code of Ethics establishes ethical standards and principles relating to certain financial compliance and disclosure matters and applies to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller, as well as persons performing similar functions, and other officers and employees identified by our Chief Financial Officer. The Financial Code of Ethics requires that any exception or waiver thereto be made only by the Audit Committee of our Board (the “Audit Committee”) as required by law, SEC rules and regulations, and New York Stock Exchange (“NYSE”) rules, and that it be disclosed on our website at *www.sm-energy.com* within two business days after such exception or waiver. To date, the Audit Committee has not granted any exception or waiver of our Financial Code of Ethics.

Board and Committee Independence

With the exception of Mr. Vogel, our President and Chief Executive Officer (sometimes referred to herein as “CEO”), our Board is comprised entirely of independent directors who meet the SEC and NYSE independence standards and have been determined by the Board to not have any material relationship with us other than as a director and stockholder. In reviewing and making its independence determination for each director nominee, our Board considered nominee disclosures concerning past employment, remuneration, and any other relationship with us, as well as the independence tests set forth in Section 303A.02 of the Corporate Governance Standards of the NYSE’s Listed Company Manual. The Audit Committee, the Compensation Committee of our Board (the “Compensation Committee”), and the Environmental, Social, and Governance Committee of our Board (the “ESG Committee”) are each comprised solely of independent directors under the applicable requirements of the NYSE and SEC.

Board Leadership Structure

Our Corporate Governance Guidelines require our Board to annually determine whether to keep the roles of CEO and Chairman of the Board separate, or permit one person to serve in both capacities. Our ESG Committee annually evaluates our leadership structure and makes a recommendation to our Board. While recognizing that different leadership structures may be appropriate at different times and under different circumstances, based on the recommendation of the ESG Committee, our Board has, since 2007, determined that it is in the best interests of our stockholders to separate the roles of CEO and Chairman of the Board.

Under this structure, the Chairman of the Board is responsible for providing leadership to the Board, facilitating communications among the directors, setting Board meeting agendas in consultation with our CEO, presiding at Board meetings and executive sessions, and serving as a liaison between our management and directors, while allowing our CEO to focus on leading the Company.

Our Board is not classified, and all directors are elected annually by our stockholders. A number of our independent directors have served in senior management roles with other companies in the oil and gas industry or are currently serving or have served as directors of other public companies. The specific experiences, qualifications, attributes, and skills of each independent director that enable him or her to effectively serve on the Board and on their respective Board committees are described in each director’s biographical information. We believe that the independent and experienced directors that make up our Board, the specific experiences and skills that they possess, and the overall leadership of the Board by the Chairman, effectively represent the interests of our stockholders.

Welcoming our New Chairman

On May 25, 2023, our Board appointed Mr. Julio Quintana to serve as its Chairman, following the successful 14 year tenure of Mr. William Sullivan. Mr. Quintana has served on our Board since 2006 and has over 40 years of experience in the oil and gas exploration and production industry, including executive leadership and public company board of director roles. Mr. Sullivan, a member of the Board since 2004, continues to leverage his Company and industry expertise as a director and member of the Compensation Committee and the ESG Committee. We thank Mr. Sullivan for his dedicated service as Chairman of the Board, and welcome Mr. Quintana to the role.

Stockholder Engagement

Our Board is committed to maintaining an open dialogue with our stockholders regarding our business strategy, governance practices, executive compensation program, ESG initiatives, and other matters of importance. Representatives of our management team regularly engage with stockholders through conference attendance, telephone calls, videoconferences, and one-on-one meetings, and we actively seek to align our risk oversight, ESG stewardship, and compensation practices with the expectations of our stockholders. Feedback we receive through engagement and proxy voting has been an important reference point for discussion and decision-making on those topics, and management regularly shares and discusses stockholder feedback with our full Board.

The Company's 2023 engagement process included contacting stockholders representing approximately 60 percent of our outstanding shares, as well as outreach to the lenders in our revolving credit facility, the credit rating agencies, and other stakeholders in our business. Feedback from stockholders positively acknowledged our sustainability disclosures, including completion of the CDP Questionnaire, the TCFD and SASB frameworks, as well as a letter from our CEO and Quick Reference Metrics and Performance Highlights. These documents are available on our website at *www.sm-energy.com* (information on our website is not incorporated by reference into this Proxy Statement and should not be considered part of this document). We have incorporated scenario analysis into these disclosures, which considers the climate change related risks and opportunities that we believe are relevant to our business for long-term sustainable operations. Our Corporate Responsibility Report presents our philosophy and approach to operating our business in a manner responsive to all of our stakeholders, while seeking to create stockholder value and responsibly operating our assets to protect the environment and the health and safety of our employees and contractors.

Corporate Responsibility and our Commitment to Sustainability

At SM Energy, we recognize that our stockholders trust us to conduct business in a responsible and ethical manner designed to protect our employees, contractors and neighbors, and the environments in which we operate, while supporting the communities where we live and work. We recognize that operating in this industry is a privilege, and we take that responsibility seriously. We seek to minimize risk to our communities and promote social, environmental, human and economic benefits, while continuously striving to be a good steward of natural resources. We believe we have earned a reputation of conducting our business in a manner that exemplifies these goals, and we work hard to preserve our reputation.

Among other efforts during 2023, we continued to advance ESG awareness and integrate ESG practices throughout the organization as well as identify and test certain ESG-related technologies. We completed our scheduled triennial EHS audit, met our publicly announced 2023 environmental targets of zero routine flaring and non-routing flaring of less than one percent of natural gas production, advanced the use of modern technology to identify, monitor and improve our ESG practices, including for methane emissions intensity reduction, and prepared for recently released SEC rules related to climate change disclosures by building a central repository for reported data. In addition, we met our quantitative ESG goals with respect to Total Recordable Incident Rate and GHG and methane emissions intensity reduction, and remain well on track to meet our short to medium-term emissions reduction targets.

In addition to the ESG initiatives discussed above, we have continued to include ESG metrics in both our short-term and long-term incentive compensation plans in order to align executive pay outcomes with the interests of our stakeholders.

We would like to take this opportunity to thank our stockholders and other stakeholders for sharing their valuable feedback and recognizing our successful efforts to implement this feedback into our business strategy, governance practices, executive compensation programs, and sustainability focus.

Human Capital

Our Company culture recognizes our employees as our most valuable assets, encourages personal and professional development, promotes innovation and leadership among all employees and, in turn, supports our efforts to attract and retain talent. Through our culture, we promote:

- integrity and ethical behavior in the conduct of our business;
- environmental, health, and safety priorities;
- prioritizing the success of others and the team;
- collaboration and openness to new ideas and technologies that serve business improvement;
- support for team members' professional and personal development; and
- support for the communities where we live and work.

The core values of integrity and ethical behavior are key pillars of our culture, and all employees are responsible for upholding Company-wide standards and values. We have policies designed to promote ethical conduct and integrity, which employees are required to read and acknowledge on an annual basis. The health and safety of our employees and contractors is our highest priority. We strive to achieve performance excellence in environmental, health, and safety management, and compensation of all employees is tied to annual environmental, health, and safety performance goals.

Personal and professional development is an important part of our culture and is employee driven, manager facilitated, and organizationally supported. Employees are routinely provided training opportunities to develop skills in leadership, safety, and technical acumen, which help strengthen our efforts to conduct business with high ethical standards. During 2023, many of our employees participated in two leadership and talent development programs that included more than 4,300 hours of aggregate training, exclusive of safety and other specialized technical training.

We measure employee engagement and satisfaction through periodic surveys, administered by an independent third-party vendor. We conducted our most recent employee engagement survey in 2023.

We are proud of our many outstanding employees who invest their time, talents, and financial resources in their communities. Our annual charitable giving program includes a monetary match of our employees' personal contributions to qualified organizations and up to 12 hours per employee of Company-granted time to volunteer in the communities where we live and work.

We strive to provide competitive, performance-based compensation and benefits to our employees, including market-competitive pay, short-term and long-term incentive compensation plans, an employee stock purchase program, and various healthcare, retirement, and other benefit packages such as a hybrid work environment that is guided by each employee's job function and responsibilities. Compensation for our executives and employees under our short-term and long-term incentive plans is determined based on individual performance and Company performance with respect to qualitative and quantitative metrics that include environmental, health, and safety measures. The Compensation Committee oversees our compensation programs and regularly modifies program design to incentivize achievement of our corporate strategy and the matters of importance to our stakeholders. Significant planning for succession of key personnel is performed each year, or more frequently as deemed necessary by management.

As of February 8, 2024, we had 544 full-time employees, none of whom were subject to a collective bargaining agreement. We are committed to diversity at all levels of our organization, and we strive to provide equal employment opportunities to all employees and job applicants. We regularly perform internal analyses of our workforce demographics and, at times, we retain a third party to conduct discrimination and pay equity testing. No discriminatory practices have been identified and no evidence of discrimination or pay inequity has been found. Additionally, we have established procedures and controls designed to support our objective of remaining, at all times, in material compliance with applicable federal, state, and local laws and governmental regulations.

Board and Committee Meetings

Our Board met 13 times during 2023. Our non-management directors routinely meet in executive session immediately after regularly scheduled meetings of the Board, or as otherwise deemed necessary, and met five times during 2023. No director attended less than 90 percent of the meetings of the Board, and the majority of our directors participated in 100 percent of our Board meetings. Further, no director attended less than 80 percent of the meetings for the Audit, Compensation, and ESG committees upon which such director served. It is our policy that each director is expected to attend each annual meeting of stockholders, and each director attended the 2023 Annual Meeting of Stockholders. The following tables identify the members of each committee as of March 1, 2024, as well as the number of meetings held in 2023:

Committee Functions

AUDIT COMMITTEE

Members:

Ramiro G. Peru (Chair)
Carla J. Bailo
Barton R. Brookman
Anita M. Powers

Meetings Held in 2023: 6

The Board has determined that each member of the Audit Committee is independent under the standards of independence established by SEC rules and regulations and the NYSE listing standards.

The Board has determined that all members of the Audit Committee are financially literate, and that Ms. Bailo and Mr. Peru are "audit committee financial experts" as defined by the SEC.

Roles and Responsibilities:

The Audit Committee assists our Board in fulfilling its responsibilities for oversight of our financial reporting and internal control processes.

Furthermore, the Audit Committee fulfills the following roles and responsibilities:

- sole responsibility for the engagement and discharge of our independent registered public accounting firm;
- reviews our quarterly and annual financial results;
- reviews the audit plan and the results of the audit with our independent auditors;
- reviews the independence of our auditors and approves the audit fees to be paid;
- assesses the scope and adequacy of our system of internal accounting controls; and
- reviews our financial risk management policies.

The Audit Committee also has oversight responsibility for our internal audit function, Financial Risk Management Committee, cybersecurity risk and business continuity functions, and any related party transactions.

Pursuant to the Audit Committee charter, members are prohibited from serving on more than three audit committees of public companies (one of which is ours), and no Audit Committee member currently serves on more than three such committees.

For more information see the "*Report of the Audit Committee*" contained in this Proxy Statement.

COMPENSATION COMMITTEE

Members:

Stephen R. Brand (Chair)
Anita M. Powers
Rose M. Robeson
William D. Sullivan

Meetings Held in 2023: 8

The Board has determined that each member of the Compensation Committee is independent under the standards of independence established by SEC rules and regulations and the NYSE listing standards.

Roles and Responsibilities:

The Compensation Committee's primary function is to establish and administer our compensation policies and oversee the administration of our employee benefit plans.

Furthermore, the Compensation Committee also approves and/or recommends to the Board:

- the compensation arrangements for our CEO, other members of senior management and our directors;
- compensation plans in which our officers and directors are eligible to participate; and
- the granting of equity-based compensation or other benefits under compensation plans.

The "*Compensation Discussion and Analysis*" section of this Proxy Statement describes these responsibilities and the manner in which they are discharged.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Members:

Carla J. Bailo (Chair)
Stephen R. Brand
Barton R. Brookman
Rose M. Robeson
William D. Sullivan

Meetings Held in 2023: 5

The Board has determined that each member of the Environmental, Social and Governance Committee is independent under the Standards of Independence established by SEC rules and regulations and the NYSE listing standards.

Roles and Responsibilities:

The ESG Committee's primary functions are to:

- recommend individuals to be elected to the Board;
- evaluate and plan for management succession;
- review the structure and composition of all committees of the Board;
- oversee all of the Company's corporate governance functions, including the Board and committee self-evaluation process; and
- oversee the development and recommendation of ESG policies, programs and initiatives to the Board, including objective criteria for assessing the same.

Director Nominees: In identifying and recommending potential director nominees to the Board, the ESG Committee considers such factors as character, judgment, diversity, age, expertise, industry experience, length of service, independence, and other board commitments. Our Board and the ESG Committee believes that maintaining a balanced and diverse membership contributes to stronger board dynamics and culture.

Succession Planning: The ESG Committee is committed to ensuring that an effective process is in place to provide continuity of executive leadership into the future and oversees succession planning for the Company's CEO and other executive officers.

ESG Oversight: The ESG Committee is charged with overseeing and assessing the effectiveness of the Company's ESG initiatives and overseeing and assessing relevant, potential risks, as well as monitoring, responding to, and making recommendations to the Board regarding ESG-related trends, emerging issues, and stockholder proposals.

Board and Committee Evaluations: Under the direction of the ESG Committee, our Board and each of its committees (other than the Executive Committee) annually evaluates its performance using a written questionnaire, which is subject to annual review for changes in best practices and relevance.

Executive Committee

The Executive Committee of our Board (the "Executive Committee") has the authority to act on behalf of our Board when our Board is unable to meet, and it may act with respect to limited matters as to which it has been authorized to act by the Board, provided that such matters are not in conflict with our Restated Certificate of Incorporation, our Amended and Restated By-Laws (our "By-Laws"), applicable laws, regulations or rules, or the listing standards of the NYSE. The Executive Committee did not meet in 2023.

There are no arrangements or understandings between any director and any other person pursuant to which a director was or is to be elected.

Risk Oversight

While our Board oversees our risk management processes, with particular focus on the most significant risks we face, management is responsible for day-to-day risk management. Additionally, the Board has delegated oversight of certain risks to its committees with relevant subject matter expertise, as described below. We believe this division of responsibilities is the most effective approach for evaluating and addressing the risks we face, and that our current Board leadership structure, with Mr. Quintana serving as the Chairman of our Board and Mr. Vogel serving as our CEO, supports this approach by facilitating communication between management and our Board. We also believe that this design places our Board in a better position to evaluate the performance of management, more efficiently facilitates communication of the views of the independent directors, and contributes to effective corporate governance.

We have an Enterprise Risk Management Committee (the "ERM Committee") comprised of our CEO, Executive Vice President and Chief Financial Officer, Executive Vice President and General Counsel, Vice President—Operations Support, Assistant Treasurer, Director - Cybersecurity, Risk and Business Continuity, and such other employees appointed from time to time by our CEO. The ERM Committee is governed by an Enterprise Risk Management Policy (the "ERM Policy") that documents the Company's overall risk management strategy. The ERM Committee meets regularly to discuss and, as necessary, update the Company's enterprise risk management processes and plan (the "ERM Plan"), utilizing the Committee of Sponsoring Organizations of the Treadway Commission's Enterprise Risk Management framework, and incorporating information gathered during our business strategy sessions and interviews with officers. The ERM Committee, which met five times in 2023, identifies and ranks material risks based upon the projected likelihood and impact of occurrence, and develops risk monitoring and mitigation strategies for each identified risk. The ERM Committee keeps minutes of its meetings and regularly reports its activities to the Board. The Company's Internal Audit Department reviews the ERM Plan annually and provides a written report to our Board addressing, among other matters, process consistency and effectiveness. Further, the ERM Committee annually reviews and discusses the ERM Plan, the ERM Policy, and top-ranked risks with our Board.

We have a Financial Risk Management Committee (the "FRM Committee") comprised of our CEO, Executive Vice President and Chief Financial Officer, Senior Vice President—Exploration, Development and EHS, and Vice President—Marketing, and such other employees appointed from time to time by our CEO. The FRM Committee meets quarterly, and more frequently as necessary, to discuss the Company's current exposures to financial risks, including interest rates and commodity prices, along with corresponding risk mitigation strategies. Among other matters, the FRM Committee monitors and implements the Company's hedging strategy and activities. The FRM Committee keeps minutes of its meetings and regularly reports its activities to the Audit Committee.

The Audit Committee provides significant assistance to our Board in the oversight of our financial risk management and internal control processes. The Audit Committee reviews and discusses with management our risk assessment and risk management guidelines and policies with respect to our significant financial risk exposures, and the steps management has taken to monitor, control, mitigate, and report those exposures. These reviews and discussions include review and approval of our commodity price hedging policy, interest rate risk management, and our insurance programs, as appropriate. In addition, our internal auditors, who report directly to the Audit Committee with respect to internal audit matters, provide the Audit Committee and management with ongoing assessments of our risk management processes and activities. The Audit Committee also has oversight responsibility for the integrity of our financial statements and financial reporting processes and systems of internal controls regarding finance, accounting, and compliance with legal and regulatory requirements.

The Audit Committee also receives a quarterly cybersecurity report and update from management, discusses any relevant issues related thereto, and generally oversees and contributes to our Board's understanding of information technology and cybersecurity risks, among others that may be relevant at any given time. Upon the recommendation of the Audit Committee, the Company has taken a multi-layered approach to cybersecurity, employing a number of processes and technologies to help safeguard our systems and people. We believe we have built a resilient cybersecurity culture, with a focus on continuous training, risk identification, and awareness with respect to security threats and social engineering. We use modern software tools to protect user authentication and maintain systems to help identify, alert, and respond to abnormal activities. We work with industry experts to partner on activities such as maturity assessments, penetration testing, and incident response plans, including tabletop exercises, to strengthen our ability to quickly assess and respond to potential and actual threats. We continuously monitor the evolving threat landscape and take proactive measures to enhance our cybersecurity program to address developing risks.

The Compensation Committee and its compensation consultants annually review our compensation programs to ensure that they do not encourage excessive risk-taking. The ESG Committee regularly reviews and oversees the Company's initiatives regarding ESG-related risks applicable to the Company and its stakeholders, including environmental, climate, health, safety, social and public policy matters. The Audit Committee, Compensation Committee, and ESG Committee report regularly to the Board on their respective risk management oversight activities.

Director Nominations and Qualifications

Our Corporate Governance Guidelines and the charter of the ESG Committee provide that the ESG Committee is responsible for identifying and recommending director nominees to our Board. The ESG Committee selects nominees based on a variety of factors, including the nominee's character, judgment, diversity, age, expertise, industry experience, length of service, independence, and other board commitments. As set forth in the director qualification standards included in our Corporate Governance Guidelines and reflected in the discussion below, it is our objective that our Board collectively possess broad and relevant experience in high-level business policymaking and a commitment to represent the long-term interests of our stockholders. These standards also provide that each director should have experience in positions of responsibility and leadership, an understanding of our business environment, and a reputation for integrity. In addition, our Corporate Governance Guidelines provide that a director who retires or experiences a significant change in his or her professional or business responsibilities, including a change in his or her principal occupation, position or business affiliation, should, if requested by the ESG Committee, be prepared to offer his or her resignation from our Board. Upon tender of a resignation, the ESG Committee and our Board may review the continued appropriateness of Board membership under the circumstances. In accordance with our Corporate Governance Guidelines, each director has signed and delivered to our Board a resignation letter that is contingent upon (a) his or her failure to receive, in accordance with our By-Laws, the affirmative vote of the holders of a majority of the shares of capital stock present in person or by proxy in an election of directors at the 2024 Annual Meeting of Stockholders; and (b) acceptance of his or her resignation by our Board in accordance with the policies and procedures adopted by our Board for such purpose.

Under the framework of our Corporate Governance Guidelines, the ESG Committee evaluates each potential nominee individually and in the context of our Board as a whole. The objective is to recommend individuals and a group that will effectively contribute to our long-term success and represent the interests of all of our stockholders and other stakeholders. In determining whether to recommend a director for reelection, the ESG Committee also considers the director's past attendance at meetings and participation in and contributions to Board and committee activities. When seeking new director candidates, the ESG Committee routinely engages consultants and considers suggestions from incumbent directors, management, and our stockholders. The ESG Committee screens all potential candidates in the same manner regardless of the source of the recommendation.

The ESG Committee believes that our Board should reflect diversity in its broadest sense and the charter of the ESG Committee provides that, in addition to the other factors discussed above, the ESG Committee shall consider diversity in identifying individuals qualified to become Board members. In considering diversity, the ESG Committee considers our Board as a whole, without reference to specific representative directors, with the overall objective of having a group of directors that includes diverse viewpoints, experience, and tenure that can work in a collaborative and effective manner, and that can best contribute to our long-term success. The ESG Committee believes that current Board members and director nominees reflect our commitment to diversity. Following the 2024 Annual Meeting, assuming all nine of the current nominees are elected to our Board, we will have two Hispanic directors, who have served since 2006 and 2014, respectively, and three female directors, who have served since 2014, 2018, and 2021, respectively.

In addition to the considerations discussed above, our Board understands that director tenure and refreshment are important to our stockholders and should be regularly evaluated in establishing an effective and well-functioning Board. In furtherance of this objective, our Corporate Governance Guidelines require the ESG Committee to discuss annually with any director who has reached the age of 72, his or her interest in continuing to serve as a director, and his or her contributions to our Board. With respect to each director who has reached the age of 72, following such discussion, the ESG Committee shall make a recommendation to our Board as to whether it is appropriate for such director to stand for reelection. Our Board determines annually, by a majority-plus-one vote, whether to nominate such person for reelection. Further, our Corporate Governance Guidelines provide that each independent director must retire in conjunction with the annual meeting of stockholders following his or her 75th birthday, unless our Board unanimously waives this requirement based on a determination that it is in the best interests of our stockholders for such person to be nominated for reelection.

In light of increased demands on public company directors and the desire for new and diverse independent director candidates in order to regularly refresh the Board as a whole, the ESG Committee understands the importance of a comprehensive director onboarding process. Under the direction of our General Counsel, with the oversight of, and in consultation with, the Chair of the ESG Committee, new directors receive wide-ranging exposure to the various aspects of our business and Company, as well as a detailed overview of the Company's policies and governance practices. New director onboarding is tailored to the specific qualifications and experience of the applicable director in order to allow him or her to meaningfully contribute to the work of our Board from the beginning of such director's term.

The ESG Committee will consider stockholder recommendations for candidates for our Board. All stockholder recommendations must comply with the notice requirements contained in Section 4 of our By-Laws. We will furnish a copy of our By-Laws, without charge, to any person who requests a copy of same. Requests for copies should be directed to our Corporate Secretary. For additional information about stockholder nominations, including nominations for the 2024 Annual Meeting of Stockholders, see "*Stockholder Proposals for the 2024 Annual Meeting of Stockholders.*" No stockholder director nominations were received in connection with the 2024 Annual Meeting.

Welcoming our New Director

In 2024, we welcomed Mr. Bart Brookman to our Board. Mr. Brookman is the former President and Chief Executive Officer of PDC Energy, and we believe his experience as a seasoned executive in the upstream sector of the energy industry will add valuable insights to our Board for the benefit of our stockholders.

Communications with Our Board

Our Board welcomes questions or comments about our Company. Interested parties may contact our Board as a whole, only the non-management directors, or any one or more specified individual directors, by sending a letter to the intended recipients' attention in care of SM Energy Company, Attn: Corporate Secretary, 1700 Lincoln St., Suite 3200, Denver, CO 80203. All stockholder and other stakeholder communications will be provided to the named addressee or, if none named, to the Chair of the ESG Committee, who will facilitate the review of such communications. For additional information, see "*Corporate Responsibility, Stakeholder Engagement and our Commitment to Sustainability*" below.

