

OIL STATES INTERNATIONAL, INC  
Form DEF 14A  
March 24, 2017

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (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 Under Rule 14a-12

**Oil States International, Inc.**

(Name of Registrant as Specified In Its Charter)  
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

- No fee required.  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
- 1) Title of each class of securities to which transaction applies:
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  - 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):
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- 1) Amount previously paid:
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  - 3) Filing Party:
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NOTICE OF ANNUAL MEETING  
OF STOCKHOLDERS AND 2017  
PROXY STATEMENT

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**OIL STATES INTERNATIONAL, INC.**

**THREE ALLEN CENTER  
333 CLAY STREET, SUITE 4620  
HOUSTON, TEXAS 77002**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on May 9, 2017**

To the Stockholders of Oil States International, Inc.:

NOTICE IS HEREBY GIVEN THAT the 2017 Annual Meeting of Stockholders of Oil States International, Inc., a Delaware corporation (the "Company"), will be held at the Two Allen Center, 1200 Smith Street, 12th Floor, Forum Room, Houston, Texas, 77002 on the 9th day of May, 2017 at 9:00 a.m. central time (the "Annual Meeting"), for the following purposes:

- (1) To elect three (3) Class I members of the Board of Directors named in the attached Proxy Statement to serve until the 2020 Annual Meeting of Stockholders (see page 10);
- (2) To conduct an advisory vote to approve executive compensation (see page 25);
- (3) To conduct an advisory vote regarding frequency of future advisory votes on executive compensation (see page 26);
- (4) To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the year ending December 31, 2017 (see page 48);
- (5) To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The Company has fixed the close of business on March 15, 2017 as the record date for determining stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. Stockholders who execute proxies solicited by the Board of Directors of the Company retain the right to revoke them at any time; unless so revoked, the shares of common stock represented by such proxies will be voted at the Annual Meeting in accordance with the directions given therein. If a stockholder does not specify a choice on such stockholder's proxy, the proxy will be voted "FOR" the nominees for director named in the attached Proxy Statement, "FOR" the approval of

executive compensation, “FOR” a one year frequency with respect to the frequency of future advisory votes on executive compensation and “FOR” the ratification of the appointment of the independent registered public accounting firm for the Company named in such Proxy Statement. A copy of the list of stockholders entitled to vote at the Annual Meeting will be available for inspection by qualified stockholders for proper purposes at the offices of the Company during normal business hours during the ten days immediately prior to the Annual Meeting and will be available through the conclusion of the Annual Meeting.

Further information regarding the Annual Meeting is set forth in the attached Proxy Statement.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 9, 2017: A COPY OF THIS PROXY STATEMENT, PROXY VOTING CARD, THE COMPANY’S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2016, AND THE COMPANY’S 2016 ANNUAL REVIEW ARE AVAILABLE AT [HTTP://WWW.IR.OILSTATESINTL.COM/PROXY.CFM](http://www.ir.oilstatesintl.com/proxy.cfm)**

By Order of the Board of Directors

Sincerely,

**William E. Maxwell**

*Corporate Secretary*

Houston, Texas  
March 24, 2017

**YOU ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. HOWEVER, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, WE URGE YOU TO VOTE YOUR SHARES BY INTERNET, TELEPHONE, OR BY SIGNING, DATING AND RETURNING THE PROXY CARD YOU WILL RECEIVE IF YOU REQUEST PRINTED MATERIALS, ALL AS DESCRIBED IN THE ATTACHED PROXY STATEMENT. THE PROXY IS REVOCABLE AND WILL NOT BE USED IF YOU ARE PRESENT AT THE ANNUAL MEETING AND VOTE YOUR SHARES IN PERSON.**



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**PROXY SUMMARY**

This summary highlights selected information contained elsewhere in this proxy statement. This summary provides only a brief outline of the contents of this proxy statement and does not provide a full and complete discussion of the information you should consider. Before voting on the items to be presented at the 2017 Annual Meeting of Stockholders (the “Annual Meeting”), you should review the entire Proxy Statement carefully. References to “Oil States,” “we,” “us,” “our” and the “Company” mean Oil States International, Inc. and its consolidated subsidiaries, unless the context otherwise indicates or requires. For more complete information regarding our 2016 performance, please review the Company’s 2016 Annual Report on Form 10-K (the “Form 10-K”).

The 2016 Annual Review, including the Company’s 2016 Annual Report on Form 10-K, is being provided to stockholders together with this proxy statement and form of proxy beginning on March 24, 2017.

**2017 ANNUAL MEETING OF STOCKHOLDERS**

**Time and Date:** Tuesday, May 9, 2017, 9:00 a.m. (Central Time)

**Location:** Two Allen Center, 1200 Smith Street, 12th Floor (Forum Room), Houston, Texas 77002

**Record Date:** March 15, 2017

**Voting Methods:**

If you are a stockholder of record, you may vote using one of the following options. In all cases, please have your proxy card or voting instruction form in hand and follow the instructions.

**BY MAIL**

Follow the instructions to mark, sign and date your proxy card

**BY PHONE**

Use any touch-tone telephone to transmit your voting instructions

**1-800-652-VOTE(8683)**

**BY INTERNET**

Use the internet to transmit your voting instructions

**[www.investorvote.com/OIS](http://www.investorvote.com/OIS)**

The telephone and internet voting deadline for the Annual Meeting is 10:59 p.m. Central Daylight Time on May 8, 2017. If you are a beneficial holder (e.g., you hold your shares in street name), you should follow the instructions provided by your broker or bank in order to vote.



**ITEM 1**

**To elect three (3) Class I members of the Board of Directors named in this proxy statement to serve until the 2020 Annual Meeting of Stockholders.**

**The term of the three current Class I directors will expire at the Annual Meeting. As further described beginning on page 10 of this proxy statement, the Board of Directors is currently comprised of eight members. The eight members are divided into three classes having three members in each of Class I and Class II, and two members in Class III. Each class is elected for a term of three years, so that the term of one class of directors expires at each Annual Meeting of Stockholders.**

**The Board of Directors recommends that stockholders vote “FOR” the election of each of the Class I director nominees named below.**

Table of Contents**PROXY SUMMARY****The Oil States Board of Directors**

Set forth below are the names of, and certain information with respect to, the Company's directors, including the three nominees for election to the Class I positions on the Board of Directors.

