

DORCHESTER MINERALS, L.P.
Form PRE 14A
February 26, 2018
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

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

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

DORCHESTER MINERALS, L.P.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Dorchester Minerals, L.P.

3838 Oak Lawn Avenue, Suite 300

Dallas, Texas 75219-4541

April 9, 2018

To our fellow Unitholders:

Significant results include the following:

Net Income of \$38.4 million;

Distributions of \$36.4 million to our limited partners;

Identification of 409 new wells completed on our Royalty Properties and 52 new wells completed on our NPI Properties. The wells are located in 32 counties and parishes in seven states. Included in these totals are wells in which we own both a royalty interest and a net profits interest. Wells with such overlapping interests are counted in both categories.

Consummation of 17 leases and pooling elections of our mineral interest in undeveloped properties located in 11 counties and parishes in four states;

Acquisition of 1,850 net royalty acres across 22,400 gross surface acres in Glasscock, Howard, Martin, Midland, Reagan and Upton Counties, Texas.

The enclosed Annual Report on Form 10-K includes information about activity on our Royalty Properties and Net Profits Interests. We encourage you to read this information and to contact us with any questions about your

investment. In addition, the enclosed Proxy Statement contains important information concerning matters to be voted upon at our 2018 Annual Meeting. Please read the Proxy Statement and submit your vote at your earliest convenience.

We thank you for your continued support.

Very truly yours,

William Casey McManemin

Chairman and Chief Executive Officer

Dorchester Minerals, L.P.

3838 Oak Lawn Avenue, Suite 300

Dallas, Texas 75219-4541

NOTICE OF ANNUAL MEETING OF LIMITED PARTNERS

To Be Held on May 16, 2018

To the Unitholders of Dorchester Minerals:

The Annual Meeting of the Limited Partners of Dorchester Minerals, L.P. will be held at 2:00 p.m. Central Time on Tuesday, May 16, 2018, at the office of Thompson & Knight LLP, One Arts Plaza, 1722 Routh Street, Suite 1500, Dallas, TX 75201, for the following purposes:

1. To elect three managers who will serve on the Board of Managers and be appointed to the Advisory Committee until the 2019 Annual Meeting of Limited Partners;
2. To approve the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2018;
3. To approve Amendment No. 2 to Amended and Restated Partnership Agreement of Dorchester Minerals, L.P., a copy of which is attached hereto as Annex A; and
4. To consider any other matters that may properly come before the meeting.

Only holders of record of common units as of the close of business on March 23, 2018 are entitled to notice of, and to vote at, the meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, WE URGE YOU TO VOTE USING ONE OF THE VOTING METHODS DESCRIBED IN THE ATTACHED MATERIALS AT YOUR EARLIEST CONVENIENCE.

If you have any questions or need assistance voting your units, please call our proxy solicitation agent:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

(800)790-6795

By Order of the Board of Managers of
Dorchester Minerals Management GP LLC,

/s/ William Casey McManemin

William Casey McManemin

Chairman and Chief Executive Officer

April 9, 2018

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Limited Partners to be Held on May 16, 2018:

The Partnership's Proxy Statement for the 2018 Annual Meeting of Limited Partners and Annual Report on Form 10-K for the fiscal year ended December 31, 2017 are available at www.dmlp.net.

Dorchester Minerals, L.P.

3838 Oak Lawn Avenue, Suite 300

Dallas, Texas 75219-4541

PROXY STATEMENT

For

ANNUAL MEETING OF LIMITED PARTNERS

To Be Held on May 16, 2018

SOLICITATION OF PROXIES

This Proxy Statement is being furnished to holders of common units in connection with the solicitation of proxies by our Board of Managers for use at the Dorchester Minerals, L.P. 2018 Annual Meeting. Our general partner is Dorchester Minerals Management LP, and its general partner is Dorchester Minerals Management GP LLC. As a result, the Board of Managers of Dorchester Minerals Management GP LLC exercises effective control of us. Dorchester Minerals Management LP is referred to herein as our general partner, and Dorchester Minerals Management GP LLC is referred to herein as the general partner of our general partner. The approximate date on which definitive copies of this proxy statement and form of proxy are intended to be released to Unitholders is April 9, 2018.