PROPOSAL 1—ELECTION OF DIRECTORS

Our Board of Directors is unclassified, and directors serve one-year terms until the next annual meeting of stockholders and until their respective successors are elected and qualified, or until their earlier resignation or removal. Based on the recommendations of the ESG Committee, our Board has nominated the following individuals for election as directors at the Annual Meeting:

Carla J. Bailo	**Stephen R. Brand**
Barton R. Brookman(1)	**Ramiro G. Peru**
Anita M. Powers	**Julio M. Quintana**
Rose M. Robeson	**William D. Sullivan**
Herbert S. Vogel	

(1) Mr. Brookman is not pictured.

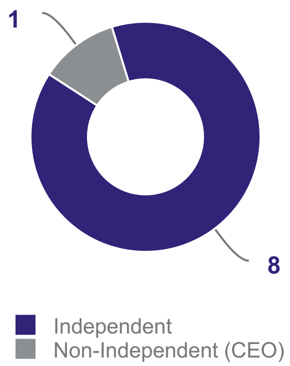
Each nominee is currently a director and all nominees, with the exception of Mr. Brookman, who was appointed to our Board in February 2024, were previously elected to our Board by our stockholders. Each nominee has consented to being named as a nominee in this Proxy Statement and has indicated a willingness to serve if elected. Although our Board does not contemplate that any of the nominees will be unable to serve, if a nominee becomes unable to serve prior to the Annual Meeting, the proxy holders will vote for the election of such other person(s) as may be nominated by our Board.

☑ **Our Board recommends voting "FOR" the election of each nominee listed above.**

Director Nominee Core Competencies and Composition Highlights

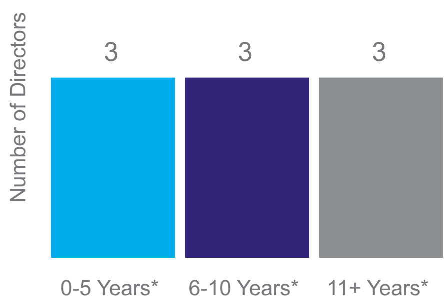
DIRECTOR INDEPENDENCE

Eight of nine director nominees are independent.



DIRECTOR TENURE

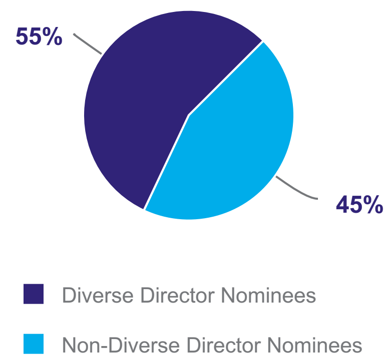
Our director nominees provide an effective balance of fresh perspectives and experience.



* As of December 31, 2023 (with the exception of Mr. Brookman, who joined the Board on February 16, 2024); a full year of credit is given for the year in which the respective directors are appointed.

DIRECTOR DIVERSITY

Our Board is committed to maintaining an appropriately diverse and broadly inclusive membership, with five of nine director nominees gender or ethnically diverse.



Including three female and two Hispanic nominees.

As discussed above, the ESG Committee utilizes the framework of our Corporate Governance Guidelines to select nominees based on their skills, achievements, and experience. The overall objective is to identify a group of directors who can best collectively contribute to our long-term success. All nominees discussed below are seasoned leaders who bring to our Board a vast array of oil and gas industry, public and private company, and other business experience, all at the senior executive officer level, and who meet the director qualification standards set forth in our Corporate Governance Guidelines. In addition, the nominees, whose experiences cover various aspects of the energy and related industries, represent diverse backgrounds, skill sets, and viewpoints, with a blend of historical and newer perspectives on our Company, and have a demonstrated ability to work collaboratively with open and candid discussion.

Set forth below for each director nominee is a summary of such director’s specific qualifications, experiences, attributes, and skills.

	BAILO	BRAND	BROOKMAN	PERU	POWERS	QUINTANA	ROBESON	SULLIVAN	VOGEL
QUALIFICATIONS									
Senior Executive Leadership	•	•	•	•	•	•	•	•	•
Public Company CEO or Board Chair (current or former)			•			•	•	•	•
Other Public Board Member (current or former)	•		•	•	•	•	•	•	
E&P Industry Executive Experience		•	•		•	•		•	•
Operations Management			•			•		•	•
Geology and Exploration		•	•		•			•	•
Finance, Capital Management and Accounting	•		•	•	•		•		•
Strategic Planning and Project Management		•	•		•			•	•
Enterprise Risk Management and Hedging	•		•	•		•	•	•	•
Cybersecurity	•			•	•		•		•
Data Analytics and Technology		•			•				•
Sustainability and EHS	•		•			•			•
Corporate Governance	•		•	•		•	•	•	•
Executive Compensation and Human Resources	•	•	•	•	•	•	•	•	•
DEMOGRAPHICS									
Age	63	74	60	68	68	64	63	67	63
Tenure[1]	6	13	0	10	3	18	10	20	4
Gender/Ethnic Diversity	•			•	•	•	•		
Independence	•	•	•	•	•	•	•	•	

(1) As of December 31, 2023

We believe that each of our director nominees possesses knowledge and experience applicable to the topics set forth above. The marks above are intended to designate areas in which each director nominee has particularly prominent qualifications, characteristics, skills, or experience that they bring to the Board, and the lack of a mark is not intended to suggest such nominee is devoid of experience in such area.

The skills and experiences set forth above, combined with the biographical and other information set forth below regarding each nominee’s principal occupation, business experience and public company directorships, led the ESG Committee and our Board to conclude that these individuals should continue to serve as our directors at this time in light of our business, structure, long-term strategy, and the overall energy industry environment. There are no family relationships between any of our directors and any executive officer.

Carla J. Bailo

Director since 2018

Member, Audit and ESG (Chair) Committees

Number of other public company boards: Two

Age: 63

Business Experience

- President and Chief Executive Officer (2014 – present), ECOS Consulting LLC, an energy efficiency solutions provider
- Chief Executive Officer, Center for Automotive Research (2017 – 2022), a non-profit think tank that provides leading edge research to promote the sustainability of the automotive and mobility industry
- Assistant Vice President of Mobility Research and Business Development (2015 – 2017), a division of the Ohio State University, College of Engineering
- Senior Vice President, R&D Americas (2011 – 2014), Nissan North America, Inc.
- Held a variety of technical and managerial positions with Nissan Motor Company Limited (1988 – 2011), a global automobile manufacturer
- Started her career in 1978 at General Motors Company, a global automobile manufacturer, and held positions of increasing responsibility, ultimately serving as Engineer, Vehicle Test, General Motors Truck & Bus until 1988

Key Attributes, Experience and Skills

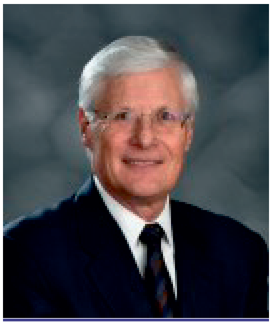
- **Senior Executive Leadership Experience** gained over her 35 years in the automotive industry while serving in senior roles at Nissan and leading the Center for Automotive Research and ECOS Consulting, which allows her to bring to our Board a diverse technical and executive leadership background, including a unique perspective on the future of transportation fuels
- **Finance, Capital Management and Accounting Expertise**
- **Human Resources Management Experience and Expertise**
- **Corporate Governance Experience** gained from her service on other public company boards including Advance Auto Parts and Eve Mobility Acquisition Corp.
- **Enterprise Risk Management and Hedging Experience**
- **Cybersecurity, Data Analytics and Technology Experience**

Education

- BS, Mechanical Engineering, Kettering University
- MS, Mechanical Engineering, University of Michigan

Other Public Company Boards

- Advance Auto Parts (NYSE: AAP) (2020 – present), a leading automotive aftermarket parts provider
- Vesuvius plc (LSE: VSVS) (2023 - present), a global leader in metal flow engineering
- EVe Mobility Acquisition Corp. (NYSE: EVE) (2021 – 2024), a blank check company targeting the acquisition of a business operating in the automotive and mobility industry



Stephen Brand

Director since 2011

Member, Compensation (Chair) and ESG Committees

Number of other public company boards: None

Age: 74

Business Experience

- Advisory Board, OmniEarth (2014 - 2018), which provides advanced analytics of earth imaging and offers a unique solution as a service platform to assess and manage data that can be used in a predictive role
- Director, GeoScale (2014 - 2017), a privately held firm that provides advanced technology solutions and services to the E&P sector for solving subsurface problems in complex geologic formations
- Senior Executive Advisor, Welltec A/S (2011 - 2016), a privately held Danish corporation that develops and provides well technology and related services for the oil and gas industry
- Senior Vice President, Technology (R&D) (2007 - 2010), Vice President, Exploration and Business Development (2005 - 2007) ConocoPhillips (NYSE: COP), a multinational/integrated energy company
- Started his career in 1976 as a geologist with Phillips Petroleum Company and thereafter served in various roles of increasing responsibility with Phillps Petroleum and its successor, ConocoPhillips, including serving as President, Canada and President, Australasia

Key Attributes, Experience and Skills

- **Exploration and Production Industry Experience, Business Development Expertise, Strategic Planning and Project Management Experience**, and **Geology & Exploration Expertise** gained during his more than 45 years in the energy industry, including extensive experience in the development of exploration and development programs, project management, and in strategic planning and research programs for upstream, downstream, and "new" stream technologies
- **Human Resources Management Expertise and Experience**
- **Cybersecurity, Data Analytics and Technology**

Education

- BA, Geology, University of Minnesota, Duluth
- MS, Geology, Purdue University
- PhD, Geology/Earth Sciences, Purdue University

Other Public Company Boards

- None

Barton R. Brookman

Director since February 2024

Member, Audit and ESG Committees

Number of other public company boards: None

Age: 61

Business Experience

- President and Chief Executive Officer of PDC Energy, Inc. (2015 - 2023), an independent exploration and production company acquired by Chevron Corporation in 2023
- Joined PDC Energy, Inc. in 2005 as Senior Vice President - Exploration and Production and served in various roles of increasing responsibility, including President and Chief Operating Officer (2014) and Executive Vice President and Chief Operating Officer (2013)
- Started his career in 1984 with Ladd Petroleum; joined Patina Oil and Gas (predecessor to Snyder Oil) as a Petroleum Engineer in 1988 and served in various roles of increasing responsibility ending his service as Vice President of Operations in 2005

Key Attributes, Experience and Skills

- **Senior Executive Leadership Experience, Enterprise Risk Management and Hedging Experience, Exploration and Production Industry Experience** and **Operations Management Expertise** gained during his more than 40 years in the energy industry holding roles in various aspects of oil and gas exploration and production, including President and Chief Executive Officer of PDC Energy, where he developed strong experience in upstream operations and a deep understanding of drilling and asset management technologies
- **Corporate Governance Experience** obtained during his service as President and CEO of PDC Energy
- **Finance and Capital Management Expertise**

Education

- BS, Petroleum Engineering, Colorado School of Mines
- MS, Finance, University of Colorado

Other Public Company Boards

- None

Ramiro G. Peru

Director since 2014

Member, Audit (Chair) and Executive Committees

Number of other public company boards: One

Age: 68

Business Experience

- Spent nearly 28 years at Phelps Dodge Corporation, a North America mining company, where he held various finance and accounting positions of increasing responsibility, including Executive Vice President and Chief Financial Officer (2004 - 2007) and Senior Vice President and Chief Financial Officer (1999 - 2004)

Key Attributes, Experience and Skills

- **Senior Executive Leadership Experience, Enterprise Risk Management and Hedging Experience**, and **Finance, Capital Management and Accounting Expertise** acquired while serving in senior leadership positions with responsibility for the oversight of all financial operations including during his almost decade as CFO at Phelps Dodge and his public company audit committee experience
- **Corporate Governance Experience** obtained through his board service with Elevance Health and UNS Energy Corporation
- **Cybersecurity, Data Analytics and Technology**

Education

- BS, University of Arizona

Other Public Company Boards

- Elevance Health Inc., fka Anthem, Inc. (NYSE: ELV) (2004 – present), a provider of health plans and other healthcare related solutions

Anita M. Powers

Director since 2021

Member, Audit and Compensation Committees

Number of other public company boards: One

Age: 68

Business Experience

- Spent more than 35 years at Occidental Petroleum Corporation (NYSE: OXY), an international energy company now operating under the name Oxy, serving in various exploration and geological roles across the globe with increasing responsibility and most recently served as Executive Vice President of Worldwide Exploration of Occidental Oil and Gas Corporation and Vice President of Occidental Petroleum (2007 – 2016)

Key Attributes, Experience and Skills

- **Exploration and Production Industry Experience, Strategic Planning and Project Management Expertise** and **Geology & Exploration Expertise** gained during her more than 42 years in various aspects of the oil and gas exploration and production industry, which resulted in the development of strong experience in the Permian Basin and a deep understanding of geology and project management
- **Finance, Capital Management and Accounting Expertise**
- **Cybersecurity, Data Analytics and Technology**

Education

- BS, Geology, Texas A&M University

Other Public Company Boards

- EQT Corporation (NYSE: EQT) (2018 – present), a leading independent natural gas producer
- California Resources Corporation (NYSE: CRC) (2017 – 2020), a leading producer of oil and natural gas focused exclusively on California

Julio M. Quintana

Director since 2006

Chairman of the Board; Member, Executive Committee

Number of other public company boards: Two

Age: 64

Business Experience

- President and Chief Executive Officer (2005 – 2015), Executive Vice President and Chief Operating Officer (2004 – 2005), Tesco Corporation (NASDAQ: TESO), an oilfield services company
- Held various executive roles, including Vice President Integrated Project Management and Vice President of Marketing for the Americas Schlumberger Corporation (1999 – 2004), global technology company driving energy innovation now operating as SLB
- Spent nearly 20 years in various operational and managerial roles at Unocal Corporation, an integrated E&P company

Key Attributes, Experience and Skills

- **Senior Executive Leadership Experience, Enterprise Risk Management and Hedging Experience, Exploration and Production Industry Experience** and **Operations Management Expertise** gained during his more than 41 years holding roles in various aspects of the oil and gas exploration and production industry, including President and Chief Executive Officer and Executive Vice President and Chief Operating Officer of Tesco Corporation and Vice President of Integrated Project Management of Schlumberger, where he developed strong experience in upstream operations and a deep understanding of drilling and asset management technologies
- **Executive Compensation and Human Resources Management Expertise and Experience** acquired during his participation in compensation, benefits and related decisions in senior executive, public company roles
- **Corporate Governance Experience** obtained during his service on other public company boards
- **Cybersecurity, Data Analytics and Technology**

Education

- BS, Mechanical Engineering, The University of Southern California

Other Public Company Boards

- Newmont Mining Company (NYSE: NEM) (2015 – present), the world's leading gold company and a producer of copper, silver, zinc and lead
- California Resources Corporation (NYSE: CRC) (2020 – present), a leading producer of oil and natural gas focused exclusively on California
- Basic Energy Services (NYSE: BAS) (2016 – 2021), provider of well site services to oil and gas companies

Rose M. Robeson

Director since 2014

Member, Compensation and ESG Committees

Number of other public company boards: Two

Age: 63

Business Experience

- Senior Vice President and Chief Financial Officer (2012 – 2014), DCP Midstream GP LLC, the general partner of DCP Midstream, LP (formerly DCP Midstream Partners, LP), a Fortune 500 midstream natural gas company
- Group Vice President and Chief Financial Officer (2002 – 2012), Vice President and Treasurer (2000 – 2002), DCP Midstream LLC
- Vice President & Treasurer (1996 – 2000), Kinder Morgan, Inc. (formerly KN Energy, Inc.), one of the largest energy infrastructure companies in North America

Key Attributes, Experience and Skills

- **Exploration and Production Industry Experience** gained during her more than 35 years in various aspects of the oil and gas industry, including exploration and production, midstream, refining, and marketing
- **Senior Executive Leadership Experience, Enterprise Risk Management and Hedging Experience**, and **Finance, Capital Management and Accounting Expertise** acquired while serving in senior leadership positions with responsibility for the oversight of all financial operations including her more than a decade as CFO at DCP Midstream
- **Corporate Governance Experience** obtained through her service on other public company boards
- **Cybersecurity, Data Analytics and Technology**

Education

- BS, Accounting, Northwest Missouri State University

Other Public Company Boards

- Newpark Resources, Inc. (NYSE:NR) (2018 – present), a leading provider of sustainable technologies and services across the energy industry
- The Williams Companies, Inc. (NYSE: WMB) (2020 – present), an owner and operator of energy infrastructure delivering natural gas
- Antero Midstream Corporation (NYSE: AM) (2019 – 2022), an Appalachian Basin midstream company
- AMGP GP LLC, the general partner of Antero Midstream GP, LP (NYSE: AMGP) (2017 - 2019)

William D. Sullivan

Director since 2004

Member, Compensation and Environmental, Social and Governance Committee

Number of other public company boards: None

Age: 67

Business Experience

- Spent more than 20 years holding positions of increasing responsibility including Executive Vice President, Exploration and Production (2001 – 2003), Vice President, Operations—International, Gulf of Mexico, and Alaska (2001), Vice President—International Operations (1998 – 2000), Vice President—Algeria (1995 – 1998), Vice President—U.S. Onshore Operations (1993 – 1995) at Anadarko Petroleum Corporation, a large independent oil and natural gas exploration and production company

Key Attributes, Experience and Skills

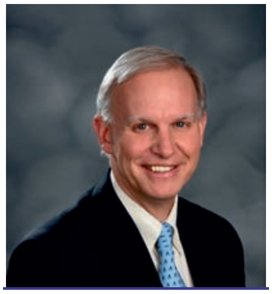
- **Exploration and Production Industry Experience, Enterprise Risk Management and Hedging Experience**, and **Geology & Exploration Expertise** gained over his 42 years of strong and broad experience in the oil and gas industry, with particular expertise in the exploration and production sector of the industry, where he served as a senior executive, which enables him to contribute significant independent insights on our business and operations, and the economic environment and long-term strategic issues that we face
- **Corporate Governance Experience** obtained while serving on the boards of other companies

Education

- BS, Mechanical Engineering, Texas A&M University

Other Public Company Boards

- Tetra Technologies, Inc. (NYSE: TTI) (2007 – 2022) Chairman (2015 – 2022), a solutions provider to the upstream energy industry for completion fluids and water management,
- CSI Compressco Partners GP, Inc., the general partner of CSI Compressco, L.P. (NASDAQ: CCLP) (2011 - 2021), a publicly traded limited partnership providing wellhead compression-based production enhancement services. CSI Compressco GP, Inc. was a minority-owned subsidiary of Tetra Technologies, Inc. until January 2021.
- Legacy Reserves GP, LLC, which is the general partner of Legacy Reserves LP (NASDAQ: LGCY) (2006 – 2018), a limited partnership focused on the acquisition and development of producing oil and natural gas properties



Herbert S. Vogel

Director since 2020

Member, Executive Committee

Number of other public company boards: None

Age: 63

Business Experience

- Chief Executive Officer (November 2020 – present), President (July 2020 – present), Chief Operating Officer (2019 – November 2020), Executive Vice President (2019 – July 2020), Executive Vice President—Operations (2014 – 2019), Senior Vice President—Portfolio Development and Technical Services (2012 – 2014), SM Energy
- Worked for 28 years at BP and ARCO, integrated energy businesses, where he held positions including most recently President of BP Energy Co. and Regional Business Unit Leader of North American Gas & Power (2010 – 2012), COO-NGL, Power & Financial Products (2009 – 2010), Managing Director Gas Europe & Africa, and Sr. VP of the Tangguh LNG Project. Started his career as a reservoir engineer with ARCO Alaska, Inc., and progressed through a series of positions of increasing responsibility in engineering, operations management, new ventures development, and business unit management at ARCO and then BP, when it acquired ARCO in 2000.

Key Attributes, Experience and Skills

- **Senior Executive Leadership Experience, Operations Management Expertise** and **Enterprise Risk Management and Hedging Experience** acquired while serving as CEO and COO at the Company and in senior leadership roles at BP including LNG and gas marketing and trading in London, Madrid, and Houston, and E&P in Indonesia and at ARCO in Indonesia, the Permian Basin and Alaska; all of which are critical to our success as we execute our business plan following our strategic transformation to a Company operating top tier assets
- **Exploration and Production Industry Experience** and **Geology & Exploration Expertise** gained during his more than 39 years in the oil and gas industry
- **Cybersecurity, Data Analytics and Technology** gained during his more than 39 years in the oil and gas industry

Education

- BS, Mechanical Engineering, University of Colorado Boulder
- MSE, Mechanical Engineering, The University of Texas at Austin

Other Public Company Boards

- None

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table sets forth the names, ages (as of April 1, 2024) and positions of SM Energy's executive officers:

Name	Age	Position
Herbert S. Vogel	63	President, Chief Executive Officer and Director
A. Wade Pursell	59	Executive Vice President and Chief Financial Officer
James B. Lebeck	43	Executive Vice President and General Counsel
Kenneth J. Knott	59	Senior Vice President—Business Development and Land
Mary Ellen Lutey	52	Senior Vice President—Exploration, Development and EHS
Patrick A. Lytle	43	Vice President—Chief Accounting Officer and Controller
Julie T. Gray	61	Vice President—Marketing

Herbert S. Vogel. Mr. Vogel was appointed President and Chief Executive Officer of the Company in November 2020. Mr. Vogel previously served as the President and Chief Operating Officer of the Company since July 2020, as Executive Vice President and Chief Operating Officer of the Company since May 2019, and Executive Vice President—Operations of the Company since August 2014. Mr. Vogel joined the Company in March 2012 as Senior Vice President—Portfolio Development and Technical Services, and has over 39 years of experience in the oil and gas industry. He joined the Company after his retirement from BP, where he most recently served as the President of BP Energy Co. and Regional Business Unit Leader of North American Gas & Power. His previous roles included COO-NGL, Power & Financial Products in Houston, Managing Director Gas Europe & Africa in London, and Sr. VP of the Tangguh LNG Project in Indonesia. Mr. Vogel started his career as a reservoir engineer with ARCO Alaska, Inc., and progressed through a series of positions of increasing responsibility in engineering, operations management, new ventures development, and business unit management at ARCO and BP.

A. Wade Pursell. Mr. Pursell joined the Company in September 2008 as Executive Vice President and Chief Financial Officer. Mr. Pursell was Executive Vice President and Chief Financial Officer for Helix Energy Solutions Group, Inc., a global provider of life-of-field services and development solutions to offshore energy producers and an oil and gas producer, from February 2007 to September 2008. From October 2000 to February 2007, he was Senior Vice President and Chief Financial Officer of Helix. He joined Helix in May 1997, as Vice President—Finance and Chief Accounting Officer. From 1988 through May 1997, Mr. Pursell was with Arthur Andersen LLP, serving lastly as an Experienced Manager specializing in the offshore services industry. Mr. Pursell has over 36 years of experience in the energy industry.

James B. Lebeck. Mr. Lebeck was appointed Executive Vice President and General Counsel in January 2024. He rejoined the Company as Senior Vice President and General Counsel in January 2023. Mr. Lebeck has more than 16 years of experience in the energy industry. Prior to rejoining the Company, Mr. Lebeck was Vice President and Chief Legal Officer of Encino Energy from 2018 to 2023. From 2011 until 2018, Mr. Lebeck served in roles of increasing responsibility at the Company, ultimately serving as Deputy General Counsel. Prior to 2011, he practiced law at Davis Graham & Stubbs LLP in Denver and Vinson & Elkins LLP in Houston and clerked for the U.S. Court of Appeals for the Tenth Circuit in Denver.

Kenneth J. Knott. Mr. Knott was appointed Senior Vice President—Business Development and Land in August 2014. He was appointed Vice President Land and Assistant Secretary in October 2012 and was appointed Vice President of Business Development & Land and Assistant Secretary in August 2008. Mr. Knott joined the Company in November 2000 as Senior Landman for the Gulf Coast region in Lafayette, Louisiana, and later assumed the position of Gulf Coast Regional Land Manager when the office was moved to Houston in March 2004.