Name and Principal Occupation	Director		Independent	Other Current Public Company Boards	Committees		Nominating & Corporate Governance
	Age	Since			Audit	Compensation	
<b>Class I Directors (Nominees to serve until 2020)</b>							
<b>Lawrence R. Dickerson</b>							
Former Director, President and Chief Executive Officer, Diamond Offshore Drilling, Inc.	64	2014	Yes	<ul style="list-style-type: none"> <li>• Murphy Oil Corporation</li> <li>• Great Lakes Dredge &amp; Dock Company</li> </ul>	Member		
<b>Christopher T. Seaver</b>				<ul style="list-style-type: none"> <li>• Exterran Corporation</li> </ul>			
Former Chairman and Chief Executive Officer, Hydril Company	68	2008	Yes	<ul style="list-style-type: none"> <li>• McCoy Global Inc.</li> </ul>	Member		
<b>Cindy B. Taylor</b>				<ul style="list-style-type: none"> <li>• AT&amp;T Inc.</li> </ul>			
President and Chief Executive Officer, Oil States International, Inc.	55	2007	No	<ul style="list-style-type: none"> <li>• Tidewater Inc.</li> </ul>			
<b>Class II Directors (Term Expiring in 2018)</b>							
<b>S. James Nelson, Jr.</b>							
Former Vice Chairman, Cal Dive International, Inc. (now	74	2004	Yes	<ul style="list-style-type: none"> <li>• ION Geophysical Corp.</li> <li>• W&amp;T Offshore, Inc.</li> </ul>	Member		

Helix Energy  
Solutions Group, Inc.)

**Gary L. Rosenthal**

Partner, The Sterling Group, L.P.	67	2001	Yes	• None	Chair	
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**William T. Van Kleeef**

Former Executive Vice President and Chief Operating Officer, Tesoro Corporation	65	2006	Yes	• Noble Energy, Inc.	Chair	
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**Class III Directors  
(Term Expiring in  
2019)**

**Mark G. Papa**

Chairman, Oil States  
International, Inc.

Chairman and Chief  
Executive Officer,  
Centennial Resource  
Development, Inc.

	70	2001	Yes	• Chairman, Centennial Resource Development, Inc.	Member	Member
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Partner, Riverstone  
Holdings LLC

Former Director,  
Chairman and Chief  
Executive Officer,  
EOG Resources, Inc.

**Stephen A. Wells**

Former Chairman,  
Oil States International,  
Inc.

	73	1996	Yes	• None	Member	Chair
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President, Wells  
Resources, Inc.



Table of Contents**PROXY SUMMARY****Corporate Governance**

Oil States has implemented corporate governance policies and guidelines that the Board believes are consistent with Oil States' values, and that promote the effective functioning of the Board, its committees and the Company. The Corporate Governance section of this proxy statement beginning on page 17 describes our governance framework, which includes the following:

**Board and Governance Information**

Size of Board	8	Board Risk Assessment Oversight	Yes
Number of Independent Directors	7	Code of Conduct for Directors, Officers and Employees	Yes
Separate Chair and CEO	Yes	Incentive Compensation Clawback Policy	Yes
Board Meetings Held in 2016	5	Stock Ownership Guidelines for Directors and Executive Officers	Yes
Independent Directors Meet in Executive Session	Yes	Anti-Hedging and Pledging Policies	Yes
Annual Board and Committee Evaluations	Yes	Financial Code of Ethics for Senior Officers	Yes

**ITEM 2**

**To conduct an advisory vote to approve executive compensation.**

**The Board of Directors believes Oil States' executive compensation program closely links executive compensation to the execution of our strategy and accomplishment of our goals that coincide with stockholder objectives. We recommend that you review our Compensation Discussion and Analysis beginning on page 27, which explains in greater detail our executive compensation programs. While the outcome of this proposal is non-binding, the Board of Directors and Compensation Committee will consider the outcome of the vote when making future compensation decisions.**

**The Board of Directors recommends a vote "FOR" the adoption, on an advisory basis, of the resolution approving the compensation of our Named Executive Officers.**



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**PROXY SUMMARY**

**Our Compensation Philosophy**

The Company's philosophy regarding the executive compensation program for our Named Executive Officers (together referred to as the "NEOs") and other senior managers has been to design a compensation package that provides competitive base salary levels and compensation incentives that (i) attract and retain individuals of outstanding ability in these key positions, (ii) recognize corporate performance relative to established goals and the performance of the Company relative to the performance of other companies of comparable size, complexity and quality and against budget goals, and (iii) support both the short-term and long-term strategic goals of the Company. Oil States' compensation programs are designed to provide compensation that:

In order to further its pay-for-performance goal, the Compensation Committee has determined it appropriate to deliver a significant portion of executive compensation as performance-based compensation, including both short- and long-term incentives. The following charts depict elements of the target compensation for the CEO and collectively for the other Named Executive Officers of the Company during 2016.

**Reported versus Realized Values of Executive Compensation**

The Compensation Committee is committed to targeting reasonable and competitive direct compensation for the NEOs. Because a significant portion of the NEOs' compensation is performance-based, the target values established may vary substantially from the actual pay that may be realized.

"Reported compensation" is the total compensation as reported in our proxy statements. "Realized compensation" for any given year is calculated by adding together: actual base salary paid, total annual non-equity incentive plan compensation, the value of service-based and performance-based restricted stock awards that vested during the year based on the closing price of the Company's common stock on the day of vesting, the intrinsic value of any stock options that were exercised in that year based on the actual price of the Company's common stock at the time of exercise as compared to the grant date exercise price of the option, and the actual value of all other compensation.