When and Where Is the 2018 Annual Meeting?

The 2018 Annual Meeting will be held at 2:00 p.m. Central Time on Wednesday, May 16, 2018, at the office of Thompson & Knight LLP, One Arts Plaza, 1722 Routh Street, Suite 1500, Dallas, TX 75201.

What Are The Board of Managers' Proposals?

To elect three managers who will serve on the Board of Managers and be appointed to the Advisory Committee, to approve the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2018, and to approve Amendment No. 2 to Amended and Restated Partnership Agreement of Dorchester Minerals, L.P., a copy of which is attached hereto as Annex A.

How Does the Board of Managers Recommend I Vote on the Proposals?

The Board of Managers recommends a vote FOR each of the nominees to serve on the Board of Managers and the Advisory Committee, a vote FOR the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2018 and a vote FOR the approval of Amendment No. 2 to Amended and Restated Partnership Agreement of Dorchester Minerals, L.P., a copy of which is attached hereto as Annex A.

How Will Voting On Any Other Business Be Conducted?

The Board of Managers does not know of any business to be considered at the 2018 Annual Meeting other than the proposals described in this Proxy Statement. However, if any other business is properly presented, your signed proxy card gives authority to the persons named in the proxy to vote on such matters at their discretion.

Who Is Entitled to Vote?

Each Unitholder as of the close of business on March 23, 2018, the record date, is entitled to vote at the 2018 Annual Meeting.

How Many Units May Be Voted?

As of the record date, 32,279,774 units were outstanding. Each unit entitles its holder to one vote.

What is a “Quorum”?

A quorum is established if a majority of the outstanding units are represented in person or by proxy at the 2018 Annual Meeting. There must be a quorum for the 2018 Annual Meeting to be held. If you submit a properly executed proxy card, you will be considered part of the quorum. Proxies received by us that are marked “withhold authority” or abstain, or that constitute a broker non-vote, are counted as present for purposes of establishing a quorum. A broker non-vote occurs when a broker returns a valid proxy but does not vote on a particular matter because the broker does not have the discretionary voting power for that matter and has not received instructions from the beneficial owner.

What Vote Is Required to Approve the Proposals?

The affirmative vote of holders of a plurality of the outstanding units is required to elect each manager to the Board of Managers. Thus, any abstentions, broker non-votes or other limited proxies will have no effect on the outcome of the election of managers. The affirmative vote of holders of a majority of the units present in person or represented by proxy at the annual meeting and entitled to vote thereon is required to approve the appointment of Grant Thornton LLP as our registered independent public accounting firm for the year ending December 31, 2018. Abstentions will have the effect of votes against the proposal to approve Grant Thornton LLP as our independent public accounting firm, but broker non-votes and other limited proxies will have no effect on this proposal. The affirmative vote of holders of a majority of the units held by Unitholders shall constitute the unitholders’ approval of Amendment No. 2 to Amended and Restated Agreement of Limited Partnership of Dorchester Minerals, L.P., a copy of which is attached hereto as Annex A. Abstentions, broker non-votes and other limited proxies will have the effect of votes against the proposal to approve Amendment No. 2 to the Amended and Restated Partnership Agreement of Dorchester Minerals, L.P.

How Do I Vote?

You may vote by any one of three different methods:

In Writing - You can vote by marking, signing and dating the enclosed proxy card and returning it in the enclosed (a)envelope. If you return your signed proxy card, but do not give instructions as to how you wish to vote, your units will be voted FOR proposal nos. 1, 2 and 3.

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(b) By Telephone - You can vote by calling the telephone number on the proxy card and following the instructions. Please have the proxy card in hand when calling.