Mary Ellen Lutey. Ms. Lutey was appointed Senior Vice President—Exploration, Development and EHS in November 2020. Ms. Lutey has held various positions of increasing responsibility since first joining the Company in 2008. Most recently, she served as Senior Vice President—Development and EHS starting in December 2019. Prior to that, starting in May 2015, she was appointed Senior Vice President and Regional Manager for the South Texas and Gulf Coast business unit responsible for engineering, geoscience, operations, resource development and EHS. From December 2012 to May 2015, she served as Vice President and Regional Manager for the Company's Mid-Continent business unit. She joined SM Energy in June 2008 as North Rockies Asset Manager. In May 2023, Ms. Lutey joined the Board of Directors of NuVista Energy Ltd. (TSX: NVA), a Canadian exploration and production company focusing on operations in the Western Canadian Sedimentary Basin. Ms. Lutey has over 31 years of technical, operating and leadership experience in the energy industry. Before joining SM Energy, Ms. Lutey worked for Chesapeake Energy and ConocoPhillips and its predecessor companies. From 1994 to 2006, she worked for Burlington Resources in numerous technical and leadership positions with responsibility in engineering, geoscience, business development, strategic planning, and resource development in the United States and Canada.

Patrick A. Lytle. Mr. Lytle was appointed Vice President—Chief Accounting Officer and Controller in April 2021. Since November 2018, he served as the Company's Controller and Principal Accounting Officer. Mr. Lytle has held roles of increasing responsibility since first joining the Company in 2007, including Senior Director, Financial Planning and Analysis and Assistant Secretary of the Company. Prior to that, he was the Director of Financial Planning and Financial Reporting. Prior to joining the Company, Mr. Lytle was an Audit Manager with Hiratsuka & Schmitt, LLP. Mr. Lytle is a certified public accountant in the State of Colorado.

Julie T. Gray. Ms. Gray was appointed Vice President—Marketing in July 2023, having previously served as Director – Marketing since 2016. Ms. Gray joined the company in 2003 as Marketing Manager. Ms. Gray has over 30 years of commodities marketing experience in the oil and gas industry. Prior to joining SM Energy, Ms. Gray worked for Southern Union Gas Company since 1990, serving in the roles of Vice President of its marketing subsidiary, Mercado Gas Services, and Manager of Gas Supply. Prior to that, Ms. Gray was employed by Access Energy Corporation as a Marketing Representative. Ms. Gray began her career as a Gas Contract Analyst with Samson Resources Company.

No familial relationships exist between any executive officer and any director, any other executive officer, or any person nominated to become such, except that Ms. Lutey's husband is the Company's Vice President—Chief Information Officer. Further details regarding the compensation paid to Ms. Lutey's husband are described under "*Certain Relationships and Related Transactions*." No executive officer has been involved in any legal proceeding that occurred within the last ten years and that is material to an evaluation of their ability or integrity as an executive officer.

COMPENSATION DISCUSSION AND ANALYSIS

This compensation discussion and analysis ("CD&A") describes the key objectives, elements and rationale for each component of the executive compensation program for our Chief Executive Officer, our Chief Financial Officer and each of our three other most highly compensated executive officers employed at the end of the 2023 fiscal year, whom we collectively refer to in this CD&A as our "NEOs" or "Named Executive Officers."

2023 Named Executive Officers	
Herbert S. Vogel	President, Chief Executive Officer and Director
A. Wade Pursell	Executive Vice President and Chief Financial Officer
James B. Lebeck	Executive Vice President and General Counsel
Kenneth J. Knott	Senior Vice President—Business Development and Land
Mary Ellen Lutey	Senior Vice President—Exploration, Development and EHS

This CD&A is divided into the following sections:

Section 1 — Preliminary Note About This Year's Summary Compensation Table
Section 2 — Aligning Strategy with Stockholder Value Creation: Our Compensation Philosophy and Objectives
Section 3 — 2023 Business Highlights and Continuation of our Capital Return Program
Section 4 — Competitive Positioning: Selection and Purpose of Our Comparative Peer Group
Section 5 — Primary Elements of 2023 Compensation and Executive Compensation Results
Section 6 — Compensation Determination Process
Section 7 — Other Compensation Matters

SECTION 1—Preliminary Note About This Year's Summary Compensation Table

- **Changes to our LTIP Design in 2020 and 2021**. During 2020 and 2021, in response to the global COVID-19 pandemic (the "Pandemic") and its impact on our Company, our industry, and the broader macroeconomic environment, the Compensation Committee modified the design of our Long-Term Incentive Plan ("LTIP") by suspending the issuance of PSUs and replacing them with performance-based cash awards.
    - The Compensation Committee made this change in order to avoid the potential for significant dilution at a time when stock prices, particularly in our industry, were severely depressed. Our Compensation Committee believed that our stock price would rebound as global health systems adjusted to the challenges presented by the Pandemic and markets stabilized—which turned out to be the case.
    - By replacing PSUs with performance-based cash awards, the Compensation Committee acted in the best interests of our stockholders to avoid the significant dilution, transfer of value, and depletion of our existing equity pool, which would have occurred if PSUs had been awarded at that time. Additionally, the Compensation Committee granted 2020 LTIP awards at 50 percent of target value, and delayed the grant of awards until December of 2020 when our stock price had begun to rebound.
- **The Impact of Such Changes on This Year's Summary Compensation Table**. Although the grant of performance-based cash awards was disclosed in detail in our 2021 Proxy Statement (including in the "Grant of Plan-Based Awards" table), such awards were not presented in the corresponding Summary Compensation Table.
    - This is because, pursuant to Item 402(c)(2)(vii) of Regulation S-K, non-equity incentive awards are to be presented in the Summary Compensation Table for the year in which the underlying performance metrics are satisfied and earned, which occurred in 2023, rather than the year in which the award is made. Accordingly, the Summary Compensation Table set forth in this Proxy Statement shows, in accordance with SEC rules, both the grant date fair value of our NEO's 2023 LTIP awards (inclusive of

RSUs and PSUs, which we discuss in more detail below), as well as the settlement of the 2020 performance-based cash awards that were granted in lieu of PSUs in 2020, at 50 percent of target value.

◦ While at first glance the Summary Compensation Table may appear to reflect a large increase in 2023 total compensation for our NEOs who received performance-based cash awards in 2020, this is not the case. Rather, it more accurately reflects (i) the value of the earned 2020 performance-based cash awards (granted at 50 percent of target value) that were not, pursuant to SEC rules, disclosed in the Summary Compensation Table in the 2021 Proxy Statement; and (ii) the value of the 2023 LTIP awards (inclusive of PSUs), for which the grant date value is also disclosed, as required by SEC rules.

We believe it is important to clarify this potential for misconception and welcome any questions our stockholders may have about the Summary Compensation Table or the 2024 Proxy Statement more generally.

SECTION 2—Aligning Strategy with Stockholder Value Creation: Our Compensation Philosophy and Objectives

Executive Compensation Objectives

We designed our executive compensation program to incentivize creating long-term value by linking pay to a balanced mix of financial, operational, and ESG-based metrics over time. Our Compensation Committee regularly evaluates and, as appropriate, modifies our program to align executive pay with Company performance and our stockholders' experience throughout industry cycles. The objectives of our executive compensation program include:

- linking compensation to achieving our short-term and long-term financial and operational objectives, and returns to our stockholders;
- utilizing ESG-focused metrics to prioritize sustainable and responsible deployment of capital for the long-term benefit of all stakeholders and maintain standards consistent with evolving best practices;
- aligning performance incentives with the long-term interests of our stockholders and ensuring that our executives remain focused on Company performance over longer periods;
- providing competitive total compensation opportunities that allow us to attract, retain, compensate, and motivate talented leaders; and
- discouraging excessive or imprudent risk-taking.

Stockholder-Focused Program Principles

The Compensation Committee strives to design our compensation programs to align executive compensation with our stockholders' experience, including use of the following practices:

- rigorous goal setting, measurement, review and accountability;
- alignment of short-term and long-term incentive plan performance metrics with stockholder expectations;
- incorporation of TSR and adjusted free cash flow generation into our incentive programs in order to align with our stockholders' priorities;
- incorporation of quantitative ESG-based metrics into our incentive programs to reinforce sustainability across time horizons and industry cycles; and
- heavily weighting total target compensation toward variable and performance-based program designs.

Compensation Best Practices and Corporate Governance Highlights

Our leadership and culture encourage long-term stockholder value creation through the implementation of best practices in compensation and corporate governance matters. We align certain areas of our employee compensation structure with that of our executives to maintain internal equity and ensure consistent pay practices across the Company. We evaluate performance using both quantitative and qualitative factors and review not only "what" is achieved, but also "how" it is achieved. Our stockholder engagement efforts serve an important role in conducting this evaluation and ensuring that our executive compensation and ESG practices meet or exceed the expectations of our Board and our stockholders. Some best practices of our executive compensation program are set forth in the table below:

WHAT WE DO:

- ✓ **Pay-for-Performance:** A significant majority of our executive pay is variable and linked to meeting our short-term and long-term financial, operational, and ESG-based goals, aligning incentives with long-term stockholder value creation.
- ✓ **Proper Incentives:** Our STIP includes mechanisms to modify payout based on TSR and adjusted free cash flow performance to align incentives with our stockholders' priorities.
- ✓ **Performance-Weighted Compensation:** A significant portion of executive compensation is in the form of performance-based awards, with 60 percent of our CEO's 2023 target LTIP value delivered in performance-based awards.
- ✓ **Compensation Risk Assessment:** The Compensation Committee annually reviews an analysis of our incentive compensation plans prepared by its independent compensation consultant to ensure our plans are designed appropriately and do not encourage excessive risk taking, while considering market changes and peer group comparisons.
- ✓ **Target the Median:** We generally target pay opportunities for our executives at the market median.
- ✓ **Caps on Incentive Awards:** Performance-based equity awards are capped at target payout if absolute TSR is negative for the performance period. Beginning in 2020, the annual cash bonus for executives with the title of Senior Vice President and above is also subject to a downward adjustment if absolute TSR is negative by 10 percent or more.
- ✓ **Clawback Policy:** In 2023, we adopted a clawback policy applicable to our executive officers that requires the repayment of certain incentive-based compensation following an accounting restatement resulting from material noncompliance with financial reporting requirements, and that otherwise conforms to recently enacted SEC rules and NYSE listing standards.
- ✓ **Equity Ownership Requirements:** We require executive officers and directors to maintain meaningful ownership of our stock to ensure their interests are appropriately aligned with the long-term financial interests of our stockholders.
- ✓ **ESG-Based Incentives**: Quantitative and qualitative ESG metrics, including measures related to safety performance and training, spill performance, and greenhouse gas emissions (gross and methane intensity) comprise substantial weightings in our incentive plans.
- ✓ **Independent Compensation Consultant**: The Compensation Committee retains an independent compensation consultant.

WHAT WE DO NOT DO:

- × **No Tax Gross-ups:** We do not provide golden parachute excise tax payments or other tax gross-ups.
- × **Limited Severance:** We typically do not provide severance benefits in the event of termination without cause, unless it is related to a change of control.
- × **No Single-Trigger Change of Control Severance:** We do not provide "single-trigger" cash severance or equity vesting acceleration upon a change of control.
- × **No Dividends on Unvested Equity:** We do not pay dividends on unvested restricted stock units or performance share units.
- × **No Guaranteed Base Salary Increases:** Base salary levels are reviewed annually and periodically adjusted based on market conditions, competitiveness, and internal considerations.
- × **Prohibited Transactions:** We do not permit officers, employees, or directors to enter into transactions that hedge the value of our securities owned by them, hold our securities in margin accounts, pledge our securities to secure indebtedness, or buy or sell options or derivatives with respect to our securities.
- × **No Excess Perquisites:** Executive perquisites are minimal and comprise a very small portion of the executive compensation package.
- × **No Unlimited Cash Bonuses:** Annual cash incentive awards are capped regardless of performance against our short-term metrics.
- × **No Employment Contracts:** The employment of our executives is "at will," and there are no written employment agreements with any executive officers.

SECTION 3—2023 Business Highlights and Continuation of Our Capital Return Program

In 2023, we returned substantial capital to our stockholders, delivered excellent financial and operating results, continued to reduce leverage, and increased our net proved reserves to achieve a Company record.

2023 Return of Capital to Stockholders: $300 Million	• Includes share repurchases and dividends • Approximately 7% yield to market capitalization(1)
Net Cash Provided By Operating Activities: $1.6 Billion	• Net income of $818 million, or $6.86 per diluted common share
Net Debt(2) below $1 Billion	• Outstanding principal amount of long-term debt of $1.59 billion(1) and cash and cash equivalents of $616.2 million(1)
Estimated Net Proved Reserves: 605 MMBOE(1)	• 13% increase from year-end 2022 • Company record

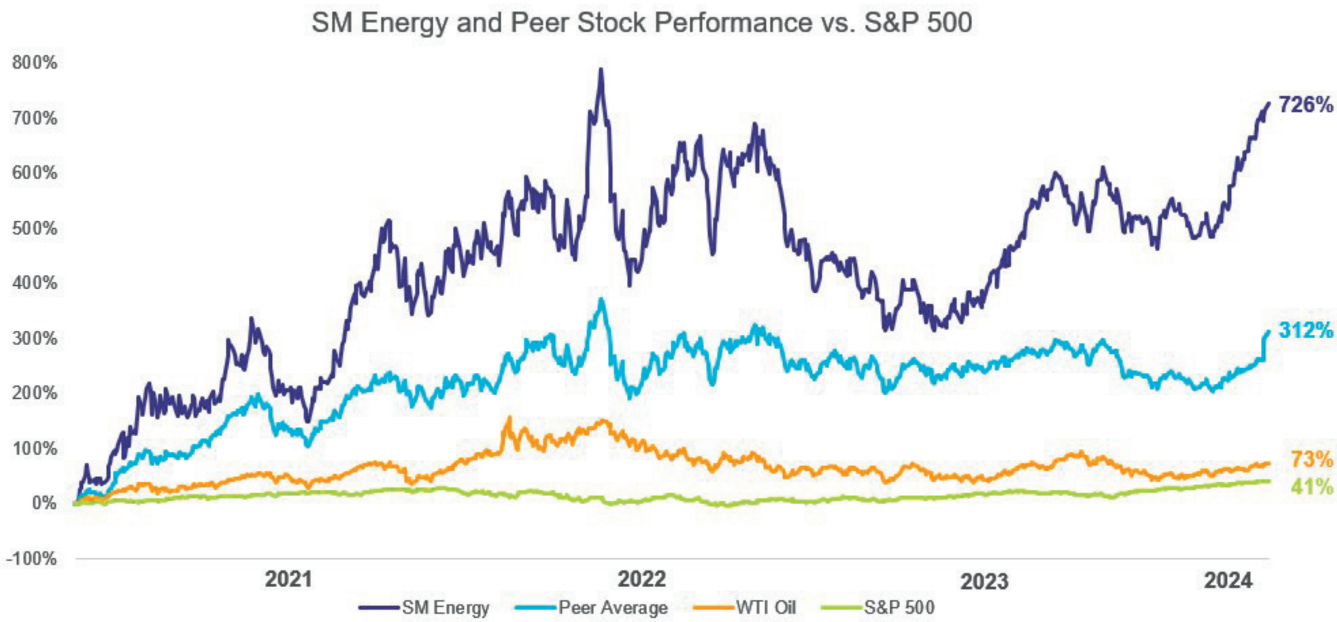
All metrics given as for the full year 2023 unless otherwise noted.

(1) As of December 31, 2023.

(2) Net Debt, a non-GAAP metric used by management and the investment community to assess the Company's financial condition, is calculated as the total principal amount of outstanding senior notes plus amounts drawn, if any, on the Company's senior secured revolving credit facility, less cash and cash equivalents.

Beginning in September 2022, our Board approved our Stock Repurchase Program that authorized the repurchase of up to $500 million in aggregate value of our common stock through year-end 2024. During 2023, we repurchased 6.9 million shares of our common stock for a total cost of $228.0 million, and we paid dividends of $0.60 per share, an increase from dividends of $0.16 per share paid in 2022. Inclusive of the Stock Repurchase Program and our payment of fixed dividends, we returned a total of $300 million of capital to stockholders in 2023. In November of 2023, our Board increased the amount of our fixed dividend from $0.60 to $0.72 per share annually, to be paid in increments of $0.18 per quarter, beginning in the first quarter of 2024. We believe that our Capital Return Program, which we intend to fund with cash flows from operations, will be sustainable and will create long-term value for our stockholders, while our callable senior notes provide the opportunity to reduce absolute debt with cash on hand.

The graph below illustrates the Company's stock price performance as compared to the average of our peer companies' stock price performance, the price of crude oil, and the S&P 500 during the period from January 2021 through April 1, 2024.



SECTION 4—Competitive Positioning: Selection and Purpose of Our Comparative Peer Group

Comparative Peer Group

The establishment of an appropriate peer group is crucial to the design of our executive compensation program. This ensures that the total compensation opportunities provided to our executive officers are competitive in our market, considering factors such as business competition, investment dollars, and executive talent. The Compensation Committee selected our peer companies based on (i) industry, including companies in the exploration and production sector of the energy industry; (ii) organization size, with financial characteristics such as revenue, market capitalization, and enterprise value similar to those of the Company; and (iii) market competition, comprising companies that compete with us for executive talent and investors. The Compensation Committee, aided by analysis from the Compensation Committee's independent compensation consultant, Frederic W. Cook & Co., Inc. ("FW Cook"), assesses the composition of the peer group annually to ensure it continues to remain appropriate, reflecting changes in business profile and relative size. In April 2023, the Compensation Committee approved the peer group used for 2023 compensation comparisons, which included the following companies:

2023 Peer Group		
Antero Resources	Comstock Resources	Permian Resources
Callon Petroleum Company	Denbury Resources Inc.	Range Resources Corporation
Chesapeake Energy	Magnolia Oil & Gas Corporation	Southwestern Energy Company
Chord Energy	Matador Resources Company	Vital Energy
Civitas Resources	Northern Oil & Gas	
CNX Resources Corporation	PDC Energy, Inc.	

The following chart depicts the changes to our 2023 peer group as compared to our 2022 peer group:

2022 Peers Removed from 2023 Peer Group	New 2023 Peers
EQT Corporation	Northern Oil and Gas

SECTION 5—Primary Elements of 2023 Compensation and Executive Compensation Results

	Compensation Element	Duration	Description	Purpose
FIXED	**Base Salary (cash)**	Short-term (annual)	Fixed compensation based on position, experience, and expertise; generally targeted at median of peer group.	Attract and retain qualified employees; provide a level of fixed pay based on skills, competencies, experience, and individual performance.
AT-RISK	**Annual Cash Bonus**	Short-term (annual)	Annual cash incentive opportunity dependent upon individual and corporate performance in key financial, operational, and ESG-based metrics.	Drive superior annual performance; incentivize achievement of financial, operational, and ESG-based goals aligned with the Company's annual business plan. Aligns payout with stockholder outcomes through modifiers that increase/decrease payout based on absolute TSR and adjusted free cash flow generation.
	Restricted Stock Units	Long-term (3-year)	Time-based restricted equity that vests ratably over a three-year period.	Promotes retention and stock ownership; incentivizes long-term sustainable value creation through stock price performance.
	Performance Share Units	Long-term (3-year)	Performance-based equity award based upon goals pertaining to adjusted free cash flow generation, absolute TSR, relative TSR, and ESG performance.	Incentivizes long-term sustainable value creation that is aligned with our strategic plan; requires a threshold level of performance to receive any payout under all metrics.

2023 Incentive Plan Results

The graphic below illustrates the relationship between our STIP and LTIP performance metrics and our incentive plan results.

HOW WE MEASURE PERFORMANCE	2023 PERFORMANCE RESULTS	
2023 STIP METRICS[3]	**2023 STIP PERFORMANCE**	
QUANTITATIVE	***METRIC WEIGHTING***	***RESULTS[1]***
Cash Flow	25%	**2% above target** 1.24 multiplier[2]
Proved Developed Reserve Additions	20%	**88% above target** 2.00 multiplier[2]
Finding & Development Costs	15%	**50% above target** 2.00 multiplier
ESG	15%	**16% above target** 1.65 multiplier
Production Volume	15%	**4% above target** 1.36 multiplier[2]
Cash Operating Costs	10%	**10% above target** 1.40 multiplier
QUALITATIVE	***QUANTITATIVE MULTIPLIER***	**1.60x multiplier**
Exploration Success & Inventory Additions	Modifier (+/- 10%)	**0.00** adjustment
	Initial STIP Multiplier	1.60x
	Absolute TSR Modifier	1.60 to 1.65x
	Final Multiplier	**1.65x**

PAYOUT RESULTS

2023 STIP PAYOUT RESULTS

INITIAL STIP MULTIPLIER

(prior to application of TSR Modifier)

1.60x

FINAL STIP MULTIPLIER

(with application of TSR Modifier)

1.65x

LTIP PAYOUT RESULTS

CASH PERFORMANCE AWARD MULTIPLIER

1.81x

- **Free Cash Flow Generation**: Performance ($1.67 billion) exceeded the maximum performance level ($675 million), resulting in a capped 2.0 multiplier.
- **Net Debt-to-Adjusted EBITDAX**: Performance (0.74x) exceeded the maximum performance level (1.5x), resulting in a capped 2.0 multiplier.
- **ESG Metrics**: Performance for all 3 ESG metrics approximated target, resulting in a 1.05 multiplier.

2020-2023 LTIP METRICS[3]	2020-2023 LTIP PSU PERFORMANCE	
	METRIC WEIGHTING	***RESULTS***
Free Cash Flow Generation	40%	2.0 multiplier
Net Debt-to-Adjusted EBITDAX	40%	2.0 multiplier
ESG Metrics	20%	1.05 multiplier
	Final LTIP Multiplier	**1.81x**

AVG. LTIP PAYOUTS OVER TIME

5yr. Trailing Average: 1.14x

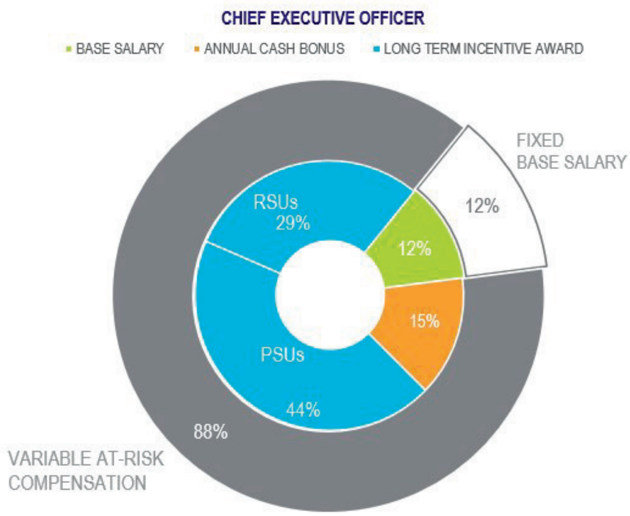
10yr. Trailing Average: 0.84x

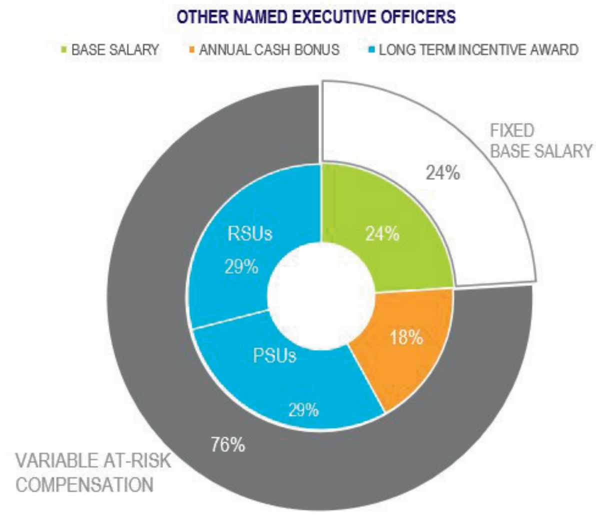
(Target = 1.00x)

(1) Expressed as a percentage of performance compared to our 2023 targets.
(2) Performance measured on an adjusted free cash flow basis; the multiplier is given after application of the adjusted free cash flow modifier.
(3) The definitions and methods of calculating results for each of our STIP and LTIP performance metrics are given in greater detail below.