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**PROXY SUMMARY**

The following table summarizes reported values for our CEO and collectively for the other NEOs compensation, as compared to realized values as of December 31, 2014, 2015 and 2016 (in thousands):

(1) The Company's CEO's realized compensation included the vested value of certain performance-based equity awards granted in 2012 and 2013 that were converted into time-based restricted stock awards (see page 33) in connection with the spinoff of our accommodations business (\$4.2 million in 2015 and \$1.1 million in 2016) and her exercise of certain stock options in 2015 (\$3.0 million) granted on February 19, 2010, which were scheduled to expire on February 19, 2016 (six-year life). Reported and realized non-equity incentive plan compensation for the Company's CEO was \$1.3 million in 2014, nil in 2015 and \$0.4 million in 2016.

(2) The Company's other NEOs' realized compensation included the vested value of certain performance-based equity awards granted in 2012 and 2013 that were converted into time-based restricted stock awards in connection with the spinoff of our accommodations business (\$0.9 million in both 2015 and 2016) and their exercise of certain stock options in 2015 (\$2.3 million) granted on February 19, 2010, which were scheduled to expire on February 19, 2016. Reported and realized non-equity incentive plan compensation for the Company's other NEOs was \$1.3 million in 2014, \$0.2 million in 2015 and \$0.8 million in 2016. Mr. Philip S. Moses became a Named Executive Officer in 2015, and as a result, his reported and realized compensation is excluded from the amounts presented in 2014.

**ITEM 3**

**To conduct an advisory vote regarding frequency of future advisory votes on executive compensation.**

**As further discussed on page 26, this proposal gives stockholders the opportunity to indicate how frequently we should seek an advisory vote on our executive compensation, such as Item 2 above. By voting on this Item 3, stockholders can indicate whether they would prefer an advisory vote on executive compensation every one, two, or three years, or can abstain.**

**The Board of Directors recommends a vote for the option of every ONE YEAR as the frequency with which stockholders are provided an advisory vote on the compensation of our named executive officers.**

**ITEM 4**

**To ratify the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2017**

**As further detailed beginning on page 48, our Board of Directors has ratified our Audit Committee’s appointment of Ernst & Young LLP as Oil States’ independent registered public accounting firm for the year ending December 31, 2017, and, as a matter of good governance, we are seeking stockholder ratification of that appointment.**

**The Board of Directors recommends a vote “FOR” this item.**

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**ITEM 1: ELECTION OF DIRECTORS**

The Board of Directors is currently comprised of eight members. The eight members are divided into three classes having three members in each of Class I and Class II, and two members in Class III. Each class is elected for a term of three years, so that the term of one class of directors expires at each Annual Meeting of Stockholders.

The term of the three current Class I directors will expire at the Annual Meeting. The term of the Class II directors will expire at the 2018 Annual Meeting of Stockholders, and the term of the Class III directors will expire at the 2019 Annual Meeting of Stockholders.

**NOMINEES**

Three directors are to be elected to serve as Class I directors at the Annual Meeting. Based on the recommendation of our Nominating & Corporate Governance Committee, the Board of Directors has nominated Lawrence R. Dickerson, Christopher T. Seaver and Cindy B. Taylor to fill the three expiring Class I positions on the Board of Directors, to hold office for three-year terms expiring at the Annual Meeting of Stockholders in 2020, and until their respective successors have been duly elected and qualified, or until their earlier death, resignation or removal. Each of the director nominees, Mrs. Taylor and Messrs. Dickerson and Seaver, presently serve as Class I directors. Stockholder nominations will not be accepted for filling Board of

Directors seats at the Annual Meeting because our bylaws require advance notice for such a nomination, the time for which has passed. Our Board of Directors has determined that Messrs. Dickerson and Seaver are “independent” as that term is defined by the applicable New York Stock Exchange, (the “NYSE”) listing standards.

See “— Director Independence” below for a discussion of director independence determinations. The proxy (unless otherwise directed, revoked or suspended) will be voted FOR the election of the three nominees for director.

There are no family relationships among executive officers and/or the directors of the Company.

**VOTE REQUIRED**

A plurality of votes cast is required for the election of directors. Both abstentions and broker non-votes will not have any effect on the outcome of voting on director elections. If any nominee should be

unable to serve as a director, the shares represented by proxies will be voted for the election of a substitute nominated by the Board of Directors to replace such nominee.

## DIRECTOR RESIGNATION POLICY

Our Corporate Governance Guidelines provide that in an uncontested election, any nominee for director who receives a greater number of votes “withheld” from his or her election than votes “for” such election (a “Majority Withheld Vote”) shall promptly tender his or her resignation for consideration by the Nominating & Corporate Governance Committee following certification of the stockholder vote.

mix of skills and attributes of directors on the Board; (5) whether, by accepting the resignation, the Company will no longer be in compliance with any applicable law, rule, regulation, or governing instrument; and (6) whether accepting the resignation would be in the best interests of the Company and its stockholders.

The Nominating & Corporate Governance Committee shall promptly consider the resignation offer and make a recommendation to the Board as to whether the resignation should be accepted. In making this recommendation, the Nominating & Corporate Governance Committee will consider all factors deemed relevant by its members including, without limitation, (1) the underlying reasons why stockholders may have “withheld” votes for election from such director, if known; (2) the length of service and qualifications of the director whose resignation has been tendered; (3) the director’s past and potential future contributions to the Company; (4) the current

Any director who changes his or her employer or otherwise has a significant change in job responsibilities shall give written notice to the Nominating & Corporate Governance Committee, specifying the details, as soon as feasible. Any director who changes his or her employer or otherwise has a significant change in job responsibilities shall also proffer his or her resignation to the Board. The Board, through the Nominating & Corporate Governance Committee, shall review the matter in order to evaluate the continued appropriateness of such director’s membership on the Board and each applicable Board committee under these circumstances, taking into account all relevant factors and may accept or reject a proffered resignation.