(c) In Person - You can vote by attending the 2018 Annual Meeting.

Units represented by properly executed proxies that are not revoked will be voted in accordance with the instructions shown on the proxy card. You have the right to revoke your proxy at any time before the 2018 Annual Meeting by:

(a) Delivering to Dorchester Minerals, L.P., Attn: 2018 Annual Meeting, 3838 Oak Lawn Avenue, Suite 300, Dallas, Texas, 75219-4541, a written revocation;

(b) Voting in person at the 2018 Annual Meeting; or;

(c) Returning a later-dated proxy card.

Attendance at the 2018 Annual Meeting will not, without further action by you, revoke your proxy.

Unitholders have no dissenters' rights or rights of appraisal under Delaware law or our Amended and Restated Agreement of Limited Partnership, as amended (the "Partnership Agreement").

What Does It Mean If I Receive More Than One Proxy Card?

If your units are registered differently and/or are in more than one account, you will receive more than one proxy card. Please mark, sign, date, and return all of the proxy cards you receive to ensure that all of your units are voted. We encourage you to have all accounts registered in the same name and address (whenever possible). You can accomplish this by contacting our transfer agent, American Stock Transfer & Trust Company, at (800) 937-5449.

How Can I Vote If My Units Are Held in “Street Name”?

If your units are held in the name of your broker, a bank, or other nominee, that party will give you instructions about how to vote your units.

Who Will Count the Votes?

Representatives of Broadridge Investor Communication Services, an independent tabulator, will count the votes and act as the inspector of election.

Where and When Will I Be Able to Find Out the Results of Voting?

In addition to announcing the results at the 2018 Annual Meeting, you will also be able to find the results in our Form 8-K that will be publicly filed within four business days of the 2018 Annual Meeting.

Who Is Bearing the Cost Of This Proxy Solicitation?

This proxy solicitation by the Partnership is being made by the Partnership on behalf of the Board of Managers. In addition, we have retained Georgeson LLC to solicit proxies on behalf of our Board of Managers. We are bearing the cost of soliciting proxies for the 2018 Annual Meeting. We expect to pay Georgeson LLC approximately \$14,000, as compensation for its services, plus reimbursable expenses. In addition to using the mail, managers, officers, employees and representatives of Georgeson LLC may solicit proxies by telephone, personal interview or otherwise. Our managers, officers and employees will not receive additional compensation for this activity but may be

reimbursed for their reasonable out-of-pocket expenses. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to Unitholders.

How Can I Obtain A Copy of the Annual Report on Form 10-K?

A copy of our 2017 Annual Report on Form 10-K, including the consolidated financial statements filed therewith is included with this proxy statement. We will provide an additional copy of our 2017 Annual Report on Form 10-K, including the consolidated financial statements, upon written request to Dorchester Minerals, L.P., Attn: 2018 Annual Meeting, 3838 Oak Lawn Avenue, Suite 300, Dallas, Texas 75219-4541. We will furnish a requesting Unitholder with any exhibit not contained therein upon payment of a reasonable fee.

When Are the Unitholder Proposals For the 2019 Annual Meeting of Limited Partners Due?

We presently expect that our next Annual Meeting of Limited Partners will be held on May 15, 2019. Unitholder proposals for inclusion in the proxy materials relating to the 2019 Annual Meeting must be received at our principal executive office at 3838 Oak Lawn Avenue, Suite 300, Dallas, Texas 75219-4541, addressed to our general partner no later than December 17, 2018. In accordance with our Partnership Agreement, Unitholders who intend to present a proposal at the 2019 Annual Meeting without inclusion of such proposal in our proxy materials are required to provide notice of such proposal to us no later than March 16, 2019, and Unitholders who intend to nominate a manager for election to the Board of Managers and Advisory Committee are required to provide notice of such proposal to us no later than February 14, 2019. If the date of the 2019 Annual Meeting is changed to a different month, we will advise our Unitholders of the new date for the submission of Unitholder proposals in one of our periodic filings with the Securities and Exchange Commission.