Total Direct Compensation Mix

The graphs below show the 2023 target total direct compensation mix for our Chief Executive Officer and other NEOs. As the charts illustrate, 88 percent and 76 percent of target total direct compensation for our Chief Executive Officer and other NEOs, respectively, is attributable to performance-based STIP and LTIP awards, and thus is variable and tied to performance (*i.e.*, "at risk").





Base Salary

Base salary is intended to provide a foundation of cash compensation that recognizes the level of responsibility, authority, and experience of each individual executive, and compensates such executive for day-to-day contributions to our success. The Compensation Committee generally sets base salaries at or near the median of our peers, but considers individual circumstances such as responsibilities, skills, and experience. The table below reflects the 2023 base salaries of each of our NEOs, which were effective as of April 2, 2023, and a comparison to their respective 2022 base salaries. Our NEOs base salary increases in 2023 reflect market adjustments based on competitive benchmarking analysis.

Name	2023 Base Salary	2022 Base Salary	Percent Change Between 2023 and 2022
Vogel	$826,800	$780,000	6%
Pursell	$541,080	$510,453	6%
Lebeck	$430,000	$—	N/A[(1)]
Knott	$384,356	$362,600	6%
Lutey	$384,356	$362,600	6%

(1) Mr. Lebeck was not an employee of the Company during 2022.

Short-Term Incentive Plan

Short-Term Incentive Plan—Objectives

Our STIP is designed to incentivize the successful execution of our annual business plan, measured by achievement of annual Company performance goals and the individual performance of each NEO. These performance objectives are established in the first quarter of each year by the Compensation Committee in consultation with management and FW Cook. At the discretion of the Compensation Committee, these goals may be adjusted from time-to-time during the year due to significant changes in our business. We did not modify our

STIP performance goals during 2023. STIP awards are paid in cash under our Cash Bonus Plan, which was last approved by our stockholders in May 2013.

The Compensation Committee determines amounts earned under the STIP not only by the extent to which management achieved the designated performance goals, but also by evaluating how management achieved those goals, as well as overall market and industry conditions. The Compensation Committee's exercise of judgment and discretion protects the STIP from having an illogical outcome if circumstances change during the year such that the formulaic goals do not reflect reasonable outcomes.

For the 2023 plan year, the Compensation Committee made no changes to the prior year's STIP design, determining that it appropriately incentivized stockholder value creation in the current environment. The 2023 STIP metrics, including weighting and target and actual performance, are reflected in the table below under the heading titled "*Short-Term Incentive Plan - 2023 Performance.*"

Consistent with prior years, the Compensation Committee believes that generation of free cash flow is an important component of our business strategy and absolute TSR reflects the experience of our stockholders. Accordingly, the Compensation Committee continued to incorporate these metrics into the 2023 STIP design through two mechanisms:

- ***Adjusted Free Cash Flow:*** The cash flow, production volume and proved developed reserve addition metrics are calculated on an adjusted free cash flow basis. Any adjustment to these metrics on the basis of the Company's generation of adjusted free cash flow is limited to a range of 80 percent to 120 percent of the unadjusted result.
- ***Absolute TSR Modifier:*** The STIP multiplier is subject to a modifier that increases payout for all employees, or decreases payout for our NEOs, if absolute TSR for the year increases or decreases by an amount between 10 and 30 percent in either direction. Specifically, if absolute TSR increases by an amount between 10 percent and 30 percent, then payout for all employees may be increased by up to 1.2 times (subject to an overall payout cap of 2.0 times), and if absolute TSR for the year decreases between negative 10 percent and negative 30 percent, then payout for our NEOs may be reduced by down to 0.8 times. The modifier is determined by interpolating the change in TSR within the stated range, capping upside adjustment at 1.2 times and limiting downside adjustment for our NEOs to 0.8 times.

Each NEO is assigned a target bonus as a percentage of his or her base salary, based on the pay level that the Compensation Committee deems to be competitive and appropriate assuming all of our performance goals are achieved at the "target" level. Actual bonuses can range from zero to two times a participant's target percentage (subject to a maximum award permitted under our Cash Bonus Plan for any participant of $2,000,000), regardless of the level of outperformance that may be achieved in any given year.

Actual awards are based on the Compensation Committee's assessment of the Company's performance and the individual performance of each of our NEOs. Target bonuses for 2023 as a percentage of base salary for each of the NEOs were as set forth in the following table, and were not adjusted from 2022 targets based on the competitive market and relative positioning for each NEO.

Name	2023 Target STIP Level, % of Base Salary
Vogel	120%
Pursell	100%
Lebeck	75%
Knott	75%
Lutey	75%

Short-Term Incentive Plan— 2023 Performance

In determining 2023 annual cash bonus awards for our NEOs, the Compensation Committee assessed Company performance with respect to the six quantitative metrics and one qualitative metric described below. The

Compensation Committee's evaluation of our performance under the quantitative metrics is set forth below, and resulted in an initial multiplier of 1.60 times each NEO's target bonus level:

Quantitative Goals						
Performance Measure	**Factor Weight**	**Threshold**	**Target**	**Max**	**Actual Result**	**STIP Multiplier**
Cash Flow ($ in millions)[1]	0.25	1,426.00	1,677.00	2,096.85	1,708.00	0.31
Proved Developed Reserve Additions (MMBOE)[1]	0.20	45.00	53.00	66.20	99.50	0.40
ESG	0.15	0.85	1.00	1.25	1.16	0.25
Finding and Development Costs ($ per BOE)	0.15	24.42	21.23	15.93	10.72	0.30
Production Volume (MMBOE)[1]	0.15	45.20	53.20	66.50	55.40	0.20
Cash Operating Costs ($ per BOE)	0.10	15.34	13.34	10.00	11.96	0.14
Preliminary Result						**1.60**

(1) Performance measured on an adjusted free cash flow basis; the multiplier is given after application of the adjusted free cash flow modifier.

Our method of calculating our results, and the reasons that we believe such performance metrics incentivize superior business performance and stockholder value creation, are as follows:

Performance Measure	Description
Cash Flow	Our cash flow target is calculated based on Adjusted EBITDAX, which represents net income (loss) before interest expense, interest income, income taxes, depletion, depreciation, amortization and asset retirement obligation liability accretion expense, exploration expense, property abandonment and impairment expense, non-cash stock-based compensation expense, derivative gains and losses net of settlements, gains and losses on divestitures, gains and losses on extinguishment of debt, and certain other items. This measure is important because our cash flow is the primary source of funding for our ongoing capital program, working capital needs and our Capital Return Program, as well as a key factor in stockholder value creation.
Proved Developed Reserve Additions	The proved developed reserve additions target represents the proved developed reserves estimated to be added from projects funded under our capital program during 2023. This measure is important because proved developed reserves are the primary source of future production and cash flow for us and, as such, relate directly to the value of our Company.
ESG	In 2022, we modified the ESG component of our STIP from a qualitative to a quantitative performance metric. We maintained the quantitative nature of this metric in 2023, with goals to reduce our total recordable incident rate, spill volumes, GHG emissions intensity reduction and methane emissions intensity reduction. This measure is important because it highlights the Company's commitment to sustainability and the importance of integrating ESG performance into our Company's culture.
Finding and Development Costs	Finding and development costs are a measure of the efficiency of our capital program in generating value. The finding and development costs target represents the estimated cost of proved developed reserve additions on a dollar per barrel of oil equivalent ("BOE") basis projected under our 2023 business plan.
Production Volume	The production volume target represents the volume of oil, gas, and NGLs forecast to be produced under our 2023 business plan. This measure is important because proceeds from the sale of production generate essentially all of our revenue.
Cash Operating Costs	Our cash operating costs are calculated as the sum of our lease operating expenses, ad valorem taxes, transportation costs, production taxes, and general and administrative expenses (less stock compensation expense), on a per BOE basis.

Qualitatively, our goals were to grow the Company's total resources by 80 MMBOE, advance our plans for upcoming inventory opportunities, recommend exploration plays and acquisition targets that are capable of competing with the Company's future inventory, enhance our existing processes to track continental United States exploration activity, and demonstrate application of new technologies that enhance returns or inventory. With respect to these qualitative measures, the Compensation Committee may adjust the initial multiplier either upward or downward by up to 0.10. A determination of 0.00 represents performance in line with expectations during the year. Following its evaluation of the Company's quantitative STIP metrics and initial determination of a 1.60 multiplier, the Compensation Committee determined that the Company's performance in achieving its qualitative inventory goals was in line with expectations, and made no adjustment to the quantitative result.

Based on the Company's 2023 TSR of positive 13 percent (inclusive of dividends), the TSR modifier resulted in an upward adjustment of 0.05, yielding a total pool multiplier of 1.65, as shown in the following table:

STIP Multiplier	
Initial STIP Multiplier: Quantitative Metrics	1.60
STIP Multiplier: Adjusted for Qualitative Metric	0.00
Final STIP Multiplier: Applying TSR Modifier (+13% TSR)	**1.65**

The table below sets forth our NEO's base salaries actually earned in 2023, their target STIP payouts as a percentage of base salary, the STIP multiplier applied to each NEO's STIP calculation, and their actual STIP payouts.

Name	Salary Paid in 2023	Target STIP %(1)	STIP Multiplier	STIP
Vogel	$814,200	120%	1.65	$1,612,116
Pursell	$532,834	100%	1.65	$879,000
Lebeck	$396,923	75%	1.65	$491,100
Knott	$378,499	75%	1.65	$468,300
Lutey	$378,499	75%	1.65	$468,300

(1) Expressed as a percentage of base salary.

Long-Term Incentive Plan

Long-Term Incentive Plan—Design

Our LTIP is an equity compensation program that typically utilizes PSUs and RSUs to compensate our NEOs and other key employees for execution of our long-term business strategy. Awards of PSUs and RSUs are issued pursuant to our 2006 Equity Incentive Compensation Plan, as amended (the "Equity Plan"), which our stockholders have approved. RSUs are generally granted with a three-year vesting schedule, with one-third of the RSUs in each grant vesting on each of the first three anniversaries of the award date. RSUs are settled in shares of our common stock at the time of vesting. PSUs are performance-based awards that are settled in shares of our common stock, with the number of resulting shares falling within a range of zero to 200 percent of the number of PSUs originally granted, dependent on the Company's performance with respect to certain metrics determined by the Compensation Committee over a three-year performance period.

Other types of long-term incentive based awards, such as the performance-based cash grants that we awarded in lieu of PSUs in 2020 and 2021, and that are discussed in more detail below, are occasionally granted with the structure of such awards being dependent upon the circumstances in which they were granted, the Compensation Committee's design of such awards, and the business objectives sought to be achieved at the time of issuance.

2020-2023 LTIP Performance Period Results

As discussed in greater detail at the beginning of the CD&A, in 2020, our Compensation Committee granted performance-based cash awards to our NEOs in lieu of PSUs to avoid the potential for significant dilution at a time when stock prices, particularly in our industry, were severely depressed as a result of the Pandemic. Additionally, the Compensation Committee granted LTIP awards at 50 percent of target value and delayed the grant of such awards until December of 2020 (rather than the typical July 1 award timeframe), which allowed for some recovery of our stock price, resulting in even less potential for excessive dilution (from the RSU grants).

At the completion of the 2020-2023 performance period on June 30, 2023, performance-based cash awards were earned and settled at 181 percent of target. The three performance metrics applicable to this period are set forth in the table below, and we achieved the stated result based upon our actual performance with regard to these metrics, as compared to the targets set at the beginning of the performance period. Notably, the Company's actual performance with regard to the Free Cash Flow Generation and Net Debt-to-Adjusted EBITDAX performance metrics, which in tandem comprised 80 percent of the weighting of the plan, significantly exceeded the high-end of the performance range, and therefore were capped at 200 percent of target payout.

LTIP Multiplier (2020-2023)

	Description	Target Performance	Actual Performance	Payout Result
Free Cash Flow Generation[1] (40%)	Measurement of gross free cash flow generation during the period beginning on July 1, 2020, and ending on June 30, 2023.	Threshold (25%): $225 Million Target (100%): $450 Million Maximum (200%): $675 Million	$1.677 Billion	200%
Net Debt-to-Adjusted EBITDAX[2] (40%)	Determination of the Company's Net Debt-to-Adjusted EBITDAX ratio at the end of the performance period on June 30, 2023.	Threshold (25%): 3.0x Target (100%): 2.0x Maximum (200%): 1.5x	0.74x	200%
ESG Metrics (20%)	Measurement of the Company's performance with regard to the following metrics: GHG Emissions Intensity Reduction[3] (10%) Employee and Contractor Safety[4] (5%) Spill Performance[5] (5%)	GHG Emissions Intensity Reduction: Threshold: 25% reduction Target: 50% reduction Maximum: 75% reduction Employee and Contractor Safety and Spill Performance: Threshold: Second quartile Target: Top quartile Maximum: Top decile	GHG Emissions Intensity Reduction: 41% Employee/ Contractor Safety: 74th percentile Spill Performance: 86th percentile	105%
LTIP Multiplier:				**1.81x**

(1) Free Cash Flow is measured as net cash provided by operating activities less net cash used in investing activities excluding acquisitions and before all returns of capital.
(2) Net Debt: total principal amount of outstanding senior unsecured notes plus amounts drawn on the revolving credit facility less cash and cash equivalents. Adjusted EBITDAX: net income (loss) before interest expense, interest income, income taxes, depletion, depreciation, amortization and asset retirement obligation liability accretion expense, exploration expense, property abandonment and impairment expense, non-cash stock-based compensation expense, derivative gains/losses net of settlements, gains/losses on divestitures, gains/losses on extinguishment of debt, and certain other items.
(3) Reduction in metric tons of CO_2e per gross MBoe produced (scope 1 + scope 2) from FY 2019 to FY 2022.
(4) Total recordable incident rate as compared to the AXPC three-year average relative ranking.
(5) Spill volumes (bbls/1000 bbls produced) as compared to the AXPC three-year average relative ranking.

2023-2026 LTIP Performance Period Design and Awards

As noted in greater detail above, during 2020 and 2021, the Compensation Committee replaced the issuance of PSUs with performance-based cash awards under our LTIP in order to limit the potential for excessive dilution and value transfer during the Pandemic. In 2022, following recovery of commodity prices and the Company's stock price, the Compensation Committee returned to its pre-Pandemic practice of granting equity-based PSUs rather than cash-based performance awards. The Compensation Committee retained this design in 2023, and granted LTIP awards to our NEOs with a 50 percent weighting to PSUs and a 50 percent weighting to RSUs (except for our CEO, who received a 60 percent weighting to PSUs and 40 percent weighting to RSUs).

For the 2023-2026 performance period, the Compensation Committee made no changes to the prior year's PSU performance metrics after determining that such metrics appropriately incentivized execution of our long-term business strategy and achievement of the metrics that the Compensation Committee believes are most important to our stockholders. The performance metrics and weighting comprising the PSU awards for the 2023-2026 performance period are as follows:

(1) adjusted free cash flow generation (25 percent);

(2) relative TSR (25 percent);

(3) absolute TSR (25 percent); and

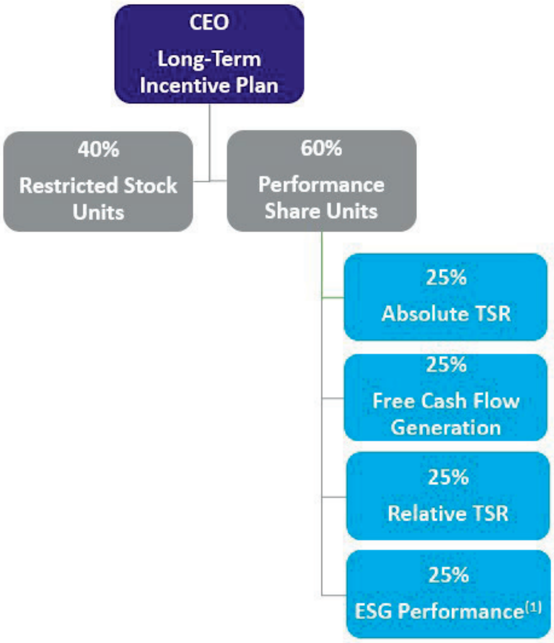
(4) ESG performance (25 percent), which is further broken down by greenhouse gas emission intensity reduction (10 percent), employee and contractor safety (10 percent), and spill performance (five percent).

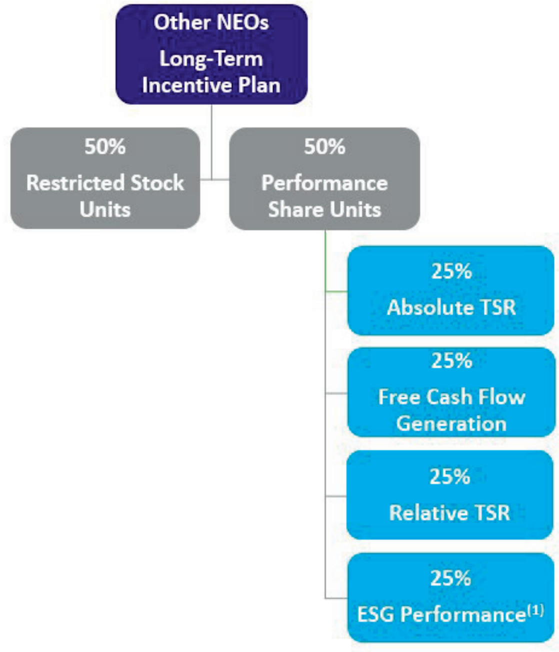
In determining the total LTIP grant values for 2023, the Compensation Committee considered various factors, including share price performance, historical fair value transfer (or the percentage of market capitalization transferred to employees annually in the form of stock-based awards, "FVT") under our long-term incentive compensation system compared to our peer group companies, input from FW Cook on expected trends in LTIP design and FVT for the subject period as well as the value of our compensation peers' long term incentive awards following FW Cook's executive compensation benchmarking review, and shares available under our Equity Plan. Following such consideration, the Compensation Committee made the following 2023 LTIP awards, which did not utilize more than half of the available shares under our Equity Plan:

Name	2023 LTIP Grant Value
Vogel	$4,999,989
Pursell	$2,249,983
Lebeck	$1,000,016 (1)
Knott	$750,005
Lutey	$750,005

(1) The amount reflected does not include a grant of 14,698 RSUs made in connection with Mr. Lebeck's hiring in January 2023.

Reflecting the Company's pay-for-performance philosophy, the 2023 LTIP grants to our NEOs were weighted to performance-based awards. For our CEO, 60 percent of the long-term incentive target value consisted of PSU awards and 40 percent consisted of time-based RSUs, and for our other NEOs, 50 percent of the target long-term incentive value consisted of PSU awards with 50 percent consisting of RSUs. Participants were awarded RSUs and PSUs during the third quarter of 2023, with the PSUs subject to the measurement period beginning July 1, 2023, and ending June 30, 2026 (except for performance measures related to greenhouse gas emissions, which will be measured from January 1, 2023, through December 31, 2025). The increase in value of our NEOs' 2023 LTIP grants as compared to 2022 LTIP grants reflects market adjustments based on competitive benchmarking analysis. The graphic below reflects the structure of our 2023 long-term incentive awards to our NEOs:





(1) ESG performance metrics include reduction in greenhouse gas emissions intensity, employee and contractor safety, and spill performance.

With respect to each metric, a threshold level of performance is required in order to receive any payout, a target level of performance is set to achieve target payout, and a maximum level of performance is established in order to receive maximum payout, with payout interpolated for performance falling between the minimum and maximum levels. No payout is awarded for performance below the minimum level, negative absolute TSR caps the payout at target, above median relative TSR is required for target payout with respect to the relative TSR metric and, in all cases, payout is capped if actual performance meets or exceeds the maximum level. With respect to the ESG metrics, reduction in greenhouse gas emissions intensity and employee and contractor safety each comprise 10 percent of the overall weighting of the award, whereas spill performance accounts for five percent of the overall weighting. The greenhouse gas emissions intensity reduction target is based on the Company's projected greenhouse gas emission intensity reduction goals, and the targets for safety and spill metrics are based upon the top quartile of the trailing three-year average of reporting American Exploration Production Council members.

The Compensation Committee believes that the inclusion of absolute TSR, relative TSR and adjusted free cash flow metrics incentivizes management's continuing efforts to deliver stockholder value by aligning incentives with the long-term interests of our stockholders, while the use of ESG-focused metrics recognizes the importance of, and incentivizes management to deliver, sustainable and responsible deployment of capital for the long-term benefit of all stakeholders.

SECTION 6—Compensation Determination Process

Responsibilities of the Compensation Committee

Our executive compensation is determined by the Compensation Committee. During 2023, the Compensation Committee was comprised of four independent directors and continued to operate under the framework of a written charter. Members of the Compensation Committee are appointed by our Board for, among other things, the purposes of:

- reviewing and approving our general compensation strategy and objectives, as well as disclosure required by SEC and listing exchange rules and regulations;
- reviewing and recommending our compensation plans, policies and programs to the Board for its approval;
- reviewing the performance and approving the compensation of our directors and executive officers, including our Chief Executive Officer; and
- overseeing the administration of our employee compensation and benefit plans.

In 2023, the Compensation Committee met eight times to administer the matters noted above and address other matters required under its charter. The column to the right outlines key Compensation Committee activities during 2023.

Key Compensation Committee Activities

QUARTER 1

- approve prior year bonus payout
- approve NEO's current year base salaries
- complete prior year CEO evaluation
- approve current year STIP design

QUARTER 2

- approve LTIP guidelines
- approve LTIP award allocations
- approve Compensation Discussion and Analysis
- approve director and executive compensation peer group
- review director and executive stock ownership compliance
- review and recommend director compensation to the Board
- review executive compensation
- consider regulatory and market update by FW Cook
- review Company-wide compensation risk assessment
- consider compensation consultant independence

QUARTER 3

- review and approve PSU payout (multiplier)

QUARTER 4

- review employee benefit and retirement plan design
- conduct committee self-evaluation
- review committee charter
- review base salary and STIP process
- review and approve any equity retention grants
- approve base salary budget for ensuing year
- consider regulatory and market update by FW Cook

Independent Compensation Consultant

FW Cook serves as the independent executive compensation consultant for, and reports directly to, the Compensation Committee. The Compensation Committee may replace FW Cook or hire additional consultants or other advisors as it deems necessary. A Principal of FW Cook regularly attends Compensation Committee meetings and communicates with the Compensation Committee between meetings, as requested. The services that FW Cook provides, based upon direction from the Compensation Committee, include advising the Compensation Committee on the design of our executive compensation programs and the evolving best practices related thereto, providing market information and analysis regarding the competitiveness of our executive compensation opportunities, conducting compensation risk assessments, and providing analysis concerning the equity compensation practices of our peers. To facilitate the delivery of these services to the Compensation Committee, FW Cook interfaces with our management. FW Cook does not provide to us directly, or indirectly through affiliates, any non-executive compensation services, such as pension consulting or human resource outsourcing. The total consulting fees we pay to FW Cook are less than one percent of the total annual revenues of FW Cook, and FW Cook and the FW Cook consultants working with us are prohibited from owning any shares of our common stock directly, although such shares may be owned within mutual funds in which such persons hold an interest. In addition, no officer, director, stockholder or employee of FW Cook has any known personal relationship with any of our officers, directors, stockholders, or employees that would present a potential conflict to their independence. After consideration of disclosures and representations made by FW Cook concerning the foregoing, the Compensation Committee determined in 2023 that FW Cook's work did not raise any potential conflicts of interest. FW Cook has agreed to advise the Compensation Committee if any potential conflict of interest arises that could cause FW Cook's independence to be questioned, and not to undertake any project for our management, except at the request of the Compensation Committee and as agent for the Compensation Committee. In 2023, FW Cook did not provide any services to us other than those requested by the

Compensation Committee and related to FW Cook's engagement as the independent consultant to the Compensation Committee.