**The Board of Directors recommends that stockholders vote “FOR” the election of each of the director nominees.**

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**ITEM 1**

**NOMINEES AND DIRECTORS CONTINUING IN OFFICE**

Set forth below are the names of, and certain information with respect to, the Company's directors, including the three nominees for election to the Class I positions on the Board of Directors.

**Nominees for Re-Election for a Term Expiring in 2020 (Class I Directors)**

**LAWRENCE R. DICKERSON** Age: 64  
Director since: 2014

**Independent Director Nominee**

*Lawrence R. Dickerson* is the retired President and Chief Executive Officer of Diamond Offshore Drilling, Inc. (NYSE:DO). During his 34-year career at Diamond, Mr. Dickerson held a number of senior positions, including Chief Operating Officer and Chief Financial Officer. Previously, he was a director of Global Industries, Ltd. where he served as chairman of the audit and compensation committees and was the Chairman of Hercules Offshore, Inc., a now liquidated offshore drilling contractor. Mr. Dickerson is currently a director of Murphy Oil Corporation (NYSE:MUR), an independent oil and gas company and Great Lakes Dredge & Dock Company (NASDAQ: GLDO), a marine dredge engineering company. He holds a BBA from the University of Texas and he is a Certified Public Accountant.

**Committees:** Audit

**CHRISTOPHER T. SEAVER**

Age: 68  
Director since: 2008

### **Independent Director Nominee**

*Christopher T. Seaver* served as the President and Chief Executive Officer and a director of Hydril Company (“Hydril”) from February 1997 until Hydril was acquired in May 2007, at which point he retired. Mr. Seaver served as Chairman of Hydril from November 2006 to May 2007. From 1993 until 1997, Mr. Seaver served as President of Hydril. Mr. Seaver joined Hydril in 1985 and served as Executive Vice President in charge of Hydril’s premium connection and pressure control businesses prior to February 1993. Prior to joining Hydril, Mr. Seaver was a corporate and securities attorney for Paul, Hastings, Janofsky & Walker, and was a Foreign Service Officer in the U.S. Department of State with postings in Kinshasa, Republic of Congo and Bogota, Colombia. Mr. Seaver was a director and member of the audit and nominating & corporate governance committees of Exterran Holdings, Inc., a company that sells, operates and maintains compression equipment used in the oil and gas industry worldwide, from October 2008 until November 2015, when Exterran Holdings, Inc. spun out Exterran Corporation (NYSE: EXTN). Mr. Seaver became a director of Exterran Corporation in October 2015 and currently serves on the audit, compensation and nominating & corporate governance committees. Since December 2010, Mr. Seaver has served on the board of directors of McCoy Global Inc. (TSX: MCB) and served on the audit committee until becoming Chairman in May 2014. McCoy Global Inc. manufactures pipe handling equipment, principally tongs, for the oil and gas sector in Canada and internationally. He holds a B.A. in economics from Yale University and M.B.A. and J.D. degrees from Stanford University.

**Committees:** Audit

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**ITEM 1**

**CINDY B. TAYLOR** Age: 55  
Director since: 2007

**Executive Director Nominee**

*Cindy B. Taylor* is the Chief Executive Officer and President of Oil States and is a member of the Company's Board of Directors. She has held these positions for 10 years since assuming the role in May 2007. From May 2006 until May 2007, Mrs. Taylor served as President and Chief Operating Officer of Oil States. From May 2000 until May 2006, Mrs. Taylor was the Senior Vice President—Chief Financial Officer and Treasurer. From August 1999 to May 2000, Mrs. Taylor was the Chief Financial Officer of L.E. Simmons & Associates, Incorporated. Mrs. Taylor served as the Vice President—Controller of Cliffs Drilling Company from July 1992 to August 1999 and held various management positions with Ernst & Young LLP, a public accounting firm, from January 1984 to July 1992. She received a B.B.A. degree from Texas A&M University and is a Certified Public Accountant. Mrs. Taylor is currently a director of Tidewater Inc. (NYSE: TDW), a global provider of vessels serving the offshore energy industry and is Chairman of the Tidewater finance committee and a member of its audit committee. She also serves on the board of AT&T Inc. (NYSE: T), a global telecommunications and entertainment company, and is a member of its public policy and corporate reputation committee in addition to its audit committee.

**Committees:** None

**Directors Continuing in Office**

*Class II Directors (Term Expiring in 2018)*

**S. JAMES NELSON, JR.** Age: 74  
Director since: 2004

**Independent Director**

In 2004, *S. James Nelson, Jr.* retired, after 15 years of service, from Cal Dive International, Inc. (now known as Helix Energy Solutions Group, Inc. (NYSE:HLX) (“Helix”), a marine contractor and operator of offshore production facilities, where he was a founding shareholder and director from 1990 to 2004, Chief Financial Officer from 1990 to 2000, and Vice Chairman from 2000 to 2004. From 1985 to 1988, Mr. Nelson was a Senior Vice President and Chief Financial Officer of Diversified Energies, Inc. From 1980 to 1985, Mr. Nelson served as Chief Financial Officer of Apache Corporation (NYSE: APA), an oil and gas exploration and production company. From 1966 to 1980, Mr. Nelson was employed with Arthur Andersen L.L.P., where, from 1976 to 1980, he was a partner serving on the firm’s worldwide oil and gas industry team. Mr. Nelson is a director and a member of the audit committee of ION Geophysical Corp. (NYSE: IO), a seismic services provider; and W&T Offshore, Inc. (NYSE: WTI), an oil and gas exploration and production company where he is also a member of the audit and governance committees. From 2010 to 2012 he was a member of the board of directors and audit and compensation committees of Genesis Energy LP (NYSE: GEL), a U.S.-based-mid-stream pipeline transportation, refinery services, industrial gases and supply and logistics master limited partnership. From 2005 to 2008, he was a member of the board of directors and audit and compensation committees of Quintana Maritime Ltd., an international provider of dry bulk cargo marine transportation services. He received a B.S. in Accounting from Holy Cross College and a M.B.A. degree from Harvard University. Mr. Nelson is also a Certified Public Accountant.