Who should I contact if I have questions or need assistance voting my units?

If you have more questions about the proposals, need assistance voting your units or if you would like additional copies of this document you should call or

write:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

(800)790-6795

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common units as of March 8, 2018. The information is set forth for (i) each nominee and current manager and named executive officer of the general partner of our general partner, (ii) all executive officers and managers of the general partner of our general partner as a group, and (iii) all those known by us to be beneficial owners of more than 5% of our common units.

Name of Beneficial Owner	Beneficial Ownership ⁽¹⁾ Number of Units	Percentage	
Executive Officers, Managers and Nominees to be Managers ⁽²⁾			
William Casey McManemin ⁽³⁾	1,363,235	4.2	%
James E. Raley ⁽⁴⁾	32,252	*	
H.C. Allen, Jr. ⁽⁵⁾	286,765	*	
Martha P. Rochelle ⁽⁶⁾	924,550	2.9	%
Robert C. Vaughn ⁽⁷⁾	522,948	1.6	%
Allen D. Lassiter ⁽⁸⁾	0	*	
C.W. ("Bill") Russell	6,000	*	
Ronald P. Trout ⁽¹⁰⁾	13,555	*	
Bradley J. Ehrman ⁽¹¹⁾	46,741	*	
Leslie A. Moriyama ⁽¹²⁾	13,592	*	
All executive officers and managers and nominees to be managers as a group (ten persons) ⁽¹³⁾	3,150,883	9.8	%
*Less than one percent (1%)			

(1) As of the record date, there were 32,279,774 common units outstanding.

Unless otherwise indicated, the business address of each manager and executive officer of the general partner of

(2) our general partner is c/o Dorchester Minerals Management GP LLC, 3838 Oak Lawn Avenue, Suite 300, Dallas, Texas 75219-4541.

Includes 660,570 units held by Mr. McManemin in his individual name, IRA or Keogh Plan, 360,265 units held by 1307, Ltd., 5,531 units held by SAM Partners Management, Inc., 283,645 units held by Ptarmigan Royalty Partners, and 53,224 units held by Smith Allen Oil & Gas, LLP. Mr. McManemin disclaims beneficial ownership of those common units owned by 1307, Ltd., SAM Partners Management, Inc., Ptarmigan Royalty Partners, and Smith Allen Oil & Gas, LLP in which he does not have an economic interest but which he may be deemed to

(3) beneficially own based on shared voting and investment power. Mr. McManemin is individually the Manager of the General Partner and is a limited partner of 1307, Ltd. All of the remaining limited partner interest of 1307, Ltd. is owned by Mr. McManemin's spouse and two trusts in behalf of his children, of which he is the Trustee. Mr. McManemin is the President and a shareholder of SAM Partners Management, Inc. and is the managing partner in Smith Allen Oil & Gas, LLP. Mr. McManemin is the managing partner of Ptarmigan Royalty Partners.

(4) Includes 32,252 units held in his individual name, IRA or Keogh Plan for the benefit of Mr. Raley.

(5) Includes 32,040 units held by Mr. Allen in his individual name, IRA or Keogh plan, 154,840 units held by Rabbitfoot Investments, LLC, 41,130 units held jointly by Mr. Allen and the estate of Kay Allen in a family trust,

5,531 units held by SAM Partners Management, Inc. and 53,224 units held by Smith Allen Oil & Gas, LLP. Mr. Allen disclaims beneficial ownership of those common units owned by Rabbitfoot Investments, LLC, SAM Partners Management, Inc. and Smith Allen Oil & Gas, LLP in which he does not have an economic interest but which he may be deemed to beneficially own based on shared voting and investment power. Mr. Allen is the Secretary and a shareholder of SAM Partners Management, Inc. and Smith Allen Oil & Gas, LLP. Rabbitfoot Investments, LLC is owned by Rabbitfoot Ranch and Cattle Company, Ltd. and its general partner is RR&CC Management, LLC which is owned by Mr. Allen and the estate of Kay Allen. All of the limited partner interest in Rabbitfoot Ranch and Cattle Company, Ltd. is owned by Mr. Allen's children.