Independence of the Compensation Committee

Based upon the independence tests set forth in Section 303A.02 of the Corporate Governance Standards of the NYSE Listed Company Manual, our Board has determined that all members of the Compensation Committee are independent.

Compensation Risk Assessment

Each year, the Compensation Committee, in consultation with FW Cook, reviews and evaluates our compensation policies and practices for all employees to assess to what extent, if any, these policies and practices could result in risk taking incentives, whether our compensation policies and practices mitigate such risk taking incentives by properly aligning the interests of our employees with the interests of our stockholders, and whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us. In 2023 and 2024, the Compensation Committee determined that the risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on us.

Role of Management in Determination Process

Under the oversight of our Chief Executive Officer and our Vice President—Human Resources, management provides recommendations to the Compensation Committee on matters of compensation philosophy and plan design. Our Chief Executive Officer recommends pay levels for executives, other than himself, based on competitive market data, past performance, and future potential. Our Human Resources department supports management and the Compensation Committee by providing information on historical compensation levels, employee evaluations and its analysis of comparative industry data, and by interfacing with FW Cook. While members of the management team attend Compensation Committee meetings, they are not generally present during executive sessions, and individual members of the management team are never present during discussions of their respective compensation. The Compensation Committee and our Board, as required under the charter of the Compensation Committee, make all final decisions with respect to compensation of our executive officers.

Tally Sheets

To enhance the analytical data the Compensation Committee uses to evaluate the compensation of our President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, and to provide the Compensation Committee with a consolidated view of the aggregate value of all material elements of compensation for those executives, our Human Resources department provides the Compensation Committee and FW Cook with a tally sheet summary of all of the compensation and benefit arrangements for each of those executives, including severance arrangements and all benefits provided in connection with termination of employment. The tally sheets show the amount the executive would receive under various foreseeable circumstances (*e.g.*, termination with or without cause, resignation, and retirement or termination in connection with change of control). The Compensation Committee does not assign a specific weighting to the tally sheets in its overall decision-making process concerning compensation, but rather uses the information provided to gain additional perspective and as a reference.

SECTION 7—Other Compensation Matters

The other components of our executive compensation program include the following:

Compensation Element	Description	Purpose
Employee Stock Purchase Plan	Employees, including our executives, may purchase shares of our common stock at a 15 percent discount to the fair market value, subject to certain limits.	Facilitate share ownership among employees and align employees' interests with those of stockholders.
Qualified Retirement Plans	Includes qualified defined benefit pension plan and 401(k) plan with Company match.	Attract and retain employees; and support succession planning objectives by ensuring sufficiency of retirement replacement income.
Supplemental Retirement Plan	Provides benefits to our executives under qualified pension plan formula on earnings above the IRC limits for the qualified plan ($330,000 for 2023).	Attract and retain executives; encourage retention; and support succession planning objectives by ensuring sufficiency of retirement replacement income.
Non-Qualified Deferred Compensation Plan	Provides tax planning opportunities for our executives, and enables our executives to receive the full benefit of matching contributions in excess of IRC limits applicable to 401(k) plans.	Attract and retain executives; encourage retention; and support succession planning objectives by ensuring sufficiency of retirement replacement income.
Benefits and Perquisites	Medical, dental, vision, life, and disability insurance.	Attract and retain highly qualified employees and support the overall health and well-being of employees.

Employee Stock Purchase Plan

The purpose of our existing Employee Stock Purchase Plan ("ESPP") is to provide an opportunity for eligible employees, including our NEOs, to purchase shares of our common stock at a discount to the market price. The plan cycle consists of two periods each year, with plan periods for the six months ending June 30 and December 31 of each year. The ESPP allows employees to purchase our common stock through payroll deductions of up to 15 percent of their base compensation. The purchase price of the stock is the lower of 85 percent of the fair market value of the stock at the beginning or ending of the period. The maximum amount an employee can purchase through the plan is the lesser of (1) $25,000 per year, pursuant to the Internal Revenue Code of 1986, as amended ("IRC"), restrictions, or (2) 2,500 shares per offering period (5,000 shares per year).

Retirement Programs—Pension, Supplemental Executive Retirement Plan, 401(k) and Non-Qualified Deferred Compensation Plans

Our executives are eligible to participate in our qualified, non-contributory defined benefit pension plan (the "Qualified Pension Plan") and a 401(k) plan on the same basis as our eligible employees. Certain of our executives are also eligible to participate in our Supplemental Executive Retirement Plan ("SERP") and Non-Qualified Deferred Compensation Plan (the "NQDC"). The SERP is an unfunded, non-qualified plan that is intended to restore the benefits that would otherwise accrue to certain executive-level employees in the absence of IRC limits on the Qualified Pension Plan. The NQDC is intended to provide executives with tax planning opportunities and the opportunity to receive the full benefit of matching contributions in excess of IRC limits applicable to our 401(k) plan. We provide these plans to remain competitive in the hiring and retention of qualified personnel, and to support our succession planning objectives with a goal of providing retirement replacement income.

For certain executive-level employees, the Qualified Pension Plan, in combination with the SERP, provides a benefit after 25 years of credited service to the Company equal to 35 percent of final average compensation (or a lesser prorated percentage for qualifying employees that have not reached 25 years of credited service). Final average compensation is the average of the highest three consecutive years of the ten years preceding termination of employment. For each NEO, the level of compensation used to determine benefits payable under the Qualified Pension Plan and the SERP is that executive's average base salary, excluding bonuses and equity compensation awarded under the LTIP.

Our 401(k) plan is a defined contribution plan also intended to be qualified under the IRC and subject to the Employee Retirement Income Security Act of 1974, as amended. The 401(k) plan allows eligible employees to contribute up to 60 percent of their income on a pretax basis through contributions to the 401(k) plan, subject to annual limits determined by IRC regulations. With respect to employees who were hired prior to January 1, 2015, and who are eligible to participate in the Qualified Pension Plan, we match 100 percent of employee deferrals in cash on a dollar-for-dollar basis, up to six percent of the employee's base salary and cash bonus. With respect to employees hired after January 1, 2015, who are not eligible to participate in the Qualified Pension Plan, we match 150 percent of employee deferrals on a dollar-for-dollar basis up to six percent of the employee's base salary and cash bonus, which results in a nine percent cap on the Company's matching contributions. Company contributions vest ratably on an annual basis over an employee's first three years of employment with the Company.

The NQDC is designed to provide executives with the opportunity to defer a portion of base salary and cash bonuses paid pursuant to the Cash Bonus Plan. Each year, participating employees may elect to defer (i) between zero percent and 50 percent of their base salary, and (ii) between zero percent and 100 percent of the cash bonus paid pursuant to the Cash Bonus Plan. The NQDC requires us to make contributions for each eligible employee equal to 100 percent of the deferred amount for such employee, limited to six percent of such employee's base salary and cash bonus. Each eligible employee's interest in the contributions we make will vest ratably on an annual basis over an employee's first three years of employment with the Company. A participant's account will be distributed based upon the participant's payment election made at the time of deferral. A participant may elect to have distributions made in a lump sum or in annual installments ranging for a period from one to 10 years.

Benefits and Perquisites

The NEOs and all other executives are eligible to participate in our various competitive medical and dental programs on the same basis as all other employees. These plans are intended to provide benefits that support the well-being and overall health of executives and employees. Our NEOs are also provided, at no cost, consistent with all employees, group term life insurance up to two times their respective base salaries up to $2,000,000.

Timing of Equity Grants

Equity grants awarded as part of the LTIP and pursuant to our Equity Plan are generally made during the third quarter of each year. The Compensation Committee generally approves these grants at its June meeting. The Compensation Committee, our Board or our CEO have in the past, and may in the future, make limited off-cycle grants of equity on other dates for newly hired or other executives and other employees as part of compensation packages designed to recruit, retain, or reward such persons; however, our CEO may only make such grants to non-executives. On January 23, 2023, our Board approved an award of 14,698 RSUs, with a vesting date of January 23, 2026, in connection with the hiring of Mr. James Lebeck, the Company's Executive Vice President and General Counsel.

No Written Employment Agreements

The employment of all executives is "at will," subject to and in accordance with the terms and conditions of written offers of employment. There are no written employment agreements with any executive officers.

Change of Control Severance Benefits

Change of control severance protection is provided to executives at the level of Vice President and above, including each of our NEOs, and certain other key employees, through change of control executive severance agreements. See "*Potential Payments Upon Termination or Change of Control—Change of Control Arrangements*" for more information about these agreements and potential payments in the event of a termination of employment following a change of control. No excise tax "gross up" payments are provided.

Clawback Policy

Our Board adopted a written clawback policy on July 27, 2023, which replaced the prior policy that had been in effect since 2015. The clawback policy, which meets the requirements of SEC rules and NYSE listing standards, requires the repayment by executive officers of certain incentive-based compensation upon the occurrence of an accounting restatement that results from material noncompliance with a financial reporting requirement. The clawback policy provides that any repayment obligation shall be determined regardless of fault and that our Board, subject to limited exceptions set forth in the recently adopted rules and listing standards, shall not have discretion to waive such obligation. Repayment obligations under the clawback policy apply to current and former executive officers of the Company that received incentive-based compensation based on a financial reporting measure during the three fiscal years preceding the date upon which the Company determined that a qualifying financial restatement was necessary, and the amount of the repayment obligation is equal to the excess of the amount that was actually paid to the executive officer over the amount that would have been paid if calculated in accordance with the restated amounts.

Stock Ownership Guidelines

To further align the interests of our executives with the interests of our stockholders with respect to long-term growth of stockholder value, the Compensation Committee has established, and our Board has approved, equity ownership guidelines for our executives and directors as follows:

Directors	5 times annual cash retainer
Chief Executive Officer	5 times annual base salary
Executive Vice Presidents	3 times annual base salary
Senior Vice Presidents and Vice Presidents	1 time annual base salary

Equity holdings include the value of unvested RSUs for purposes of these calculations, but exclude the value of unvested PSUs. Until a director or executive achieves the required ownership level, except for net settlements of equity awards for purposes of paying tax withholding obligations, such person may not sell equity without the prior approval of the Compensation Committee for the Chief Executive Officer or any Executive Vice President, and by the Chief Executive Officer for all other officers. The Compensation Committee will continue to review compliance with these guidelines annually, and more often as appropriate.

Securities Trading Policy and Prohibitions on Certain Hedging Transactions

We maintain a Securities Trading Policy, the overall goal of which is to inform our officers, employees, and directors of the risks of trading in public company securities at a time when they may be in possession of material, non-public information. In addition, our policy provides mechanisms to specifically address trading by officers, certain other employees and directors during prescribed periods of time when the risk of being in possession of material, non-public information is perceived to be highest, and generally prohibits our officers, certain other employees, and directors from trading in any of our securities without obtaining pre-clearance. Our policy also prohibits officers, employees, and directors from engaging in transactions designed to mitigate, off-set, or avoid the risks associated with a decrease in the market value of our securities, including: (a) entering into transactions that "hedge" the value of our stock through the use of financial instruments, such as prepaid variable forward contracts, equity swaps, collars, exchange funds, or any other instrument that permits an officer, director, or employee to own Company securities without the full risks and rewards of ownership; (b) holding our securities in margin accounts; (c) pledging our securities to secure indebtedness; (d) buying or selling options or derivatives with respect to our securities; (e) short selling Company securities; and (f) placing standing or limit orders on Company securities (other than pursuant to approved Rule 10b5-1 Plans).

Compensation Committee Report

The Compensation Committee of the Board of Directors of SM Energy Company reviewed and discussed the CD&A with management and FW Cook and, based on such review and discussions, the Compensation

Committee recommended to the Board of Directors that the disclosures set forth in the CD&A be included in this Proxy Statement and incorporated by reference into SM Energy Company's 2023 Annual Report.

Respectfully submitted by the Compensation Committee of the Board of Directors,

Stephen R. Brand, Chair
Anita M. Powers
Rose M. Robeson
William D. Sullivan

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

As noted at the beginning of the CD&A, in response to the Pandemic and its impact on our stock price, the Compensation Committee modified the design of our LTIP in 2020 and 2021 by suspending the issuance of PSUs and replacing them with performance cash awards. This change in plan design was made to avoid the potential for significant dilution and disproportionate FVT at a time when stock prices, particularly in our industry, were severely depressed. Although the grant of performance-based cash awards were disclosed in detail in our 2021 Proxy Statement, such awards were not presented in the corresponding Summary Compensation Table because, pursuant to SEC rules, non-equity incentive awards are to be presented in the Summary Compensation Table for the year in which the underlying performance metrics are satisfied and earned, which occurred in 2023, rather than the year in which the award is made. Accordingly, the Summary Compensation Table set forth below (the "SCT") shows both the grant date fair value of our NEO's 2023 LTIP awards (inclusive of RSUs and PSUs), as well as the settlement of the 2020 performance based cash awards that were granted in lieu of PSUs in 2020, at 50 percent of target value.

While at first glance this may appear to reflect a large increase in 2023 total compensation for our NEOs who received performance-based cash awards in 2020, this is not the case. Rather, it more accurately reflects (i) the value of the 2020 performance-based cash awards (which were made at 50 percent of target) that were not, pursuant to SEC rules, disclosed in the 2021 Proxy Statement; and (ii) the grant date fair value of the 2023 LTIP awards. We feel it is important to clarify the figures reported for 2023 in the SCT to reduce the potential for misunderstandings, and direct your attention to "*Section 1 - Preliminary Note About This Year's Summary Compensation Table*" at the beginning of the CD&A for additional disclosure on this topic.

The SCT sets forth the annual and long-term compensation of our NEOs during each of the last three years. In addition to base salaries, the table reflects performance-based cash awards granted in 2020 (for which the underlying performance metrics are satisfied and earned in 2023), as well as RSUs and PSUs granted in 2021, 2022, and 2023 and cash bonuses and other compensation earned during the same periods.

Name and Principal Position	Year	Salary	Stock Awards[(1)]	Non-Equity Incentive Plan Compensation[(2)]	Change In Pension Value and Non-Qualified Deferred Compensation Earnings[(3)]	All Other Compensation[(4)]	Total
Herbert S. Vogel	2023	$ 814,200	$ 4,999,989	$ 4,815,816	$ 295,736	$ 134,889	$ 11,060,630
President, Chief Executive Officer and Director	2022	$ 773,077	$ 4,500,021	$ 1,103,954	$ 188,143	$ 167,841	$ 6,733,036
	2021	$ 715,385	$ 1,600,013	$ 1,716,923	$ 245,600	$ 17,400	$ 4,295,321
A. Wade Pursell	2023	$ 532,834	$ 2,249,983	$ 1,784,000	$ 116,994	$ 20,011	$ 4,703,822
Executive Vice President and Chief Financial Officer	2022	$ 505,923	$ 2,149,991	$ 602,048	$ —	$ 18,300	$ 3,276,262
	2021	$ 473,830	$ 999,992	$ 852,894	$ 87,057	$ 17,400	$ 2,431,173
James B. Lebeck	2023	$ 396,923	$ 1,500,042	$ 826,000	$ —	$ 167,116	$ 2,890,081
Executive Vice President and General Counsel	2022	$ —	$ —	$ —	$ —	$ —	$ —
	2021	$ —	$ —	$ —	$ —	$ —	$ —
Kenneth J. Knott	2023	$ 378,499	$ 750,005	$ 717,175	$ 85,311	$ 61,755	$ 1,992,745
Senior Vice President—Business Development and Land	2022	$ 359,382	$ 649,987	$ 320,748	$ —	$ 68,474	$ 1,398,591
	2021	$ 340,608	$ 287,498	$ 476,851	$ 58,734	$ 17,400	$ 1,181,091
Mary Ellen Lutey	2023	$ 378,499	$ 750,005	$ 728,488	$ 60,869	$ 61,965	$ 1,979,826
Senior Vice President—Exploration, Development and EHS	2022	$ 359,382	$ 649,987	$ 320,748	$ —	$ 68,474	$ 1,398,591
	2021	$ 340,608	$ 287,498	$ 476,851	$ 48,064	$ 17,400	$ 1,170,421

(1) The amounts in this column represent the aggregate grant date fair values of PSU and RSU awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, "Compensation—Stock Compensation" ("FASB ASC Topic 718"), excluding the effect of estimated forfeitures related to service-based vesting conditions. These grant date fair values have been determined based on the assumptions and methodologies discussed in Note 10 of the Notes to Consolidated Financial Statements included in our 2023 Annual Report. PSU awards are subject to market-based performance conditions relating to our total stockholder return and relative stockholder return compared to a peer company index over a three-year performance period. No PSUs were awarded in 2020 or 2021. The value disclosed for Mr. Lebeck is inclusive of the grant of 14,698 RSUs awarded upon hire. For additional information about long-term performance based-awards granted in 2023 see "*2023-2026 LTIP Performance Period Design and Awards*."

(2) The amounts in this column represent the aggregate of: (i) the cash bonuses paid in 2024, 2023, and 2022, but earned during the 2023, 2022, and 2021 performance periods, respectively, under the STIP, and (ii) the payout of the performance-based cash awards granted in 2020 and paid in 2023. Additionally, the value disclosed for Mr. Lebeck is inclusive of a $335,000 payment made upon hire. See "*Section 1—Preliminary Note About This Year's Summary Compensation Table*" above for additional detail. The following table provides a detailed breakout of STIP bonuses paid in 2024 but earned in 2023, as well as the payout of the performance-based cash awards granted in 2020 and paid in 2023 for each NEO:

Name	2023 STIP Value	Performance-based cash awards granted in 2020
Herbert S. Vogel	$1,612,116	$3,203,700
A. Wade Pursell	$879,000	$905,000
James B. Lebeck	$491,000	$—
Kenneth J. Knott	$468,300	$248,875
Mary Ellen Lutey	$468,300	$260,188

(3) The amounts shown in this column are attributable to the increase, if any, in the actuarial value of each NEO's combined benefits under our qualified and non-qualified benefit plans determined using interest rate and mortality assumptions consistent with those used in our financial statements. No NEO received preferential or above market earnings on deferred compensation.

(4) For 2023, amounts consist of the following contributions and other compensation: (i) for Mr. Vogel: $115,089 to the Company's Non-Qualified Compensation Plan and $19,800 to the Company's 401(k) Profit Sharing Plan; (ii) for Mr. Pursell: $19,800 to the Company's 401(k) Profit Sharing Plan and an anniversary gift card valued at $211; (iii) for Mr. Lebeck: $29,700 to the Company's 401(k) Profit Sharing Plan and $137,416 in relocation compensation; (iv) for Mr. Knott: $41,955 to the Company's Non-Qualified Compensation Plan and $19,800 to the Company's 401(k) Profit Sharing Plan; and (v) for Mr. Lutey: $41,955 to the Company's Non-Qualified Compensation Plan, $19,800 to the Company's 401(k) Profit Sharing Plan and an anniversary gift card valued at $211.

Grants of Plan-Based Awards in 2023

Pursuant to our STIP, and in accordance with our Cash Bonus Plan, the Compensation Committee established the quantitative and qualitative metrics for our 2023 STIP on February 17, 2023. As discussed above, the bonus payments associated with the 2023 STIP were earned in 2023, but were paid in 2024. In addition, pursuant to our LTIP and in accordance with the Equity Plan, the Compensation Committee approved grants of

RSUs and PSUs to our NEOs on June 12, 2023. These grants were made effective as of July 1, 2023, and are summarized in the table below.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Awards		All Other Stock Awards: Number of Shares of Stock or Units(5)	Grant Date Fair Value of Stock and Option Awards(6)
		Target (1)	Maximum (2)	Target (3)	Maximum (4)		
Herbert S. Vogel	2/17/23	$977,040	$2,000,000	—	—	—	—
	7/1/23	—	—	—	—	63,231	$1,999,997
	7/1/23	—	—	100,240	200,480	—	$2,999,992
A. Wade Pursell	2/17/23	$532,834	$2,000,000	—	—	—	—
	7/1/23	—	—	—	—	35,567	$1,124,984
	7/1/23	—	—	37,590	75,180	—	$1,124,998
James B. Lebeck	2/17/23	$297,692	$2,000,000	—	—	—	—
	1/23/23	—	—	—	—	14,698	$500,026
	7/1/23	—	—	—	—	15,808	$500,007
	7/1/23	—	—	16,707	33,414	—	$500,009
Kenneth J. Knott	2/17/23	$283,874	$2,000,000	—	—	—	
	7/1/23	—	—	—	—	11,856	$375,005
	7/1/23	—	—	12,530	25,060	—	$374,999
Mary Ellen Lutey	2/17/23	$283,874	$2,000,000	—	—	—	—
	7/1/23	—	—	—	—	11,856	$375,005
	7/1/23	—	—	12,530	25,060	—	$374,999

(1) This amount represents the salary amount actually paid to each of our NEOs in 2023, multiplied by the applicable STIP target percentage.

(2) This amount represents the maximum award possible under the stockholder-approved Cash Bonus Plan; however, as described above in "*Section 4—Primary Elements Of Compensation and Select Executive Compensation Decisions*," actual bonuses range from zero to two times a participant's target percentage.

(3) This amount represents the number of shares of common stock to be issued upon settlement of PSUs granted under our Equity Plan, assuming we achieve the target performance level established by the Compensation Committee, resulting in an earned percentage of 100 percent. PSUs represent the right to receive, upon settlement of the PSUs after the completion of a three-year performance period ending June 30, 2026, a number of shares of our common stock that may be from zero percent to 200 percent of the number of PSUs granted on the award date, depending on the extent to which we have achieved the performance criteria and the extent to which the PSUs have vested. The performance criteria for the PSUs are based on the Company's TSR relative to the TSR of certain peer companies, the Company's absolute TSR, adjusted free cash flow ("FCF") generation, and the achievement of certain ESG targets, in each case as defined by the award agreement. The PSUs will vest on July 1, 2026. The PSUs granted to Mr. Vogel are subject to the three-year performance period; however because he was of retirement eligible age, as defined in the award agreement, on the award date, if retirement occurs before the end of the performance period, these PSUs will vest in pro-rata increments on a daily basis over the three-year performance period beginning on the award date. For additional detail regarding the 2023 performance-based equity awards, please see "*2023-2026 LTIP Performance Period Design and Awards.*"

(4) This amount represents the number of shares of common stock to be issued upon settlement of PSUs granted under our Equity Plan, assuming we achieve the maximum performance level established by the Compensation Committee, resulting in an earned percentage of 200 percent.

(5) This amount represents RSUs granted under our Equity Plan. The RSUs vest one-third on July 1, 2024, one-third on July 1, 2025, and one-third on July 1, 2026 (with the exception of Mr. Vogel, who is entitled to one-sixth vesting as noted below). Prior to vesting, the RSUs are subject to transfer restrictions and may be forfeited to us upon termination of employment. The RSUs are not eligible for dividends and are not credited with dividend equivalents. Holders of RSUs have no rights as stockholders of common stock until such time as the RSUs are settled for shares of common stock on the settlement date. The RSUs granted to Mr. Vogel are subject to pro rata vesting due to Mr. Vogel attaining retirement eligible age, as defined in the award agreement, on the award date. As such, the awards vest one-sixth on January 1, 2024, one-sixth on July 1, 2024, one-sixth on January 1, 2025, one-sixth on July 1, 2025, one-sixth on January 1, 2026, and one-sixth on July 1, 2026. Shares are only released on the July 1 dates.

(6) Represents the grant date fair value of the RSU grant based on the closing market price on the grant date. The grant date fair value of a PSU is calculated using a Geometric Brownian Motion Model, and the aggregate grant date fair value represented in this column for PSUs is calculated based upon the number of PSUs granted.

CEO Pay Ratio

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), certain U.S. public companies must disclose the ratio of the CEO's annual total compensation to the median annual total compensation of all employees (excluding the CEO).