**Committees:** Audit

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**ITEM 1**

**GARY L. ROSENTHAL** Age: 67  
Director since: 2001

**Independent Director**

*Gary L. Rosenthal* has been a partner in The Sterling Group, L.P., a private equity firm since January 2005. Mr. Rosenthal served as Chairman of the Board of Hydrochem Holdings, Inc. from May 2003 until December 2004. From August 1998 to April 2001, he served as Chief Executive Officer of AXIA Incorporated, a diversified manufacturing company. Mr. Rosenthal from 1991 to 1994 served as Executive Chairman and then after its initial public offering, as Chairman and Chief Executive Officer of Wheatley-TXT Corp., a manufacturer of pumps and valves for the oil field. Since April 2016, Mr. Rosenthal serves as a director of Highline Aftermarket LLC. He holds J.D. and A.B. degrees from Harvard University.

**Committees:** Compensation (Chair)

**WILLIAM T. VAN KLEEF** Age: 65  
Director since: 2006

**Independent Director**

*William T. Van Kleeef* has served in executive management positions at Tesoro Corporation (“Tesoro”) (NYSE: TSO) from 1993 until he retired in March 2005, most recently serving as Tesoro’s Executive Vice President and Chief Operating Officer. During his tenure at Tesoro, Mr. Van Kleeef held various positions, including President, Tesoro Refining and Marketing, and Executive Vice President and Chief Financial Officer. Before joining Tesoro, Mr. Van Kleeef, a Certified Public Accountant, served in various financial and

accounting positions with Damson Oil from 1982 to 1991, most recently as Senior Vice President and Chief Financial Officer. Mr. Van Kleef serves on the board of directors, and is Chairman of the audit committee as well as a member of the corporate governance and nominating committee of Noble Energy, Inc. (NYSE: NBL), an independent oil and gas company.

**Committees:** Audit (Chair)

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*Class III Directors (Term Expiring in 2019)*

**MARK G. PAPA** Age: 70  
Director since: 2001 (Independent Chairman since February 2016)

**Independent Chairman of the Board**

*Mark G. Papa* served as Chairman of the Board and Chief Executive Officer of EOG Resources, Inc. (NYSE: EOG), an oil and gas exploration and production company, from August 1999 until December 2013. He served as a member of EOG's Board of Directors until December 2014. From February 1994 to August 1999, he held a number of management positions with EOG Resources, Inc. Mr. Papa is currently a Partner with Riverstone Holdings LLC as well as Chief Executive Officer and Chairman of the Board of Centennial Resource Development, Inc. (NASDAQ: CDEV), an independent oil producer. He has a petroleum engineering degree from the University of Pittsburgh and a M.B.A. degree from the University of Houston.

**Committees:** Compensation, Nominating & Corporate Governance

Age: 73  
**STEPHEN A. WELLS** Director since: 1996 (served as Independent Chairman from May 2006 to February 2016)

**Independent Director**

*Stephen A. Wells* is the President of Wells Resources, Inc., a privately-owned oil, natural gas and ranching company, and has served in that position since 1983. From October 1993 to February 1996, he was a director and Chief Executive Officer of Coastwide Energy Services, Inc., a Gulf Coast marine terminal operator. From March 1992 to September 1994, he was a director and Chief Executive Officer of Grasso Corporation, an oil and gas production management services company. Mr. Wells served as a director and a member of the audit and executive committees of Pogo Producing Company, an oil and gas exploration and production company until it was acquired in November 2007.

**Committees:** Compensation, Nominating & Corporate Governance (Chair)

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**ITEM 1**

*Executive Officers*

The following profiles provide the relevant experience, age and tenure with the Company as of March 15, 2017 of our Chief Financial Officer and other executive officers currently employed by the Company. Information with respect to our Chief Executive Officer is included on page 12.

**LLOYD A. HAJDIK** Age: 51

**Executive Vice President,  
Chief Financial Officer &  
Treasurer**

*Lloyd A. Hajdik* joined the Company in December 2013. He has served as our Executive Vice President, Chief Financial Officer and Treasurer since May 2016 and as our Senior Vice President, Chief Financial Officer and Treasurer from December 2013 to May 2016. Prior to joining the Company, he served as the Chief Financial Officer of GR Energy Services, LLC, a privately-held oilfield services entity, from September to November 2013, and Senior Vice President – Finance and Chief Accounting Officer of Helix Energy Solutions Group, Inc. (“Helix”) from November 2008 to April 2013. Mr. Hajdik joined Helix in December 2003 as Vice President and Corporate Controller and was named Chief Accounting Officer in February 2004 and continued in that role until April 2013. Prior to joining Helix, Mr. Hajdik served in a variety of accounting and finance related

roles of increasing responsibility with Houston-based companies, including NL Industries, Inc., Compaq Computer Corporation (now Hewlett Packard), Halliburton's Baroid Drilling Fluids and Zonal Isolation product service lines, Cliffs Drilling Company and Shell Oil Company. Mr. Hajdik was with Ernst & Young LLP in the audit practice from 1989 to 1995. Mr. Hajdik graduated Cum Laude from Texas State University receiving a Bachelor of Business Administration degree. Mr. Hajdik is a Certified Public Accountant and a member of the Texas Society of CPAs, the American Institute of Certified Public Accountants and Financial Executives International.

**CHRISTOPHER E. CRAGG** Age: 55

**Executive Vice President, Operations**

*Christopher E. Cragg* joined the Company in February 2001. He has served as Executive Vice President, Operations of the Company since May 2016 and as Senior Vice President of Operations from May 2006 to May 2016. Mr. Cragg was Executive Vice President—Chief Financial Officer of Sooner Inc., a predecessor of our Company (“Sooner”), from December 1999 to February 2001. Mr. Cragg also served as President of Sooner from October 2003 until May 2006. From April 1994 to June 1999, he was Vice President and Controller of Ocean Energy, Inc., an independent oil and gas exploration and production company, and its predecessor companies. Mr.