(6) Includes 358,486 units held in the Martha Ann Peak A Trust, 501,890 units held by HighPoint 435 Family LP and 64,174 units held by MARI GST Non-Exempt Trust. Ms. Rochelle disclaims beneficial ownership of those common units owned by HighPoint 435 Family LP in which she does not have an economic interest but which she may be deemed to beneficially own based on shared voting and investment power. Ms. Rochelle serves as a Co-Manager of Trend2436 Asset Management LLC, the general partner of HighPoint 435 Family LP. Ms. Rochelle is the trustee and beneficiary of the MARI GST Non-Exempt Trust.

(7) Includes 487,210 units held by Vaughn Petroleum (DMLP), LLC, 20,001 units held by Empire Partners, Ltd., and 15,737 units held by Mr. Vaughn in his individual name, IRA or Keogh Plan. Mr. Vaughn and his spouse are the only unit holders in Vaughn Petroleum (DMLP), LLC. Mr. Vaughn is the President of Empire (GP), Inc. the general partner of Empire Partners, Ltd. and Mr. Vaughn and his spouse are the shareholders of Empire (GP), Inc. All of the remaining limited partner interest of Empire Partners, Ltd. is owned by Mr. Vaughn and his spouse.

- (8) The business address for Mr. Lassiter is 25 Highland Park Village, Suite 100-780, Dallas, TX 75205.
- (9) The business address for Mr. Russell is 4695 N FM 2869, Winnsboro, Texas 75494. The 6,000 common units are held in an Individual Retirement Account for the benefit of Mr. Russell.
Includes 2,250 units held individually by Mr. Trout, 8,000 units held by Mr. Trout and his spouse, 655 units held in an Individual Retirement Account for the benefit of Mr. Trout, 2,250 units held by the Benjamin R. Trout Trust and 400 units held by the Gabriel G. Trout Trust. Mr. Trout disclaims beneficial ownership of those common
- (10) units owned by the Benjamin R. Trout Trust and the Gabriel G. Trout Trust in which he does not have an economic interest but which he may be deemed to own based on voting and investment power. Mr. Trout is the Trustee for the Benjamin R. Trout Trust and the Gabriel G. Trout Trust. The business address for Mr. Trout is 1241 Mohawk Trail, Richardson, Texas 75080.
- (11) Includes 18,855 common units held by Mr. Ehrman in his individual name, IRA or Keogh Plan and 27,886 units held by Quiscalus Ventures, LLC in which Mr. Ehrman is the sole member.
- (12) Includes 1,260 units held by Ms. Moriyama in her individual name, IRA or Keogh Plan and 12,332 held by Ms. Moriyama and her spouse.
Pursuant to Instruction 5 to Item 403 of Regulation S-K, the 5,531 units owned by SAM Partners Management,
- (13) Inc. and the 53,224 units owned by Smith Allen Oil & Gas, LLP included in the beneficial ownership of both Mr. McManemin and Mr. Allen are only included once in this total.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our managers, officers and persons who own more than 10% of our common units to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common units. Managers, officers and 10% holders of the common units are required by Securities and Exchange Commission rules and regulations to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of the copies of such reports furnished to us and representations that no other reports were required, all Section 16(a) filing requirements applicable to our managers, officers and 10% holders were met.

PARTNERSHIP GOVERNANCE

Our business and affairs are managed by and under the direction of the Board of Managers, which exercises all of our corporate powers and establishes broad corporate policies. The leadership of the Board of Managers is vested in the Chairman. In May 2015, the Board of Managers appointed Mr. McManemin, who also serves as our Chief Executive Officer, to be the Chairman of the Board of Managers. The Board of Managers does not have a Lead Independent Manager. However, the Board of Managers believes that this leadership structure is appropriate for the partnership,

because our Chief Executive Officer has extensive day-to-day knowledge of the partnership's operations and effectively facilitates information flow between management and the Board of Managers and the Advisory Committee, which are essential to effective governance.