We identified our current median employee in November 2021, using the consistently applied compensation measure determined by calculating the sum of 2021 annual base salary, long-term incentive plan grant value and actual cash bonus paid to each employee, including any overtime pay. In making this determination we annualized bonus, base salary, and any overtime pay for employees that were not employed for the entirety of 2021.

As permitted by the Dodd-Frank Act and because our employee population did not experience a meaningful change, no changes to employee compensation arrangements occurred that resulted in a significant modification to our disclosures, and the median employee did not experience a change in circumstances, we utilized the compensation of the same median employee in this Proxy Statement.

We determined that the amount of the annual total compensation of our median employee for 2023 was $191,873. This amount represents the total compensation that would have been reported in the Summary Compensation Table in accordance with the requirements of Item 402(c)(x) of Regulation S-K for the median employee if the employee had been an NEO for fiscal year 2023. We then determined that the amount of our CEO's annual total compensation for 2023 was $11,060,630, which represents the amount reported for our CEO in the "Total" column of the 2023 Summary Compensation Table.

Name and Principal Position	Year	Salary	Stock Awards(1)	Non-Equity Incentive Plan Compensation(2)	Change In Pension Value and Non-Qualified Deferred Compensation Earnings(3)	All Other Compensation(4)	Total
Herbert S. Vogel President, Chief Executive Officer and Director	2023	$ 814,200	$ 4,999,989	$ 4,815,816	$ 295,736	$ 134,889	$11,060,630
Median Employee	2023	$ 122,228	$ 19,050	$ 39,529	$ —	$ 11,066	$ 191,873

(1) The amounts in this column represent the aggregate grant date fair values of PSU and RSU awards computed in accordance with FASB ASC Topic 718. These grant date fair values have been determined in accordance with Note 1 to the Summary Compensation Table set forth above.

(2) The amounts in this column represents (i) the cash bonuses paid in 2024, but earned during 2023, under the STIP, and (ii) the payout of the performance-based cash awards granted in 2020 and paid in 2023.

(3) The amounts shown in this column are attributable to the increase, if any, in the actuarial value of each individual's combined benefits under our qualified and non-qualified benefit plans determined using interest rate and mortality assumptions consistent with those used in our financial statements. Neither individual received preferential or above market earnings on deferred compensation.

(4) Amounts consist of our respective contributions to our 401(k) Profit Sharing Plan, contributions to our Non-Qualified Deferred Compensation Plan, and any anniversary gift cards.

Based on the foregoing, for 2023, the ratio of the annual total compensation of our CEO to the annual total compensation for our median employee is 58:1. This pay ratio is a reasonable estimate, calculated in a manner consistent with SEC rules and based on our payroll and employment records.

As noted above under the heading "*Section 1 - Preliminary Note About This Year's Summary Compensation Table*" and immediately prior to the SCT, the total compensation for our CEO, as required by SEC rules, reflects both the grant date fair value of our CEO's 2023 LTIP awards (inclusive of RSUs and PSUs), as well as the settlement value of the 2020 performance-based cash awards that were granted in lieu of PSUs in 2020. Conversely, because our median employee did not receive a performance-based cash award in 2020 (the median employee's 2020 LTIP grant did not include a performance-based component), the total compensation for our median employee does not include 2020 performance-based cash awards.

We believe it is important to note this distinction, as the increase in CEO pay ratio between 2023 and 2022 is largely attributable to the fact that, for our CEO, both 2023 LTIP awards as well as the settlement of the 2020 performance-based cash awards are accounted for in the calculation; whereas, for our median employee, there is no corresponding performance-based cash item due to the median employee's 2020 LTIP grant having been made exclusively in the form of time-based cash vesting.

Outstanding Equity Awards at 2023 Year-End

The following table shows outstanding equity awards for our NEOs as of December 31, 2023:

	Stock Awards		Equity Incentive Plan Awards:	
Name	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested[1]	Number of Unearned Shares, Units or Other Rights That Have Not Vested	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[1]
Herbert S. Vogel				
RSUs [2]	20,907	$ 809,519	—	$ —
RSUs [4]	35,212	$ 1,363,409	—	$ —
RSUs [6]	63,231	$ 2,448,304	—	$ —
PSUs [8]	—	$ —	101,229	$ 3,919,587
PSUs [10]	—	$ —	100,240	$ 3,881,293
A. Wade Pursell				
RSUs [2]	13,067	$ 505,954	—	$ —
RSUs [3]	21,029	$ 814,243	—	$ —
RSUs [5]	35,567	$ 1,377,154	—	$ —
PSUs [7]	—	$ —	40,304	$ 1,560,571
PSUs [9]	—	$ —	37,590	$ 1,455,485
James B. Lebeck				
RSUs [5]	15,808	$ 612,086	—	$ —
RSUs [11]	14,698	$ 569,107	—	$ —
PSUs [9]	—	$ —	16,707	$ 646,895
Kenneth J. Knott				
RSUs [2]	3,757	$ 145,471	—	$ —
RSUs [3]	6,358	$ 246,182	—	$ —
RSUs [5]	11,856	$ 459,064	—	$ —
PSUs [7]	—	$ —	12,185	$ 471,803
PSUs [9]	—	$ —	12,530	$ 485,162
Mary Ellen Lutey				
RSUs [2]	3,757	$ 145,471	—	$ —
RSUs [3]	6,358	$ 246,182	—	$ —
RSUs [5]	11,856	$ 459,064	—	$ —
PSUs [7]	—	$ —	12,185	$ 471,803
PSUs [9]	—	$ —	12,530	$ 485,162

(1) The market value of RSUs and PSUs that have not vested is calculated using the closing price of $38.72 of our common stock on December 29, 2023. The market value of PSUs is calculated based upon an earned percentage of 100 percent.

(2) These RSUs vest in 1/3 increments with the remaining vesting scheduled to occur 1/3 on July 1, 2024.

(3) These RSUs vest in 1/3 increments with the remaining vesting scheduled to occur 1/3 on July 1, 2024, and 1/3 on July 1, 2025.

(4) These RSUs vest(ed) in 1/6 increments with the remaining vesting scheduled to occur (or having occurred) 1/6 on January 1, 2024, 1/6 on July 1, 2024, 1/6 on January 1, 2025, and 1/6 on July 1, 2025.

(5) These RSUs vest in 1/3 increments with the vesting scheduled to occur 1/3 on July 1, 2024, 1/3 on July 1, 2025, and 1/3 on July 1, 2026.

(6) These RSUs vest(ed) in 1/6 increments with the remaining vesting scheduled to occur (or having occurred) 1/6 on January 1, 2024, 1/6 on July 1, 2024, 1/6 on January 1, 2025, 1/6 on July 1, 2025, 1/6 on January 1, 2026 and 1/6 on July 1, 2026.

(7) These PSUs vest on July 1, 2025. The PSUs are subject to a three-year performance period ending June 30, 2025. The award is reported at an earned percentage of 100 percent.

(8) These PSUs vest on July 1, 2025. The PSUs are subject to a three-year performance period ending June 30, 2025. The award is reported at an earned percentage of 100 percent. However, for retirement eligible employees, if retirement occurs before the end of the performance period, these PSUs vest in pro-rata increments on a daily basis over the three-year performance period beginning at the grant date.

(9) These PSUs vest on July 1, 2026. The PSUs are subject to a three-year performance period ending June 30, 2026. The award is reported at an earned percentage of 100 percent.

(10) These PSUs vest on July 1, 2026. The PSUs are subject to a three-year performance period ending June 30, 2026. The award is reported at an earned percentage of 100 percent. However, for retirement eligible employees, if retirement occurs before the end of the performance period, these PSUs vest in pro-rata increments on a daily basis over the three-year performance period beginning at the grant date.

(11) These RSUs cliff vest on January 23, 2026.

2023 Stock Vested

	Stock Awards		
Name	Number of Shares Acquired on Vesting(1)		Value Realized on Vesting(2)
Herbert S. Vogel	104,287	$	3,298,598
A. Wade Pursell	51,452	$	1,627,427
James B. Lebeck	—	$	—
Kenneth J. Knott	14,600	$	461,798
Mary Ellen Lutey	14,948	$	472,805

(1) This column represents the number of shares of common stock issued upon the vesting and settlement of RSUs and PSUs during 2023. As discussed above, each RSU represents a right to receive one share of our common stock upon settlement pursuant to the terms of the award agreement, and each PSU represents the right to receive, upon settlement of the PSU after the completion of a three-year performance period, a number of shares of our common stock that ranges from zero percent to 200 percent of the number of PSUs, depending on the extent to which we have achieved our performance goals.

(2) The value realized on vesting and settlement of the RSUs and PSUs is computed by multiplying the number of shares of common stock issued upon the vesting and settlement of RSUs or settlement of PSUs by the per share closing market price of the underlying shares on the day prior to settlement date, or, if the day prior to the settlement date was not a market trading date, then on the last market trading date which preceded the day prior to the settlement date. The per share closing market prices utilized for this computation were $31.63 on June 30, 2023, for the vesting and settlement of the third vesting tranche of the 2020 RSU awards, the vesting and settlement of the second vesting tranche of the 2021 RSU awards, and the vesting and settlement of the first vesting tranche of the 2022 RSU awards, all of which were settled on July 1, 2023. No PSUs vested in 2023.

Pension Benefits

Our Qualified Pension Plan is a qualified, noncontributory defined benefit plan, which is available to substantially all of our employees who joined SM Energy prior to January 1, 2015, and meet age and service requirements. In addition, we sponsor the SERP to provide an equivalent benefit on earnings above the qualified plans IRC limits (the 2023 limit was $330,000 in annual base salary income, for certain executive officers with a title of at least vice president). The following table represents the value of the NEO's pension benefits as of December 31, 2023:

Name	Plan Name	Number of Years Credited Service		Present Value of Accumulated Benefit		Payment During Last Fiscal Year
Herbert S. Vogel	Qualified Pension Plan	12	$	593,901	$	—
	Non–Qualified SERP Pension Plan	12	$	883,715	$	—
A. Wade Pursell	Qualified Pension Plan	15	$	614,364	$	—
	Non–Qualified SERP Pension Plan	15	$	393,464	$	—
James B. Lebeck	Qualified Pension Plan	—	$	—	$	—
	Non–Qualified SERP Pension Plan	—	$	—	$	—
Kenneth J. Knott	Qualified Pension Plan	23	$	812,090	$	—
	Non–Qualified SERP Pension Plan	23	$	135,859	$	—
Mary Ellen Lutey	Qualified Pension Plan	16	$	444,197	$	—
	Non–Qualified SERP Pension Plan	16	$	74,699	$	—

Non-Qualified Deferred Compensation for 2023

This Non-Qualified Deferred Compensation table sets forth the NEOs participation in the Non-Qualified Deferred Compensation Plan. This plan allows eligible employees to defer part of their salary and annual incentive bonus on a voluntary basis.

Name	Executive Contributions in Last FY[1]	Registrant Contributions in Last FY[2]	Aggregate Earnings in Last FY[3]	Aggregate Withdrawals in Last FY	Aggregate Balance at Last FYE
Herbert S. Vogel	$ 115,089	$ 115,089	$ 205,681	$ —	$ 1,997,966
A. Wade Pursell	$ —	$ —	$ 162,041	$ —	$ 941,111
James B. Lebeck	$ —	$ —	$ —	$ —	$ —
Kenneth J. Knott	$ 54,785	$ 41,955	$ 159,305	$ —	$ 1,161,300
Mary Ellen Lutey	$ 41,955	$ 41,955	$ 143,968	$ —	$ 972,250

(1) The amounts in this column are also included in the Summary Compensation Table under the Salary column or the Non-Equity Incentive Plan Compensation column, as applicable.

(2) The amounts in this column represent the matching contributions. The matching contributions are included in the "All Other Compensation" column of the Summary Compensation Table. We match deferred compensation up to an amount equal to six percent of base salary plus any STIP cash bonus.

(3) The earnings reflected in this column represent deemed investment earnings or losses from voluntary deferrals and Company contributions, as applicable. The Non-Qualified Deferred Compensation Plan does not guarantee a return on deferred amounts.

Our SERP is a non-qualified deferred compensation plan. The SERP is a non-contributory plan, and additional information about the SERP, including the present value of the accumulated benefits under the SERP for each NEO, is set forth in the "*Pension Benefits*" section above. In addition, annual increases in the actuarial value of benefits under the SERP are included in the Change In Pension Value and Non-Qualified Deferred Compensation Earnings column of the Summary Compensation Table above.

Potential Payments Upon Termination or Change of Control

Change of Control Arrangements

Change of control severance protection is provided through change of control executive severance agreements to executives at the level of vice president and above, including each of our NEOs, and to certain other key employees. These agreements have a "double trigger" mechanism, which requires first that a qualifying change of control event has occurred, and second that the executive has been terminated or that certain other conditions are met, as summarized below, before severance benefits will be provided.

A "Change of Control" is defined to include (a) an acquisition of more than 50 percent of the common stock or assets of the Company in a reorganization, merger, or consolidation of our Company, or (b) a change in more than 50 percent of the composition of the Board, other than as a result of the election of new members of the Board by a vote of the incumbent members of the Board or by our stockholders pursuant to the recommendation of the incumbent members of the Board.

Executive officers are entitled to receive severance payments in the event that their employment is terminated within two and one-half years after a Change of Control (a) without "cause" by our Company or (b) for "good reason" by the officer, each as defined in the agreements. The term "good reason" incorporates the concept of a change in the executive's status, authority, position, offices, titles, duties, or responsibilities that are reasonably viewed as a diminution of duties at any time within the ninety (90) days preceding a Change of Control or within two and one-half years thereafter. The term "good reason" also contemplates a reduction in the executive's base salary and benefits over this same time frame, or the requirement that an executive relocate his or her base of employment outside a 25-mile radius from the executive's location at the time of the Change of Control.

Particularly in view of the propensity for mergers, acquisitions, and consolidations in our industry, we believe that change of control executive severance agreements promote stability and continuity among our executives, allowing them to remain neutral in the face of a transaction that would benefit our stockholders, but would result in their involuntary termination. Such agreements are customary for executives in our industry and are offered by companies who compete with us for executive talent. The double trigger feature provides a sufficient level of protection for the executive as well as a retention incentive benefiting the Company and our stockholders without creating an unreasonable impediment to a potential acquirer of the Company. We believe that the severance payment amounts under these agreements for our executives are comparable to payment amounts offered under similar arrangements by other companies in our industry, and are designed to facilitate reasonable compensation and insurance and benefits protection during a reasonable period of time to allow the executive to obtain comparable employment.

With respect to our NEO's, the following table sets forth the estimated gross taxable compensation payable upon (i) a Change of Control without termination; (ii) termination in connection with a Change of Control; (iii) death or disability; and (iv) voluntary termination or retirement. The amounts set forth below assume a termination date of December 31, 2023, under the executive severance and change of control agreements that were in place at that time. Subsequent to December 31, 2023, the Company entered into new executive severance and change of control agreements with certain officers, including our NEOs, and a footnote to the table below discloses the amount that would have been payable to each of our NEOs in the event of a change of control termination if the new agreements had been in effect on December 31, 2023. In the event the executive is subject to golden parachute excise taxes under Section 4999 of the IRC, severance benefits may be reduced to avoid excise taxes, if doing so would increase the net after tax benefits to the executive. No excise tax "gross-up" payments are provided.

Potential Payments upon Termination or Change of Control					
Name	Base Salary	Cash Bonus	Accelerated Vesting of RSUs and Performance-Based Awards	Continued Employee Benefits	Total
Herbert S. Vogel					
Change of Control/No Termination	$ —	$ —	$ —	$ —	$ —
Change of Control Termination(1)	$ 1,653,600	$ 2,976,480	$ 12,721,242	$ 34,765	$ 17,386,087
Termination upon Death or Disability(2)	$ —	$ —	$ 12,721,242	$ —	$ 12,721,242
Voluntary Termination/Retirement	$ —	$ —	$ —	$ —	$ —
A. Wade Pursell					
Change of Control/No Termination	$ —	$ —	$ —	$ —	$ —
Change of Control Termination(1)	$ 1,082,160	$ 1,623,240	$ 5,897,356	$ 61,044	$ 8,663,800
Termination upon Death or Disability(2)	$ —	$ —	$ 5,897,356	$ —	$ 5,897,356
Voluntary Termination/Retirement	$ —	$ —	$ —	$ —	$ —
James B. Lebeck					
Change of Control/No Termination	$ —	$ —	$ —	$ —	$ —
Change of Control Termination(1)	$ 860,000	$ 967,500	$ 1,681,201	$ 53,191	$ 3,561,892
Termination upon Death or Disability(2)	$ —	$ —	$ 1,681,201	$ —	$ 1,681,201
Voluntary Termination/Retirement	$ —	$ —	$ —	$ —	$ —
Kenneth J. Knott					
Change of Control/No Termination	$ —	$ —	$ —	$ —	$ —
Change of Control Termination(1)	$ 768,712	$ 864,801	$ 1,838,216	$ 58,027	$ 3,529,756
Termination upon Death or Disability(2)	$ —	$ —	$ 1,838,216	$ —	$ 1,838,216
Voluntary Termination/Retirement	$ —	$ —	$ —	$ —	$ —
Mary Ellen Lutey					
Change of Control/No Termination	$ —	$ —	$ —	$ —	$ —
Change of Control Termination(1)	$ 768,712	$ 864,801	$ 1,838,216	$ 58,027	$ 3,529,756
Termination upon Death or Disability(2)	$ —	$ —	$ 1,838,216	$ —	$ 1,838,216
Voluntary Termination/Retirement	$ —	$ —	$ —	$ —	$ —

(1) Subsequent to December 31, 2023, the Company entered into new executive severance and change of control agreements (the "New CoC Agreements") with certain officers, including our NEOs. A form of the New CoC Agreements was filed with the Company's 2023 Form 10-K. As required by SEC rules, the above table reflects the outcome of a change of control of the Company effective as of December 31, 2023, pursuant to the executive severance and change of control agreements that were in place at that time; however, if the New CoC Agreements were in place as of December 31, 2023, Messrs. Vogel, Pursell, Lebeck and Knott, and Ms. Lutey, would have been entitled to total payments of $19,205,047, $9,204,880 $3,938,142, $3,866,068, and $3,866,068, respectively, in the event of a change of control termination.

(2) The amounts reflected in the "Accelerated Vesting of RSUs and Performance-Based Awards" column represents (i) the market-value of all unvested RSUs as of December 31, 2023, and (ii) the target value of all unvested performance-based awards (inclusive of PSUs and performance-based cash awards) as of the applicable date of the award. Upon termination due to death or disability, (i) RSUs immediately vest and are settled; and (ii) performance-based awards immediately vest, but the payout of such awards is not settled and released until the end of the respective performance period and determination of the final settlement factor.

Equity Compensation Plans

The Company has equity compensation plans under which options and shares of the Company's common stock are authorized for grant or issuance as compensation to eligible employees, consultants, and members of our Board of Directors. The following table is a summary of the shares of common stock authorized for issuance under equity compensation plans as of December 31, 2023:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted-average exercise price of outstanding options, warrants, and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders:			
Equity Incentive Compensation Plan			
Stock options and incentive stock options(1)	—	—	
Restricted stock units(1)(2)	1,091,094	N/A	
Performance share units(1)(2)(3)	485,382	N/A	
Total for Equity Incentive Compensation Plan	1,576,476	—	2,808,286
Employee Stock Purchase Plan(4)	—	—	3,310,680
Equity compensation plans not approved by security holders	—	—	—
Total for all plans	1,576,476	—	6,118,966

(1) In May 2006, our stockholders approved the Equity Plan to authorize the issuance of restricted stock, restricted stock units, non-qualified stock options, incentive stock options, stock appreciation rights, performance shares, performance units, and stock-based awards to key employees, consultants, and members of the Board of the Company or any affiliate of the Company. The Company's Board of Directors approved amendments to the Equity Plan in 2009, 2010, 2013, 2016 and 2018 and each amended plan was approved by stockholders at the respective annual stockholders' meetings. The number of shares of the Company's common stock underlying awards granted in 2023, 2022, and 2021 under the Equity Plan were 943,979, 832,257, and 726,562, respectively.

(2) RSUs and PSUs do not have exercise prices associated with them, but rather a weighted-average per unit fair value which is presented in order to provide additional information regarding the potential dilutive effect of the awards. The weighted-average grant date per unit fair value for the outstanding RSUs and PSUs was $31.40 and $27.75, respectively.

(3) The number of awards to be issued assumes a multiplier of one. The final number of shares of the Company's common stock issued upon settlement may vary depending on the three-year multiplier determined at the end of the performance period under the Equity Plan, which ranges from zero to two.

(4) Under the ESPP, eligible employees may purchase shares of the Company's common stock through payroll deductions of up to 15 percent of their eligible compensation. The purchase price of the common stock is 85 percent of the lower of the fair market value of the common stock on the first or last day of the six-month offering period, and shares issued under the ESPP on or after December 31, 2011, have no minimum restriction period. The ESPP is intended to qualify under Section 423 of the IRC. The number of shares of the Company's common stock issued in 2023, 2022, and 2021 under the ESPP were 114,427, 113,785, and 313,773, respectively.

Pay Versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(v) of Regulation S-K, we are providing the following information about the relationship between executive compensation actually paid ("CAP") (as defined by SEC rules) and certain financial performance of the Company. The Compensation Committee did not consider the pay versus performance disclosure when making its incentive compensation decisions. For further information about how we align executive compensation with the Company's performance, see "*Compensation Discussion and Analysis*" above. The amounts in the table below are calculated in accordance with SEC rules and do not represent amounts actually earned or realized by NEOs.

Pay Versus Performance

	Herbert S. Vogel		Javan D. Ottoson				Value of Initial Fixed $100 Investment Based on:			
Year (1)	Summary Compensation Table Total for PEO	Compensation Actually Paid to PEO (2)	Summary Compensation Table Total for PEO	Compensation Actually Paid to PEO (2)	Average Summary Compensation Table Total for Non-PEO NEOs	Average Compensation Actually Paid to Non-PEO NEOs (2)	Total Shareholder Return	Peer Group Total Shareholder Return (3)	Net Income (Loss) (in thousands)	Adjusted Free Cash Flow (4) (in thousands)
2023	$ 11,060,630	$ 12,463,744	$ —	$ —	$ 2,891,619	$ 3,247,712	$ 354.89	$ 163.02	$ 817,880	$ 285,403
2022	$ 6,733,036	$ 11,113,208	$ —	$ —	$ 2,083,619	$ 3,751,637	$ 313.93	$ 161.56	$1,111,952	$ 804,025
2021	$ 4,295,321	$ 14,520,242	$ —	$ —	$ 1,639,759	$ 5,005,015	$ 263.18	$ 105.95	$ 36,229	$ 482,538
2020	$ 2,325,154	$ (320,679)	$ 1,879,774	$ (6,639,951)	$ 1,132,654	$ (27,157)	$ 54.57	$ 63.98	$ (764,614)	$ 240,883

(1) Our principal executive officer ("PEO"), Herbert S. Vogel, succeeded Javan D. Ottoson as Chief Executive Officer in November of 2020. The remaining NEOs ("Non-PEO NEOs") for each year presented above consisted of the following:
- 2023: A. Wade Pursell, James B. Lebeck, Kenneth J. Knott, Mary Ellen Lutey
- 2022 and 2021: A. Wade Pursell, David W. Copeland, Mary Ellen Lutey, Lehman E. Newton, III
- 2020: A. Wade Pursell, David W. Copeland, Mary Ellen Lutey, Kenneth J. Knott

(2) See "*Adjustments to Determine Compensation Actually Paid*" table below for additional detail.

(3) The peer group used for comparison of cumulative total shareholder return is the Dow Jones Exploration and Production Index - DJUSOS.

(4) We deemed adjusted free cash flow to be the most important financial performance measure used to link Company performance to compensation actually paid to our PEO and non-PEO NEOs for all years presented above. See "*Performance Measure*" table below for additional detail.