Cragg served as Manager—Internal Audit with Cooper Industries, a manufacturer of diversified products, from April 1993 to April 1994 and as a senior manager with Price Waterhouse, a public accounting firm, from August 1983 to April 1993. Mr. Cragg is a director and serves on the audit and compensation committees and, beginning in February 2011, as Chairman of the compensation committee of Powell Industries, Inc. (NASDAQ: POWL), a company that manufactures and services electrical energy systems. Mr. Cragg was elected to the Board of Trustees of Southwestern University in June 2015. Mr. Cragg is past Chairman of the Petroleum Equipment and Services Association and currently serves as a director. He graduated Cum Laude with a B.B.A. degree from Southwestern University and is a Certified Public Accountant.



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**ITEM 1**

**LIAS J. “JEFF” STEEN**Age: 58

**Executive Vice President,  
Human Resources and Legal**

*Lias J. “Jeff” Steen* joined the Company in June 2008. He has served as Executive Vice President, Human Resources and Legal since May 2016 and as Senior Vice President, Human Resources and Legal from February 2011 to May 2016. From June 2008 to February 2011, Mr. Steen served as Vice President, Human Resources and Legal. A native of Cuero, Texas, Mr. Steen has been involved in the energy service business in various capacities since 1978, starting his career as a petroleum landman. Mr. Steen spent 10 years with Camco International, Inc. as Assistant General Counsel and General Counsel. Following his tenure at Camco, Mr. Steen served for five years as the General Counsel for North America for Schlumberger Limited, then, from December 2002 to April 2008, he served as Vice President of Legal and Human Resources at Grant Prideco. Mr. Steen is a graduate of Texas A&M University with a B.S. in Agricultural Economics and received his Juris Doctor from South Texas College of Law Houston.

**PHILIP S. "SCOTT" MOSES** Age: 49

**Executive Vice President, Offshore  
Products**

*Philip S. "Scott" Moses* joined the Company in 1996. He has served as Executive Vice President of the Company and President, Offshore Products segment since May 2016 and as Senior Vice President of the Company and President, Offshore Products from July 2015 to May 2016. From February 2013 to July 2015, Mr. Moses served as Senior Vice President, Offshore Products having responsibility over all U.S. and international locations within that business segment. From February 2011 to February 2013, he served as Senior Vice President, Engineering and Industrial Products, Offshore Products. Since joining the company immediately after attending college, Mr. Moses has held various engineering, project management and senior leadership roles engaged in product design, improving operational efficiencies, directing worldwide facility expansion efforts, and growing the company through R&D initiatives as well as integrating several key acquisitions. Mr. Moses holds a B.S. in Mechanical Engineering from Texas A&M University.

**BRIAN E. TAYLOR** Age: 54

**Vice President, Controller  
and Chief Accounting Officer**

*Brian E. Taylor* joined the Company as Vice President, Controller and Chief Accounting Officer in September 2016. Prior to joining the Company, Mr.

Taylor managed personal family investments from January 2015 to September 2016. From April 2012 to December 2014, Mr. Taylor served as Vice President and Chief Financial Officer of Conn's, Inc., a specialty retailer. Mr. Taylor served as Finance Integration Manager for Schlumberger Limited from September 2010 to April 2012, following its acquisition of Smith International, Inc. From September 1999 through August 2010, he served in various financial management roles with Smith International, Inc., including Corporate Vice President and Controller. Mr. Taylor also served two years at Camco International, Inc. (also acquired by Schlumberger Limited) as its Director of Corporate Accounting and Worldwide Controller. He began his career at Arthur Andersen L.L.P., spending 10 years in its assurance practice. Mr. Taylor is a Certified Public Accountant and obtained a B.S. in Accounting from Louisiana State University.

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**CORPORATE GOVERNANCE**

**CORPORATE GOVERNANCE GUIDELINES**

The Company has adopted corporate governance guidelines entitled “Corporate Governance Guidelines,” which are available at [www.oilstatesintl.com](http://www.oilstatesintl.com) by first clicking “Corporate Governance” and then “Corporate Governance Guidelines.” These guidelines were adopted by the Board of Directors to best ensure that the Board of Directors has the necessary authority and practices in place to

make decisions that are independent from management, that the Board of Directors adequately performs its function as the overseer of management and to help ensure that the interests of the Board of Directors and management are aligned with the interests of the Company’s stockholders.

**SELECTING OUR DIRECTORS**

Our director nomination process for new Board of Directors members is as follows:

- The Nominating & Corporate Governance Committee, the Chairman of the Board, or another member of the Board identifies a need to add a new Board member who meets specific criteria or to fill a vacancy on the Board of Directors.
- The Nominating & Corporate Governance Committee initiates a search by working with staff support, seeking input from members of the Board and senior management and hiring a search firm, if deemed necessary.
- The Nominating & Corporate Governance Committee considers recommendations for nominees for directorships submitted by stockholders.
- The initial slate of candidates that will satisfy specific criteria and otherwise qualify for membership on the Board of Directors is identified and presented to the Nominating & Corporate Governance Committee.

- The Chairman of the Board and at least one member of the Nominating & Corporate Governance Committee interview prospective candidate(s).
- The full Board of Directors is kept informed of progress.
- The Nominating & Corporate Governance Committee offers other directors the opportunity to interview the candidate(s) and then meets to consider and approve the final candidate(s).
- The Nominating & Corporate Governance Committee seeks the endorsement of the Board of Directors of the final candidate(s).

The final candidate(s) are nominated by the Board of Directors or appointed to fill a vacancy.

A stockholder may make a nomination for election to our Board for the 2018 Annual Meeting of Stockholders by delivering proper notice to our Secretary at least 120 days prior to the first anniversary date of the 2017 Annual Meeting as more fully described below under Nominating & Corporate Governance Committee.

## **QUALIFICATIONS OF DIRECTORS**

When identifying director nominees, the Nominating & Corporate Governance Committee will consider the following:

- the person's reputation and integrity;
- the person's qualifications as an independent, disinterested, and non-employee or outside director; the person's skills and business, government or other professional experience and acumen, bearing in mind the
- composition of the Board of Directors and the current state of the Company and the oilfield services industry generally at the time of determination;
- the number of other public companies for which the person serves as a director and the availability of the person's time and commitment to the Company; and
- the person's knowledge of areas and businesses in which the Company operates.