The Board of Managers consists of five managers appointed by the five members of the general partner of our general partner and three additional managers nominated by these members and elected annually by our limited partners. The elected managers, as a group, must meet the requirements of our Partnership Agreement and the Securities and Exchange Commission and NASDAQ Global Select Market ("NASDAQ") rules for members of an audit committee.

Messrs. Allen, McManemin, Raley and Vaughn and Ms. Rochelle are the five managers appointed by the members of the general partner of our general partner and will hold office until the earlier of their death, resignation or removal from office. In the event of any vacancy on the Board of Managers left by an appointed manager, the member who holds the right to appoint the appointed manager will designate the replacement appointed manager, unless the member who otherwise holds the right to appoint the replacement appointed manager has lost his appointment right.

Messrs. Berry, Russell and Trout are the three managers who were elected at our 2017 Annual Meeting. Mr. Berry passed away on October 2, 2017. Mr. Lassiter was appointed on November 29, 2017 to fill the remainder of Mr. Berry's term as a manager, and along with Messrs. Russell and Trout, are the three managers nominated by the members of the general partner of our general partner to stand for election to the Board of Managers at the 2018 Annual Meeting.

In the opinion of the Board of Managers, and as “independent” currently is defined by the NASDAQ rules, and assuming the three nominated managers are elected by the limited partners at the 2018 Annual Meeting, a majority of the Board of Managers after the 2018 Annual Meeting are and will be independent of management and free of any relationship that would interfere with their exercise of independent judgment. The Board of Managers has affirmatively determined that Messrs. Lassiter, Russell, Trout and Vaughn and Ms. Rochelle are independent. In addition to the NASDAQ “independent” rules, the Board of Managers has also affirmatively determined that Messrs. Lassiter, Russell and Trout also satisfy the definition of “independent” prescribed by the Securities and Exchange Commission for members of an audit committee.

The Board of Managers held 8 meetings and acted by unanimous written consent 6 times in fiscal 2017. Each Manager attended at least 75% of the total number of meetings of the Board of Managers and of the committees of the Board of Managers on which such Manager served.

The Board of Managers strongly recommends each manager attend the 2018 Annual Meeting of our limited partners. Six of the eight managers currently serving attended the 2017 Annual Meeting.

The Board of Managers has an Advisory Committee that consists of Messrs. Lassiter, Russell and Trout. The Advisory Committee functions as the audit committee and as the compensation committee. In addition the Advisory Committee addresses all matters concerning conflicts of interest and the application of the Business Opportunities Agreement. The Advisory Committee acted by unanimous written consent one time in fiscal 2017 and held no special meetings.

The Board of Managers does not have a nominating committee or committee performing similar functions and has not adopted a resolution addressing the nominations process nor does it consider diversity with respect to manager nominees or have a diversity policy. This arrangement is appropriate as the nominations for all managers are made by the members of the general partner of our general partner. Messrs. McManemin, Raley, Allen and Vaughn and Ms. Rochelle all participate in the consideration of nominees for the Board of Managers in their capacities as officers and/or managers of the members of the general partner of our general partner. The Board of Managers has not adopted a resolution addressing the nominations process as the general partner of our general partner is legally required to provide its members with the ability to nominate managers.

The Board of Managers does provide a process for Unitholders to send communications to it. Unitholders may contact each member of the Board of Managers in writing at their respective business addresses. See “Security Ownership of Certain Beneficial Owners and Management.”