The following table sets forth the adjustments made during each year presented in the Pay Versus Performance table to arrive at compensation actually paid to our PEO and non-PEO NEOs:

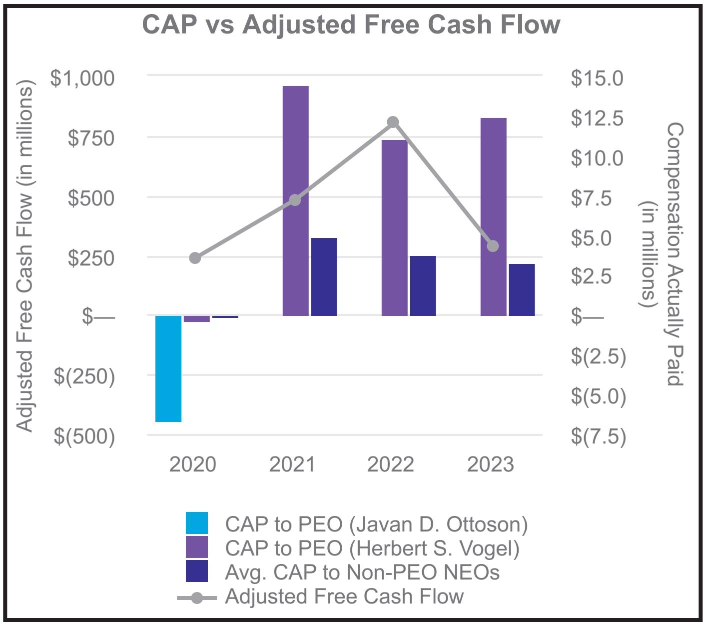
Adjustments to Determine Compensation Actually Paid										
	2023		2022		2021		2020			
	PEO (Herbert S. Vogel)	Average for Non-PEO NEOs	PEO (Herbert S. Vogel)	Average for Non-PEO NEOs	PEO (Herbert S. Vogel)	Average for Non-PEO NEOs	PEO (Herbert S. Vogel)	PEO (Javan D. Ottoson)	Average for Non-PEO NEOs
Total Compensation as reported in SCT	$11,060,630	$ 2,891,619	$ 6,733,036	$ 2,083,619	$ 4,295,321	$ 1,639,759	$ 2,325,154	$ 1,879,774	$ 1,132,654
Deduction of "Change in Pension Value and Nonqualified Deferred Compensation Earnings" reported in SCT	(295,736)	(65,794)	(188,143)	(23,199)	(245,600)	(93,022)	(170,465)	(321,131)	(154,328)
Service cost for pension plans	128,937	45,633	107,434	61,727	103,247	59,304	82,313	144,709	63,939
Deduction of "Stock Awards" reported in SCT	(4,999,989)	(1,312,508)	(4,500,021)	(1,174,993)	(1,600,013)	(537,496)	(1,179,998)	—	(254,687)
Fair value of awards granted during year, unvested as of year-end	6,486,117	1,668,271	5,205,221	1,332,750	1,849,015	621,144	1,207,623	—	260,649
Change in fair value of awards granted in prior years that were outstanding and unvested as of year-end	399,804	83,338	575,601	151,575	7,337,985	2,397,458	(1,360,713)	—	(581,562)
Change in fair value of awards granted in prior years that vested during the year	(316,019)	(62,847)	3,180,080	1,320,158	2,780,287	917,868	(1,224,593)	(2,576,757)	(493,822)
Deduction of fair value as of prior year-end of awards forfeited during the year	—	—	—	—	—	—	—	(5,766,546)	—
Compensation Actually Paid	$12,463,744	$ 3,247,712	$11,113,208	$ 3,751,637	$14,520,242	$ 5,005,015	$ (320,679)	$(6,639,951)	$ (27,157)

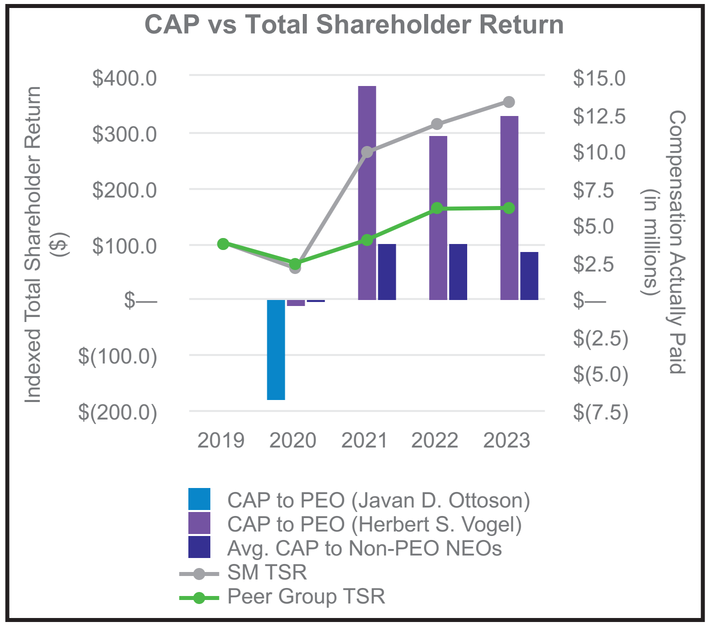
Unvested equity awards presented in the table above are computed in accordance with FASB ASC Topic 718.

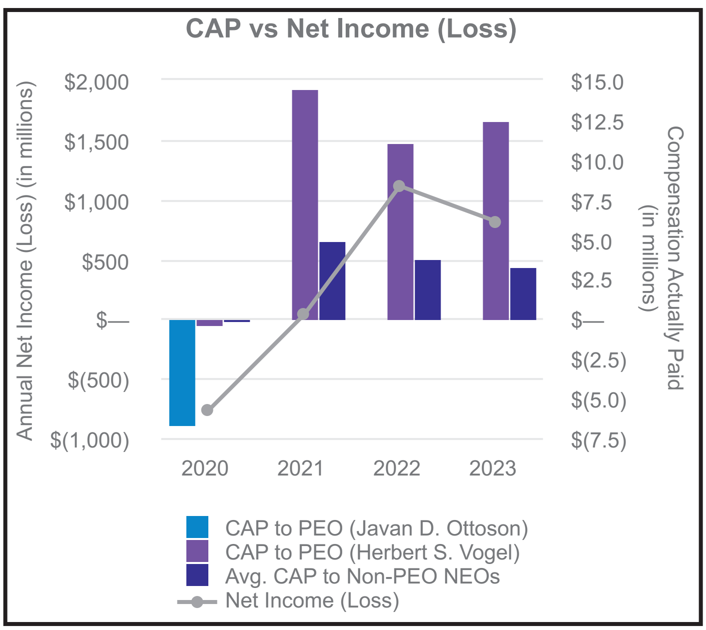
The following is an unranked list of the most important performance measures that link compensation actually paid to our PEO and non-PEO NEOs to Company performance. See the *CD&A* section above for additional discussion of why we think these measures are important.

Performance Measure	Description
Adjusted Free Cash Flow	Net cash provided by (used in) operating activities less capital expenditures, less budgeted stockholder returns actually paid in the period.
Relative TSR	Measurement of the compounded annual growth rate of the Company's TSR compared to that of the applicable peer group.
Adjusted EBITDAX	Adjusted EBITDAX represents net income (loss) before interest expense, interest income, income taxes, depletion, depreciation, amortization and asset retirement obligation liability accretion expense, exploration expense, property abandonment and impairment expense, non-cash stock-based compensation expense, derivative gains and losses net of settlements, gains and losses on divestitures, gains and losses on extinguishment of debt, and certain other items.

In accordance with Item 402(v) of Regulation S-K, we are providing the following charts depicting the relationships between compensation actually paid to the PEO and non-PEO NEOs, and the following financial performance metrics: adjusted free cash flow, TSR, and net income (loss). The graph presenting TSR includes a comparison of the Company's TSR to the peer group TSR. As described in greater detail in the CD&A, we utilize multiple performance measures to align executive compensation with annual and long-term performance, and all of those measures are not presented in the following charts.







PROPOSAL 2—ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our stockholders are entitled to cast an advisory vote at the Annual Meeting to approve the compensation of our named executive officers, as disclosed in this Proxy Statement. As an advisory vote, this Proposal 2 is not binding on our Board or the Compensation Committee, will not overrule any decisions made by our Board or the Compensation Committee, and will not require our Board or the Compensation Committee to take any action. Although the vote is non-binding, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions and executive compensation program design. In particular, to the extent there is any significant vote against our named executive officers' compensation as disclosed in this Proxy Statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

As described in the CD&A, our executive compensation programs are designed to provide a competitive level of compensation necessary to attract, motivate and retain talented and experienced executives and to motivate them to achieve short-term and long-term corporate goals that enhance stockholder value. In order to align executive pay with both our financial performance and the creation of sustainable stockholder value, a significant portion of our named executive officers' compensation is allocated to performance-based short-term and long-term incentive programs that are dependent on our performance (and thereby "at-risk"). In addition, as an executive officer's responsibility and ability to affect our financial results increases, the portion of his or her total compensation deemed "at-risk" increases in relation to base salary. Furthermore, our NEOs' targeted total direct compensation (base salary plus target cash bonus plus long-term incentive compensation) is generally designed to approximate the median of our peer group.

As discussed in greater detail in the CD&A, during 2023 we returned approximately $300 million of capital to our stockholders through fixed dividend payments and stock repurchases, delivered excellent financial and operating results, continued to reduce leverage and reduced Net Debt[1] below $1 billion, and increased our net proved reserves to achieve a Company record. We believe that our Capital Return Program, which we intend to fund with cash flows from operations, will be sustainable, and will create long-term value for our stockholders.

Our STIP measures and rewards annual performance using metrics that we believe are the key drivers of long-term stockholder value creation. Upon evaluation of our performance with respect to the six quantitative and one qualitative metrics that are described in greater detail in the CD&A, as well as application of the TSR modifier (which resulted in an upward adjustment based on a positive 13 percent TSR for the year), the Compensation Committee applied a 1.65 times multiplier to our NEOs target cash bonus awards.

With respect to the 2020-2023 LTIP performance period, we exceeded the maximum performance level (which capped payout) for both the free cash flow and Net Debt-to-Adjusted EBITDAX performance metrics and performed slightly above target with respect to the ESG performance metric, which resulted in a PSU multiplier of 1.81 times. Over a five year period, our average LTIP multiplier is 1.14 times, and over a ten year period is 0.84 times, reflecting the rigorous nature of our LTIP.

As discussed in more detail in the CD&A, ESG focused metrics have been increasingly incorporated into our short-term and long-term incentive plan designs. Beginning with our 2022 STIP plan design, and continuing in 2023, ESG metrics comprise a quantitative component of the calculation, as opposed to the qualitative assessment that we utilized in prior years. Beginning with our 2022 LTIP design and continuing in 2023, ESG metrics are given equal weighting as compared to all other metrics, and require a threshold level of performance to receive any payout.

As you consider this Proposal 2, we urge you to read the CD&A, which more thoroughly discusses how our compensation policies and procedures are designed to reflect and implement our compensation philosophy. The Compensation Committee and the Board believe that these policies and procedures are effective in implementing our compensation philosophy and in achieving our goals, and significantly align the interests of our management with those of our stockholders.

[1] Net Debt, a non-GAAP metric used by management and the investment community to assess the Company's financial condition, is calculated as the total principal amount of outstanding senior notes plus amounts drawn, if any, on the Company's senior secured revolving credit facility, less cash and cash equivalents.

In light of these circumstances, we are asking stockholders to vote "FOR" the following resolution:

> "RESOLVED, that the stockholders approve, on an advisory basis, the compensation philosophy, policies and procedures and the compensation of the named executive officers as disclosed in the Proxy Statement for SM Energy Company's 2024 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including under the "Compensation Discussion and Analysis" section, and in the Summary Compensation Table and the other related tables and disclosures in the Proxy Statement."

☑ **Our Board recommends voting "FOR" the advisory vote to approve named executive officer compensation.**

DIRECTOR COMPENSATION

2023 Non-Employee Director Compensation[1]

Name	Fees Earned or Paid in Cash	Stock Awards[2][3][4]	Option Awards[5]	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-Qualified Deferred Compensation Earnings	All Other Compensation[6]	Total
Carla J. Bailo	$105,000	$180,008	$—	$—	$—	$100	$285,108
Stephen R. Brand	$110,000	$180,008	$—	$—	$—	$25,000	$315,008
Ramiro G. Peru	$115,000	$180,008	$—	$—	$—	$2,000	$297,008
Anita M. Powers	$—	$270,026	$—	$—	$—	$—	$270,026
Julio M. Quintana	$90,000	$305,032	$—	$—	$—	$9,000	$404,032
Rose M. Robeson	$90,000	$180,008	$—	$—	$—	$—	$270,008
William D. Sullivan	$—	$270,026	$—	$—	$—	$5,000	$275,026

(1) Barton R. Brookman joined the Board on February 16, 2024, and did not serve or receive any compensation for services as a director of the Company in 2023.

(2) The Company issued to Ms. Bailo, Mr. Brand, Mr. Peru, Ms. Powers, Mr. Quintana, Ms. Robeson and Mr. Sullivan their respective equity retainer of 6,541 shares of our common stock on May 26, 2023, after each such director's election to the Board on May 26, 2023. Ms. Powers and Mr. Sullivan elected to receive their 2023 cash retainer in shares of our common stock, which resulted in a grant on May 26, 2023, of 3,271 additional shares of our common stock under our Equity Plan. We issued to Mr. Quintana an additional 4,543 shares of our common stock on May 26, 2023, for serving as the non-executive Chairman of the Board. These stock awards are for the annual service period from May 26, 2023, through May 23, 2024. The shares became unrestricted on December 31, 2023. The value of the stock awards represents the grant date fair value.

(3) The grant date fair value of each share of our common stock issued to non-employee directors over their past two years of service to us is set forth in the following table and is computed in accordance with FASB ASC Topic 718, based on the grant date fair value. There were no forfeitures by directors during fiscal year 2023.

Grant Date	Shares	Value	Grantee
5/26/2023	6,541	$180,008	Bailo, Brand, Peru, Robeson
5/26/2023	9,812	$270,026	Powers, Sullivan
5/26/2023	11,084	$305,032	Quintana
5/27/2022	3,621	$180,036	Bailo, Brand, Peru, Quintana, Robeson
5/27/2022	5,432	$270,079	Powers
5/27/2022	5,934	$295,038	Sullivan

(4) As of December 31, 2023, the restrictions on the shares granted to our non-employee directors during 2023 expired.

(5) For the year ended December 31, 2023, no stock options were issued to directors, nor have any stock options been issued to the directors since December 2004. As of December 31, 2023, the non-employee directors do not hold any outstanding stock options.

(6) The amounts in this column represent matching charitable contributions made on the behalf of Ms. Bailo and Messrs. Brand, Peru, Quintana, and Sullivan for the year 2023 under our matching charitable gift program.

General

The annual service period for our directors begins immediately following each annual meeting of our stockholders and continues until the successive annual meeting of our stockholders. For service during the 2023-2024 term, target base compensation for each member of the Board of Directors was set at $270,000 annually, and was split between (i) an equity grant comprised of the Company's common stock valued at $180,000 at the time of election; and (ii) a cash retainer of $90,000, paid in lieu of Board and Committee meeting attendance fees. Mr. Vogel, who served as our President and Chief Executive Officer and the only employee director during 2023, did not receive additional compensation for serving on our Board or any committee of our Board.

The annual compensation for each non-employee director is as follows, plus reimbursement for expenses incurred in attending Board and committee meetings and director education programs:

- ***Cash Retainer***—A $90,000 retainer (in lieu of board and committee meeting attendance fees) payable at the individual director's option, either entirely in cash or shares of our common stock. All of our directors elected to receive their retainer in cash, other than Ms. Powers and Mr. Sullivan, who elected to have their 2023-2024 retainer paid in shares of our common stock, which resulted in a grant on May 26, 2023, of 3,271 shares of our common stock under our Equity Plan. In the event any director attends in excess of 30 board and committee meetings in the aggregate during the annual service period, such director shall receive $1,500 per meeting for each meeting in excess of 30. No director attended more than 30 Board and Committee meetings during the trailing one-year term.

- ***Equity Retainer***—A grant of shares of our common stock with a value of $180,000. This grant, which equated to 6,541 shares of our common stock, was issued under the Equity Plan on May 26, 2023. These shares and any shares issued pursuant to the retainer became unrestricted on December 31, 2023. The related compensation expense that we record is the fair value of the share grant as calculated under the valuation provisions required by FASB ASC Topic 718.

We pay the chairs of the following committees the specified cash retainers at the beginning of the annual director service period in recognition of the additional responsibilities of their respective committee assignments:

- Audit Committee Chair—$25,000
- Compensation Committee Chair—$20,000
- ESG Committee Chair—$15,000

We paid Mr. Quintana a retainer equal to $125,000 for his service as non-executive Chairman of the Board during the 2023-2024 annual service period. The retainer was paid in the form of shares of our common stock on May 26, 2023, and resulted in a grant of 4,543 shares. The retainer was paid in addition to his non-employee director compensation.

We maintain a matching charitable gift program to encourage financial support for organizations that are exempt from federal income taxation in which employees and our non-management directors may participate. Our annual charitable contributions budget, which includes this matching program, is determined by management at the beginning of each year, and all budgeted funds are expended for charitable purposes. Ms. Bailo and Messrs. Brand, Peru, Quintana, and Sullivan participated in this program during 2023, and we matched a total of $41,100 in non-employee director contributions under this program. We may suspend, change, revoke or terminate the charitable gift program at any time.

Certain directors are eligible to participate in our Company-wide health, pharmacy, dental, and vision insurance programs at a premium cost that is equal to the COBRA rates associated with our plan. Participation in Company plans is considered non-compensatory, and directors currently participating in such plans are no longer eligible to participate upon the later to occur of June 1, 2023, or such director reaching the age of Medicare eligibility.

The Compensation Committee has established equity ownership guidelines for non-employee directors of five times the annual cash retainer amount. Directors are allowed time to meet this guideline and are not required to acquire shares in the open market for this purpose.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Common Stock

The following table shows beneficial ownership of shares of our common stock as known to us as of March 24, 2024, by all beneficial owners of more than five percent of the outstanding shares of our common stock, by each director, director nominee, and named executive officer, and all directors and executive officers as a group. RSUs and PSUs are not included in this table as no actual shares have been issued with respect to our outstanding RSUs and PSUs. A supplemental table has been included later in this section describing the number of RSUs and PSUs owned by the individuals described below. Except as otherwise indicated, the address for each of the named security holders is 1700 Lincoln Street, Suite 3200, Denver, Colorado 80203.

Name of Beneficial Owner	Shares Beneficially Owned	Percent Beneficially Owned[1]
Name and Address of Stockholders Owning More Than 5%		
BlackRock Inc.[2] 40 East 52nd Street New York, NY 10022	20,179,832	17.4%
The Vanguard Group, Inc.[3] 100 Vanguard Blvd. Malvern, PA 19355	14,337,306	12.4%
State Street Corporation[4] State Street Financial Center, One Congress Street, Suite 1 Boston, MA 02114	6,674,610	5.8%
Name and Position of Directors, Director Nominees and Named Executive Officers		
Carla J. Bailo, Director	94,998	*
Stephen R. Brand, Director	99,491	*
Barton R. Brookman, Director	1,839	*
Ramiro G. Peru, Director	73,685	*
Anita M. Powers, Director	17,959	*
Julio M. Quintana, Director	89,028	*
Rose M. Robeson, Director	39,531	*
William D. Sullivan, Director	154,157	*
Herbert S. Vogel, President, Chief Executive Officer and Director	460,467	*
A. Wade Pursell, Executive Vice President and Chief Financial Officer	373,085	*
James B. Lebeck, Executive Vice President and General Counsel	655	*
Mary Ellen Lutey, Senior Vice President - Exploration, Development and EHS	129,308	*
Kenneth J. Knott, Senior Vice President - Business Development and Land	130,495	*
All executive officers and directors as a group (15 persons)	1,707,677	1.5%

* Less than 1 percent.

(1) Based on an aggregate of 115,746,540 shares of outstanding common stock as of March 24, 2024.

(2) According to a Statement on Schedule 13G/A filed by BlackRock, Inc. ("BlackRock") on January 19, 2024, by reason of advisory and other relationships with persons who own shares of our common stock, BlackRock may be deemed to be the beneficial owner of a total of 20,179,832 shares, with shared voting power as to zero shares, shared dispositive power as to zero shares, sole voting power as to 19,632,276 shares and sole dispositive power as to 20,179,832 shares.

(3) According to a Statement on Schedule 13G/A filed by The Vanguard Group Inc. ("Vanguard") on February 13, 2024, by reason of advisory and other relationships with persons who own shares of our common stock, Vanguard may be deemed to be the beneficial owner of a total of 14,337,306 shares, with shared voting power as to 109,147 shares, shared dispositive power as to 219,847 shares, sole voting power as to zero shares and sole dispositive power as to 14,117,459 shares.

(4) According to a Statement on Schedule 13G/A filed by State Street Corporation together with certain of its affiliates ("State Street") on January 24, 2024, State Street may be deemed to be the beneficial owner of a total of 6,674,610 shares, with shared voting power as to 6,475,806 shares, shared dispositive power as to 6,674,610 shares, sole voting power as to zero shares and sole dispositive power as to zero shares.

Delinquent Section 16(a) Reports

Pursuant to Section 16(a) of the Exchange Act, the Company's executive officers, Directors, and all persons who own more than 10 percent of a registered class of the Company's equity securities must file reports of ownership and ownership changes with the SEC. All requisite Section 16(a) filings were timely filed in 2023.

Restricted Stock Units and Performance Share Units

Restricted stock units represent the right to receive shares of our common stock to be delivered upon settlement, subject to risk of forfeiture and cancellation. The holders of RSUs do not have voting rights, nor are they entitled to receive any cash dividends and other distributions paid in cash on our common stock. The RSU awards vest pursuant to dates established by their corresponding Restricted Stock Unit Award Agreements.

Performance share units represent the right to receive, upon settlement of the PSUs after the completion of a three-year performance period, a number of shares of our common stock that may be from zero to 200 percent of the number of PSUs granted on the award date, depending on the extent to which we have achieved our performance goals and the extent to which the PSUs have vested. The holders of PSUs do not have voting rights, nor are they entitled to receive any cash dividends or other distributions paid in cash on our common stock.

The following table shows the number of RSUs and PSUs owned by each of the directors, our named executive officers and all directors and executive officers as a group, as of March 24, 2024.

Name	Total Restricted Stock Units	Total Performance Share Units	Total Vested Performance Share Units(1)
Carla J. Bailo	—	—	—
Stephen R. Brand	—	—	—
Barton R. Brookman	—	—	—
Julio M. Quintana	—	—	—
Ramiro G. Peru	—	—	—
Anita M. Powers	—	—	—
Rose M. Robeson	—	—	—
William D. Sullivan	—	—	—
Herbert S. Vogel	119,350	201,469	—
A. Wade Pursell	69,663	77,894	—
James B. Lebeck	30,506	16,707	—
Mary Ellen Lutey	29,872	33,579	—
Kenneth J. Knott	21,971	24,715	—
All Executive Officers and Directors (15 persons)	288,905	370,746	—

(1) PSUs granted on July 1, 2022, will not vest until July 1, 2025. PSUs granted on July 1, 2023, will not vest until July 1, 2026. The amounts shown reflect the vested portion of the PSUs owned by each director, named executive officer and all directors and executive officers as a group. The actual number of shares of our common stock issued to settle the PSUs at the end of the performance period may vary from zero to 200 percent of the number of PSUs indicated, depending on the extent to which we have achieved our performance goals.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is appointed by our Board of Directors to assist the Board in fulfilling its oversight responsibilities with respect to (a) the integrity of SM Energy Company's financial statements and financial reporting process and systems of internal controls regarding finance, accounting, and compliance with legal and regulatory requirements; (b) the qualifications, independence, and performance of SM Energy Company's independent registered public accounting firm; (c) the performance of SM Energy Company's internal audit function; and (d) other matters as set forth in the charter of the Audit Committee approved by the Board.