The Nominating & Corporate Governance Committee and the Board of Directors believe the above mentioned attributes, along with the leadership skills and other experience of its Board of Directors described below, provide the Company with the perspectives and judgment necessary to guide the Company's strategies and monitor their execution.

Table of Contents**CORPORATE GOVERNANCE**

The following table notes the breadth and variety of business experience that each of our directors bring to the Company.

	<b>Executive Leadership</b>	<b>Financial</b>	<b>Energy/Oil Field Services</b>	<b>International Operations</b>	<b>Past or Present CEO</b>	<b>Past or Present CFO</b>	<b>Director Role</b>
Mark G. Papa	ü	ü	ü	ü	ü		ü
Cindy B. Taylor	ü	ü	ü	ü	ü	ü	ü
Lawrence R. Dickerson	ü	ü	ü	ü	ü	ü	ü
S. James Nelson, Jr.	ü	ü	ü	ü		ü	ü
Gary L. Rosenthal	ü	ü	ü	ü	ü		ü
Christopher T. Seaver	ü	ü	ü	ü	ü		ü
William T. Van Kleef	ü	ü	ü	ü		ü	ü
Stephen A. Wells	ü	ü	ü	ü	ü		ü

In selecting nominees for the Board of Directors, the Nominating & Corporate Governance Committee considers, among other things, the diversity of the Board of Directors in terms of educational background, business and industry experience, and knowledge of different geographic markets and oilfield services and products. In the case of current directors being considered for renomination, the

Nominating & Corporate Governance Committee took into account the director's history of attendance at Board of Directors and committee meetings, the director's tenure as a member of the Board of Directors and the director's preparation for and participation in such meetings.

**DIRECTOR INDEPENDENCE**

To qualify as "independent" under the NYSE listing standards, a director must meet objective criteria set forth in the NYSE listing standards, and the Board of Directors must affirmatively determine that the director has no material relationship with us (either directly or as a partner, stockholder or officer of an organization that has a relationship with us) that would interfere with his or her exercise of independent judgment in carrying out his or her responsibilities as a director.

The Board of Directors reviews all direct or indirect business relationships between each director (including his or her immediate family) and our Company, as well as each director's relationships with charitable organizations, to assess director independence as defined in the listing standards of the NYSE. The NYSE listing standards include a series of objective tests, such as the director is

not an employee of our Company and has not engaged in various types of business dealings with our Company. In addition, as further required by the NYSE, the Board of Directors has made a subjective determination as to each independent director that no material relationships exist which, as determined by the Board of Directors in its sole discretion, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a director. When assessing the materiality of a director's relationship with us, the Board of Directors considers the issue not merely from the standpoint of the director, but also from the standpoint of the persons or organizations with which the director has an affiliation.

The Board of Directors has determined that all of our directors, except for Cindy Taylor, our current President and Chief Executive Officer, qualify as "independent" in accordance with NYSE listing standards.

## **ROLE AND RESPONSIBILITIES OF THE BOARD**

### **Board of Directors Oversight of Enterprise Risk**

The Board of Directors utilizes our Enterprise Risk Management ("ERM") process to assist in fulfilling its oversight of our risks. Management and all employees are responsible for day-to-day risk management, and management conducts a risk assessment of Oil States' business annually. The risk assessment process is global in nature and has been developed to identify and assess the Company's primary risks, including the nature, materiality and velocity of the risk, as well as to identify steps to mitigate and manage each risk. Our key business leaders, functional heads and other managers are surveyed and/or interviewed when developing this information.

Risk oversight is a responsibility of the Board of Directors. The Board of Directors has delegated responsibility for monitoring certain enterprise risks to its standing committees.

The results of the risk assessment are reviewed with the full Board of Directors annually. The centerpiece of the assessment is the discussion of the key risks of the Company, which includes the potential magnitude, likelihood of each risk occurring and the speed with which the risk could impact the Company. As part of the process for evaluating each risk, a senior manager is identified to manage the risk, monitor potential impact of the risk and execute initiatives to mitigate the risk.

The results of the risk assessment are considered in the Board of Directors' processes. Risk discussions are integral to the Board of Directors and its committees' deliberations.

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**CORPORATE GOVERNANCE**

**Executive & Director Stock Ownership and Retention Guidelines**

We have executive and director stock ownership guidelines, designed to align executive and director interests with stockholder interests. For a description of the guidelines applicable to our executive officers and directors, see “Compensation Discussion and Analysis – Executive Stock Ownership Guidelines”.

**Anti-Hedging and Pledging Policies**

Our directors and executive officers are prohibited from hedging their ownership of Company stock. Furthermore, our directors and executive officers are prohibited from pledging their Company stock.

**Incentive Compensation Clawback Policy**

The Company adopted an incentive compensation clawback policy effective January 1, 2017. The policy provides the Company with the ability, in appropriate circumstances, to seek restitution of any performance-based compensation received by an employee as a

result of such employee’s fraud or misconduct, resulting in a material misstatement contained in the Company’s financial statements, which results in a restatement of these financial statements.

**The Board’s Role in Stockholder Engagement**

Stockholders or other interested parties may send communications, directly and confidentially, to the Board of Directors, to any committee of the Board of Directors, to non-management directors or to any director in particular by sending an envelope marked

“confidential” to such person or persons c/o Oil States International, Inc., Three Allen Center, 333 Clay Street, Suite 4620, Houston, Texas 77002. Any such correspondence will be forwarded by the Secretary of the Company to the addressee without review by management.

## **Corporate Code of Business Conduct and Ethics**

All directors, officers and employees of the Company must act ethically at all times and in accordance with the policies comprising the Company's ethics policy entitled "Corporate Code of Business Conduct and Ethics" ("Business Conduct and Ethics Code"). This policy is available at the Company's web site [www.oilstatesintl.com](http://www.oilstatesintl.com) by first clicking "Corporate Governance" and then "Corporate Code of Business Conduct and Ethics."