Our partnership adopted our Code of Business Conduct and Ethics on July 17, 2003. The Board of Managers reviewed the Code of Business Conduct and Ethics in 2017 for adequacy and was satisfied therewith. The Code of Business Conduct and Ethics applies to all officers, managers, advisors, consultants and employees of our partnership and its affiliates. Upon written request, we will provide any person, without charge, a copy of the Code of Business Conduct and Ethics. Written requests should be sent to Dorchester Minerals, L.P., Attn: Code of Business Conduct and Ethics, 3838 Oak Lawn Avenue, Suite 300, Dallas, Texas 75219-4541.

ADVISORY COMMITTEE

In their service as the Audit Committee, the members of the Advisory Committee assist the Board of Managers in fulfilling its oversight responsibilities relating to our consolidated financial statements and other financial information; compliance with applicable laws, regulations and our code of conduct; independence and qualifications of the independent auditor; management's establishment of and adherence to a system of internal accounting and disclosure controls; and the performance of the internal audit function and independent auditors. The Advisory Committee is empowered to investigate any matter brought to its attention with full access to all our books, records, facilities and personnel and may retain outside counsel, auditors or other experts to assist it. Our Board of Managers has adopted a written charter for the Advisory Committee in its service as the Audit Committee specifying its purpose of overseeing the accounting and financial reporting processes, a copy of which can be obtained free of charge on our website at www.dmlp.net. The charter is reviewed periodically to ensure that it meets all applicable legal and NASDAQ listing requirements. As interpreted in the Board of Managers' business judgment, assuming the three nominated managers are elected by the limited partners at the 2018 Annual Meeting, each member of the Audit Committee is financially literate and possess accounting or related financial management expertise and are "audit committee financial experts" as described in Item 407(d)(5) of Regulation S-K. None of the members of the Advisory Committee has participated in the preparation of our consolidated financial statements in the previous three years.

We administer our risk oversight function through our Advisory Committee as well as through our Board of Managers as a whole. Our Advisory Committee is empowered to monitor the integrity of our financial reporting processes and systems of internal controls and provide an avenue of communication among our independent auditors, management, employees overseeing our internal audit functions and our Board of Managers. Additionally, reports are provided during our board meetings by the individuals who oversee risk management in liquidity, environmental, safety, litigation and other operational areas.

In their service as the Compensation Committee, the members of the Advisory Committee exercise the power of the Board of Managers in connection with all matters relating to compensation of executive officers who are also members of our Board of Managers. All determinations concerning executive compensation for such officers are made by the Advisory Committee as provided in our agreements of the general partner and the general partner of our general partner. Advisor compensation is approved by the Board of Managers. Because of the simple remuneration for the services of our officers and managers, the Advisory Committee does not delegate or use consultants in determining and considering amounts or form of compensation and has not adopted a Compensation Committee charter.

COMPENSATION DISCUSSION AND ANALYSIS

This following discussion gives a background of compensation paid by Dorchester Minerals Operating LP, the operating partnership controlled by our general partner, and addresses the operating partnership's compensation-setting process and philosophy, the components of named executive officer compensation and the Advisory Committee's decisions for compensation earned by our named executive officers who are also members of our Board of Managers in 2017. Our named executive officers in 2017 were William Casey McManemin, Leslie A. Moriyama and Bradley J. Ehrman.

Background

Our partnership does not have any employees nor does it pay any of the operating partnership's employees, including our named executive officers, for their services, however, our named executive officers generally serve in the same capacities for the operating partnership and are compensated by the operating partnership for their service in those capacities. Such compensation is borne indirectly by us only to the extent of our obligation to reimburse the operating partnership for certain general and administrative expenses, subject to the limitation on reimbursement. It is possible that our partnership would not be obligated to reimburse the operating partnership for its compensation expenses including the salaries of our named executive officers in certain circumstances.

Each of our Appointed Managers is associated with one or more of the members of our general partner. The owners of our general partner may receive a portion of the cash flow generated by our activities and those of the operating partnership. One of our Appointed Managers, Mr. McManemin, also serves as our Chairman and Chief Executive Officer. Our Appointed Managers' participation in our partnership's results are limited to distributions from the owners of the general partner and their individual holdings of publicly trad