Management is responsible for SM Energy Company's financial statements and the financial reporting process, including the systems of internal controls and disclosure controls and procedures. Ernst & Young LLP, our independent registered public accounting firm for the year ended December 31, 2023, was responsible for performing an independent audit of SM Energy Company's financial statements in accordance with generally accepted auditing standards and issuing a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the Audit Committee reviewed and discussed with management and the independent registered public accounting firm the audited consolidated financial statements of SM Energy Company for the year ended December 31, 2023. The Audit Committee also discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standards No. 16, Communication with Audit Committees, including critical audit matters arising from the current period audit, as adopted by the Public Company Accounting Oversight Board. In addition, the Audit Committee received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and the Audit Committee discussed with the independent registered public accounting firm that firm's independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to our Board that the audited consolidated financial statements of SM Energy Company be included in SM Energy Company's 2023 Annual Report.

Respectfully submitted by the Audit Committee of the Board of Directors,

Ramiro G. Peru, Chair
Carla J. Bailo
Barton R. Brookman
Anita M. Powers

Audit Committee Pre-Approval Policy and Procedures

The charter of the Audit Committee provides that the Audit Committee shall approve the fees and any other significant compensation to be paid to the independent registered public accounting firm, and shall approve in advance any non-audit services to be performed by the independent registered public accounting firm. Such pre-approval requirement for non-audit services may be waived only if the non-audit services meet a *de minimis* exception allowed by law. Accordingly, it is the Audit Committee's policy that, prior to the engagement of the independent registered public accounting firm, the Audit Committee shall review and pre-approve all audit and permissible non-audit services to be provided by the independent registered public accounting firm (including the related fees and other terms of such services). The Audit Committee establishes a process for evaluating the independent auditor on an annual basis. That evaluation includes several factors related to the independent auditor, including qualifications and expertise, past performance, obtaining an annual assessment from the Company's management, and appropriateness of fees. The Audit Committee also considers its interactions with the independent auditor over the course of the year and the results of any PCAOB inspection.

In connection with this policy, the following procedures are followed: (a) if applicable, each year the Audit Committee reviews and pre-approves a schedule of services and estimated fees for proposed audit and non-audit services to be provided by the independent registered public accounting firm during the next annual audit cycle, which schedule is detailed as to the particular services to be performed by the independent registered public accounting firm; (b) actual amounts paid to the independent registered public accounting firm are monitored by financial management of our Company, which are reviewed, negotiated, and approved by the Audit Committee; (c) any services proposed to be provided by the independent registered public accounting firm and the related fees that have not been pre-approved during the annual review by the Audit Committee must be pre-approved by the Audit Committee in advance of any work performed; and (d) incremental fees for previously approved services that are expected to exceed the previously approved fee estimate must also be pre-approved by the Audit Committee.

2023 Annual Report

We filed our 2023 Annual Report with the SEC on February 22, 2024. Our 2023 Annual Report is being made available to our stockholders concurrently with this Proxy Statement and does not form part of the proxy solicitation material. It is available free of charge at the SEC's web site at *www.sec.gov*. Upon written request by a stockholder, we will mail, without charge, a copy of the Form 10-K, including the financial statements and financial statement schedules, but excluding exhibits to the Form 10-K. Exhibits to the Form 10-K are available upon payment of a reasonable fee, which is limited to our expenses in furnishing the requested exhibit. Such requests may be made by writing to our Corporate Secretary at 1700 Lincoln Street, Suite 3200, Denver, Colorado 80203.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the knowledge of management, neither Ernst & Young LLP nor any of its members had any direct or material indirect financial interest in our Company or any connection with our Company in any capacity other than as our independent registered public accounting firm for the years ended December 31, 2023, and 2022.

We incurred the following fees for the audit of the consolidated financial statements and for other services related to the last two fiscal years. All services and fees, including tax service fees, were pre-approved by the Audit Committee.

	2023	2022
Audit Fees(1)	$1,395,000	$1,277,000
Audit Related Fees	$—	$—
Tax Fees(2)	$15,000	$15,000
All Other Fees	$—	$—
Total Fees	$1,410,000	$1,292,000

(1) Includes fees associated with (i) the audit of our annual financial statements and review of our quarterly financial statements, (ii) the audit of internal control over financial reporting, (iii) reviews of registration statements, unregistered securities transactions and related consents and comfort letters, and (iv) services rendered in connection with other statutory and regulatory filings.

(2) Includes basic tax compliance services and assistance with technical research.

The Audit Committee concluded that the provision of the non-audit services, such as tax services, does not compromise Ernst & Young LLP's independence.

PROPOSAL 3 — RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our stockholders are being asked to ratify the appointment by the Audit Committee of Ernst & Young LLP ("EY") as our independent registered public accounting firm for 2024. EY has served as our independent registered public accounting firm since 2013, and the Audit Committee plans to engage EY to perform the audit of our financial statements as of and for the year ending December 31, 2024.

The Audit Committee is solely responsible for selecting our independent auditors. Although stockholder ratification of the appointment of EY is not required by law or our organizational documents, our Board has determined that it is desirable to seek stockholder ratification as a matter of good corporate governance in view of the critical role played by independent registered public accounting firms in maintaining the integrity of financial controls and reporting. If our stockholders do not ratify the appointment of EY, the Audit Committee will consider whether to engage another independent registered public accounting firm, but will not be obligated to do so. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the best interests of our stockholders.

A representative of EY is expected to participate in the Annual Meeting and will have an opportunity to make a statement and to respond to appropriate questions.

☑ **Our Board recommends voting "FOR" the ratification of the appointment of Ernst and Young LLP as our independent registered public accounting firm for 2024.**

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Policies and Procedures on Transactions with Related Persons

Our Related Person Transactions Policy sets forth the policies and procedures for the Audit Committee's review of any transaction, arrangement, or relationship (including any indebtedness or guarantee of indebtedness) or series of similar transactions, arrangements, or relationships in which (a) we are a participant, (b) the aggregate amount involved will or may be expected to exceed $120,000 per annum, and (c) a related person has or will have a direct or indirect material interest. For purposes of our Related Person Transactions Policy, a "related person" means (i) any of our directors, executive officers, or nominees for director, (ii) any stockholder that beneficially owns more than five percent of our outstanding shares of common stock, and (iii) any immediate family member of any of the foregoing. The Audit Committee approves or ratifies only those transactions that it determines in good faith are in, or are not inconsistent with, our best interests and the best interests of our stockholders.

In determining whether to approve or ratify a transaction with a related person, the Audit Committee takes into account the factors it deems appropriate, which may include, among others, the benefits to us, the availability of other sources for comparable products or services, the impact on a director's independence in the event the related person is a director, and the extent of the related person's interest in the transaction. The Audit Committee reviews and assesses ongoing relationships with a related person on at least an annual basis to ensure that they are in compliance with the policy and remain appropriate.

In addition, our By-Laws provide that a director, officer, or employee of our Company may not pursue for his or her own account a business or investment opportunity that he or she learned about through his or her affiliation with us. These restrictions do not apply to the acquisition of less than one percent of the publicly traded stock of another company.

Transactions with Related Persons

We recognize that transactions with related persons may raise questions among stockholders regarding whether those transactions are consistent with our best interests and the best interests of our stockholders. It is our policy to enter into or ratify such transactions only when our Board, acting through the Audit Committee or as otherwise described herein, determines that the transaction in question is in, or is not inconsistent with, our best interests and the best interests of our stockholders. Such transactions include, but are not limited to, situations where we may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternate sources, or when we obtain products or services from, or provide products or services to, related persons on an arm's length basis on terms comparable to those obtained from or provided to unrelated third parties or on terms comparable to those obtained from or provided to employees generally. With the exception of the transaction described in the following paragraph, which was approved by our Audit Committee, we had no transactions that required approval under our Related Person Transactions Policy.

Dean Lutey, the spouse of Ms. Mary Ellen Lutey, our Senior Vice President—Exploration, Development and EHS, joined the Company in 2008. Mr. Lutey was appointed Vice President—Chief Information Officer in April 2021. Prior to this appointment, Mr. Lutey served as the Company's Vice President—Information Technology since May 2013. During the fiscal year ended December 31, 2023, Mr. Lutey earned total compensation of $903,749 which included his base salary, annual bonus, LTIP awards, benefits under our qualified and non-qualified benefit plans, and matching contributions by the Company under its 401(k) Profit Sharing Plan and Non-Qualified Deferred Compensation Plan. Mr. Lutey also participated in the Company's benefit programs for its employees.

Compensation Committee Interlocks and Insider Participation

None of the directors who served on the Compensation Committee during fiscal year 2023 has ever served as one of our officers or employees. During fiscal year 2023, there were no Compensation Committee interlocks.

VOTING, ATTENDANCE, AND OTHER MATTERS

Who Can Vote

Only stockholders of record at the close of business on the Record Date, April 1, 2024, are entitled to receive notice of the Annual Meeting and to vote shares of our common stock held on that date. As of April 1, 2024, there were 115,034,305 shares of our common stock issued and outstanding. Holders of our common stock are entitled to one vote per share and are not allowed to cumulate votes in the election of directors.

Quorum

A quorum of stockholders is necessary to hold a valid meeting. A quorum will exist if stockholders holding one-third of our outstanding shares of common stock are present at the Annual Meeting being conducted via live audio webcast, or by proxy. Abstentions and broker non-votes (as described below) count as present for establishing a quorum. Shares held by us as treasury shares are not entitled to vote and do not count toward a quorum. If a quorum is not present, the Annual Meeting may be adjourned until a quorum is obtained.

How to Vote

Stockholder of Record. Stockholders whose shares are registered in their own name may vote via the Internet, by telephone or by mailing a completed proxy card. Instructions for voting via the Internet or by telephone are set forth on the enclosed proxy card. To vote by mailing a proxy card, you must sign, date and return the enclosed proxy card in the enclosed prepaid and addressed envelope, and your shares will be voted at the Annual Meeting in the manner you direct. In the event no directions are specified in a proxy, such proxy will be voted as follows:

- FOR the election of the nine nominees named in this Proxy Statement under the caption "*Proposal 1—Election of Directors*";
- FOR the advisory approval of the compensation of our named executive officers;
- FOR the ratification of the appointment by our Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for 2024; and
- in the discretion of the proxy holders named on the proxy card as to any other matter that may properly come before the Annual Meeting, or any adjournment(s) or postponement(s) thereof.

Street Name Stockholder. If your shares are registered in the name of a bank, broker or other nominee and you have not elected to receive your proxy materials electronically, you may nevertheless be eligible to vote your shares via the Internet or by telephone rather than by mailing a completed voting instruction card provided by your bank, broker or other nominee. Please check the voting instruction card provided by your bank, broker or other nominee for availability and instructions.

If you hold shares in **BOTH** street name and as a stockholder of record,
YOU MUST VOTE SEPARATELY for each set of shares.

Differences Between Stockholders of Record and Street Name Holders

Most stockholders hold their shares through a bank, broker or other nominee (that is, in "street name") rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned in street name.

- *Stockholder of Record.* If your shares are registered directly in your name with our transfer agent, Computershare, Inc., you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to grant your voting proxy directly or to vote through the internet at the virtual Annual Meeting.

- *Street Name Stockholder.* If your shares are held in a brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name." As the beneficial owner, you have the right to direct your broker or nominee how to vote and are also invited to participate in the Annual Meeting. However, because you are not the stockholder of record, you may not vote these shares through the internet at the virtual Annual Meeting unless you obtain a legal proxy from the record holder giving you the right to vote the shares.

Participating in the Virtual Annual Meeting

In order to access the virtual Annual Meeting, you must (a) have beneficially owned shares of our common stock on April 1, 2024, and (b) register at *http://www.viewproxy.com/sm-energy/2024/htype.asp* by 11:59 p.m. (EDT) on May 22, 2024. You will need to enter your name, phone number, and email address. After registering, and prior to the Annual Meeting, you will receive a meeting invitation by email with a unique link and a password to join the Annual Meeting. You will be able to listen, vote, and submit questions during the virtual Annual Meeting. Instructions on how to participate via the internet, including how to demonstrate proof of share ownership, are posted at *http://www.viewproxy.com/sm-energy/2024/htype.asp*. Information on this website is not incorporated by reference into this Proxy Statement and should not be considered part of this document.

Annual Meeting Webcast

A webcast replay of the Annual Meeting will also be archived on our Investor Relations website, *http://sm-energy.com/investors*, until June 23, 2024.

Submitting Questions at the Annual Meeting

Our stockholders may submit a question during registration at *http://www.viewproxy.com/sm-energy/2024/htype.asp* or during the virtual meeting by typing your question into the questions and comments section of the virtual Annual Meeting interface. If your question is proper and is submitted during the relevant portion of the meeting agenda, our Chairman or CEO, or other representative, as appropriate, intends to respond to your question during the live webcast. Questions on similar topics may be combined and answered together.

If the Virtual Annual Meeting Experiences Technical Difficulties

If we experience technical difficulties during the meeting (*e.g.*, a temporary or prolonged power outage), our Chairman will determine whether the meeting can be promptly reconvened (if the technical difficulty is temporary) or whether the meeting will need to be reconvened on a later day (if the technical difficulty is more prolonged). In any situation, we will promptly notify stockholders of the decision via *http://www.viewproxy.com/sm-energy/2024*.

There will be technicians available to assist with any technical difficulties you may have accessing the Annual Meeting live audio webcast. Please be sure to check in at least 30 minutes prior to the start of the Annual Meeting, so we may try to address any technical difficulties before the Annual Meeting live audio webcast begins. If you encounter any difficulties accessing the Annual Meeting live audio webcast during the check-in or meeting time, please email VirtualMeeting@viewproxy.com or call 866-612-8937.

Voting Requirements; Vote Treatment

If you hold your shares in street name, you will receive instructions from your bank, broker or other nominee describing how to vote your shares. If you do not instruct your bank, broker or other nominee how to vote your shares, it may vote your shares as it decides as to each routine matter for which it has discretionary authority under the rules of the NYSE.

There are also non-discretionary matters for which banks, brokers and other nominees do not have discretionary authority to vote unless they receive timely instructions from you. When a bank, broker or other nominee does not have discretion to vote on a particular matter, you have not given timely instructions on how the bank, broker or other nominee should vote your shares, and the bank, broker or other nominee indicates it does not have authority to vote such shares on its proxy, a "broker non-vote" results. Broker non-votes will be counted as present at the meeting for purposes of determining a quorum, but will not be entitled to vote with respect to non-discretionary matters.

Abstentions occur when stockholders are present at the Annual Meeting but fail to vote or voluntarily withhold their vote for any of the matters upon which stockholders are voting.

If your shares are held in street name and you do not give voting instructions, pursuant to Rule 452 of the NYSE, the record holder will not be permitted to vote your shares with respect to Proposal 1 (*Election of Directors*) and Proposal 2 (*Advisory Vote on Executive Compensation*), and your shares will be considered "broker non-votes" with respect to these proposals; but will nevertheless be entitled to vote your shares with respect to Proposal 3 (*Ratification of Appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm for 2024*) in the discretion of the record holder.

- Proposal 1 (Election of Directors): Our By-Laws provide that the election of directors will be decided by the vote of the holders of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote. Abstentions will be counted in determining the total number of shares "entitled to vote" on the election of directors and will have the same effect as a vote "Against" a director. Broker non-votes will have no effect on the outcome of the vote for directors.

- Proposal 2 (Advisory Vote on Executive Compensation): Approval of this proposal requires the affirmative vote of the holders of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote. Abstentions will be counted in determining the total number of shares "entitled to vote" on this proposal and will have the same effect as a vote "Against" the proposal. Broker non-votes will have no effect on the outcome of the vote on this proposal. While this vote is required by law, it is not binding, will not create or imply any change in the fiduciary duties of, nor impose any additional fiduciary duty on, us or our Board. However, the Compensation Committee of our Board will take into account the outcome of the vote when considering future executive compensation decisions.

- Proposal 3 (Ratification of Appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm for 2024): Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2024, requires the affirmative vote of the holders of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote. Abstentions will be counted in determining the total number of shares "entitled to vote" on this proposal and will have the same effect as a vote "Against" the proposal. Brokers will have discretionary authority to vote on this proposal.

Stockholders Sharing the Same Address

We have adopted a procedure approved by the SEC called "householding." Under this procedure, stockholders of record who have the same address and last name will receive only one copy of our Notice of Internet Availability, 2023 Annual Report, and Proxy Statement until such time as one or more of these stockholders notify us that they want to receive separate copies. This procedure reduces our printing costs and postage fees. Stockholders who participate in householding will continue to have access to and may utilize separate proxy voting instructions.

If you receive a single set of proxy materials as a result of householding and you would like to receive a separate copy of our Notice of Internet Availability, 2023 Annual Report, or Proxy Statement, please submit a request to our Corporate Secretary, Andrew T. Fiske, at 1700 Lincoln St., Suite 3200, Denver, CO 80203, or call (303) 837-2464, and we will promptly send such materials to you at no cost. You may also contact our Corporate Secretary at the address and phone number above if you receive multiple copies of our proxy materials and you would prefer to receive a single copy in the future, or if you would like to opt out of householding for future mailings. Beneficial owners can request information about householding from their bank, broker, or other nominee.

Revoking a Proxy

If you are a stockholder of record, you can revoke your proxy at any time before it is exercised by:

- submitting a new proxy with a later date either signed and returned by mail or transmitted using the telephone or Internet voting procedures before the Annual Meeting;
- voting by Internet while participating in the virtual Annual Meeting (participating in the Annual Meeting by internet does not revoke your proxy unless you vote by Internet during the virtual Annual Meeting); or
- filing a written revocation before the Annual Meeting with our Corporate Secretary at our principal executive offices, which are located at 1700 Lincoln St., Suite 3200, Denver, CO 80203.

If you are a street name stockholder and you vote by proxy, you may change your vote by submitting new voting instructions to your bank, broker or other nominee in accordance with your nominee's procedures.

Payment of Proxy Solicitation Costs

We will pay all costs of soliciting proxies. We have retained Alliance Advisors, LLC to assist in the solicitation of proxies for total fees of $10,000, plus reimbursement of reasonable out-of-pocket expenses. The solicitation may be made personally or by mail, facsimile, telephone, messenger, electronic mail or via the Internet. In addition, our officers, directors, and employees may solicit proxies in person, by telephone, or by other electronic means of communication. Such directors, officers and employees will not be compensated for soliciting the proxies but may be reimbursed for reasonable out-of-pocket expenses incurred in connection with such solicitation. We may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners of our common stock for their reasonable out-of-pocket expenses in forwarding solicitation material to such beneficial owners.

Stockholder Proposals for the 2025 Annual Meeting of Stockholders

Stockholders interested in submitting a proposal for inclusion in our proxy materials and for presentation at the 2025 Annual Meeting of Stockholders may do so by following the procedures set forth in Rule 14a-8 under the Exchange Act. Rule 14a-8 addresses when we must include a stockholder proposal in our proxy materials, including eligibility and procedural requirements that apply to the proponent. In general, to be eligible for inclusion in our proxy materials, stockholder proposals must be received by our Corporate Secretary no later than December 5, 2024.

In addition to the requirements of Rule 14a-8, all stockholder proposals (including any director nomination) must comply with the notice requirements contained in our By-Laws, which require, among other things, detailed information concerning the stockholder making the proposal (and the beneficial owner on whose behalf the proposal is made, if any), the name and address of the stockholder, specific information concerning such stockholder's interests in our securities and a commitment by any proposed director nominee to serve the full term if nominated and elected. In addition, the notice must include the recommended director nominee's name, biographical data, qualifications, details regarding any material monetary agreements between the stockholder and the proposed nominee and a written questionnaire completed by the proposed nominee. In order for a nomination of persons for election to our Board or a proposal of business to be properly brought before the 2025 Annual Meeting of Stockholders, it must be either specified in the notice of the meeting given by our Corporate Secretary or otherwise brought before the meeting by or at the direction of our Board or by a stockholder entitled to vote and who complies with the notice procedures set forth in our By-Laws. A stockholder making a nomination for election to our Board or a proposal of business for the 2025 Annual Meeting of Stockholders must deliver proper notice to our Corporate Secretary not earlier than the close of business on the 120th day prior to the first anniversary of the date of the 2024 Annual Meeting nor later than the close of business on the 90th day prior to the first anniversary of the 2024 Annual Meeting. In other words, for a stockholder nomination for election to our Board or a proposal of business to be considered at the 2025 Annual Meeting of Stockholders, it should be properly submitted to our Corporate Secretary no earlier than January 23, 2025, and no later than February 22, 2025. If the date of our 2024 Annual Meeting of Stockholders changes by more than 30 days before or after May 23, 2025, then stockholder nominations and proposals must be received not earlier than the close of business on the 120th day prior to the date of the 2025 Annual Meeting of Stockholders and not later than the close of business on the later of the 90th day prior to the date of the 2025 Annual Meeting of Stockholders or, if the first public announcement of the date of the 2025 Annual Meeting of Stockholders is less than 100 days prior to the date of the meeting, the 10th day following the day on which public announcement of the date of the 2025 Annual Meeting of Stockholders is first made by us. In addition to satisfying the requirements under our By-Laws with respect to advance notice of any director nomination, any stockholder who intends to solicit proxies in support of director nominees other than the Company's nominees in accordance with Rule 14a-19 must provide the required notice of intent to solicit proxies to the Corporate Secretary no later than 60 calendar days prior to the first anniversary of the date of the 2024 Annual Meeting (no later than March 24, 2025 for the 2025 Annual Meeting of Stockholders). For additional information about stockholder nominations and proposals, see "*Corporate Governance—Director Nominations and Qualifications.*"

Under Rule 14a-4(c) of the Exchange Act, our Board may exercise discretionary voting authority under proxies solicited by it with respect to any matter properly presented by a stockholder at the 2025 Annual Meeting of Stockholders that the stockholder does not seek to have included in our proxy statement if (except as described in the following sentence) the proxy statement discloses the nature of the matter and how our Board intends to exercise its discretion to vote on the matter, unless we are notified of the proposal on or before February 18, 2025, and the stockholder satisfies the other requirements of Rule 14a-4(c)(2). If we first receive notice of the matter after February 18, 2025, and the matter nonetheless is permitted to be presented at the 2025 Annual Meeting of Stockholders, our Board may exercise discretionary voting authority with respect to the matter without including any discussion of the matter in the proxy statement for the meeting. We reserve the right to reject, rule out of order or take other appropriate action with respect to any proposal that does not comply with the requirements described above and other applicable requirements.

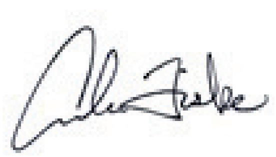
Other Available Information

We make our Corporate Governance Guidelines; Financial Code of Ethics; Code of Business Conduct; and the charters of the Audit, Compensation, Executive, and Environmental, Social and Governance Committees available through the Governance section of our website at *www.sm-energy.com*. These documents will be furnished in print to any stockholder upon request. Information on our website is not incorporated by reference into this Proxy Statement and should not be considered part of this document.

Management does not know of any matters to be brought before the Annual Meeting other than the election of directors, the advisory vote to approve the compensation of our named executive officers, and the ratification of the appointment by the Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for 2024. If any other matters not mentioned in this Proxy Statement are properly brought before the Annual Meeting, the individuals named in the enclosed proxy intend to use their discretionary voting authority under the proxy to vote the proxy in accordance with their best judgment on those matters.

Our website at *www.sm-energy.com* includes much of this information, along with other general information about our operations, community activities and stakeholder relations. Any remaining questions regarding our operations or financial position can be directed to our Investor Relations Department at *sm-energy.com/investors*. Whether or not you intend to participate in the Annual Meeting, we urge you to submit your proxy promptly.

By Order of the Board of Directors,



Andrew T. Fiske
Deputy General Counsel
and Corporate Secretary

April 4, 2024