Ethical principles set forth in this policy include, among other principles, matters such as:

- ▲ Acting ethically with honesty and integrity
- ▲ Avoiding conflicts of interest
- Complying with disclosure and reporting obligations with full, fair, accurate, timely and understandable disclosures
- Complying with applicable laws, rules and regulations
- ▲ Acting in good faith, responsibly with due care, competence and diligence
- Promoting honest and ethical behavior by others
- Respecting confidentiality of information
- Responsibly using and maintaining assets and resources

All of our employees with computer access are required to complete online training on a regular basis which includes a review of the Business Conduct and Ethics Code policy and an acknowledgement that the employee has read and understands the policy. The Company has a Compliance Committee composed of key employees that meet periodically to assess efforts and processes to ensure compliance with laws and regulations to which the Company is subject.

## **Financial Code of Ethics for Senior Officers**

The Company's Financial Code of Ethics for Senior Officers applies to the chief executive officer, chief financial officer, principal accounting officer and other senior accounting and financial officers ("Senior Officers").

Senior Officers must also comply with the Business Conduct and Ethics Code.

## **Policies and Procedures with Respect to Related Party Transactions and Conflicts of Interest**

We review all relationships and transactions in which we and our directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. Our Corporate Secretary's office is primarily responsible for the development and implementation of

processes and controls to obtain information from the directors and executive officers with respect to related person transactions and for then determining, based on the facts and circumstances, whether we or a related person has a direct or indirect material interest in the transaction. As required under the rules of the Securities and

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**CORPORATE GOVERNANCE**

Exchange Commission (the “SEC”), transactions that are determined to be directly or indirectly material to us or a related person are filed with the SEC when required, and disclosed in our proxy statement.

Our Business Conduct and Ethics Code prohibits conflicts of interest. Under the Business Conduct and Ethics Code, conflicts of interest occur when private or family interests interfere in any way, or even appear to interfere, with the interests of our Company. Our prohibition on conflicts of interest under the Business Conduct and Ethics Code includes related person transactions where a member of a director’s or an employee’s family or household, receives improper personal benefits as a result of the director’s or the employee’s position in the Company. Any waivers of these guidelines must be approved by the Nominating & Corporate Governance Committee of the Board of Directors.

We have multiple processes for reporting conflicts of interests, including related party transactions. Under the Business Conduct and Ethics Code, all employees are required to report any actual or apparent conflict of interest, or potential conflict of interest, to their supervisors, managers or other appropriate personnel. Any transaction involving related parties must be reported in writing by our division executives as part of their quarterly representation letter. This information is then reviewed by disinterested members of our Nominating & Corporate Governance Committee, our Board of Directors or our independent registered public accounting firm, as deemed appropriate, and discussed with management. As part of this review, the following factors are generally considered:

- the nature of the related party’s interest in the transaction;
- the material terms of the transaction, including, without limitation, the amount and type of the transaction;
- the importance of the transaction to the related party;
- the importance of the transaction to us;
- whether the transaction would impair the judgment of a director or executive officer to act in the best interest of our Company;
- whether the transaction might affect the status of a director as independent under the independence standards of the NYSE; and
- any other matters deemed appropriate with respect to the particular transaction.

All material related person transactions must be reviewed, approved or ratified by the Nominating & Corporate Governance Committee of our Board of Directors. Any member of the Nominating & Corporate

Governance Committee who is a related person with respect to a transaction is recused from the review of the transaction.

We also have other policies and procedures to prevent conflicts of interest, as well as to facilitate the review, approval, or ratification of related person transactions. We annually distribute a questionnaire to our executive officers and members of our Board of Directors requesting certain information regarding, among other things, their immediate family members, employment and beneficial ownership interests. This information is then reviewed for materiality

and for conflicts of interest under the Business Conduct and Ethics Code.

Additionally, the charter of our Nominating & Governance Committee requires that the members of such committee assess the independence of the non-management directors at least annually, including a requirement that it determine whether or not any such directors have a material relationship with us, either directly or indirectly, as defined therein and as further described above under “–Director Independence.”

To establish restrictions with regard to corporate participation in the political system as imposed by law, the following guidelines are contained in our Business Conduct and Ethics Code:

No funds, assets, or services of the Company will be used for political contributions, directly or indirectly, unless allowed by applicable foreign and U.S. law and approved in advance by the Board of Directors. There have been no such approvals required in the Company’s history.

Company contributions to support or oppose public referenda or similar ballot issues are only permitted with advance approval of the Board of Directors. There have been no such approvals required in the Company’s history.

Employees, if eligible under applicable foreign and U.S. law, may make political contributions through legally established Company sponsored and approved political action committees. Any such personal contribution is not a deductible expense for federal or other applicable income tax purposes and is not eligible for reimbursement by the Company as a business expense. To the extent permitted by law, the Company’s resources may be used to establish and administer a political action committee or separate segregated fund. All proposed activities shall be submitted for the review of, and approval by, the Board of Directors prior to their implementation. There have been no such approvals required in the Company’s history.

## **BOARD STRUCTURE AND PROCESSES**

### **Board of Directors Leadership**

Since the Company’s initial public offering in 2001, the Chairman of the Board and Chief Executive Officer roles have been split with the Chairman of the Board role being filled by a non-executive member of the Board of Directors. We believe the separation of these two positions leads to a strong independent leadership structure.

### **Board and Committee Self-Evaluation**

As required by our Corporate Governance Guidelines, our Board conducts an annual self-evaluation to determine whether it and its committees are functioning effectively. In accordance with its charter, the Nominating & Corporate

Governance Committee oversees the annual evaluations, solicits comments from all directors and reports annually to the Board with an assessment of the

performance of the Board and its committees. This assessment is then discussed and taken into account by the full Board in executive session in its consideration of any appropriate action or response that might strengthen director communications and the overall effectiveness of Board and committee meetings.

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