

SUPERIOR ENERGY SERVICES INC
Form PRE 14A
April 16, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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 §240.14a-12

Superior Energy Services, 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:

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

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

- (4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

11000 Equity Drive, Suite 300

Houston, Texas 77041

Dear Fellow Stockholders:

It is my pleasure to invite you to attend our 2013 Annual Meeting of Stockholders on June 6, 2013 at 9:00 a.m. central time. The meeting will be held at the Magnolia Hotel Houston in Houston, Texas.

2012 was an exciting year for us. Our acquisition of Complete Production Services, Inc. transformed our Company, significantly expanding our U.S. land geographic footprint and service and product offerings. The annual meeting gives you an opportunity to provide feedback regarding our company, its management and business strategy. I encourage you to read these materials and vote your shares, in person or by proxy, at our annual meeting.

Our goal in the attached proxy statement is to provide you with the information necessary to understand the matters being proposed at our annual meeting. Your votes and feedback are important to our decisions. We are particularly interested in your feedback on our annual say-on-pay proposal, where we ask you to approve on an advisory basis, our executive compensation program. As always, you can find information regarding our executive compensation program in our Compensation Discussion and Analysis. The annual meeting will also address other proposals, including adoption of a new stock incentive plan, a new employee stock purchase plan, and an amendment to our charter to remove the restrictions on foreign ownership. These proposals are described in further detail in the attached proxy statement.

On behalf of the Board of Directors and Superior's management, we welcome you to the 2013 annual meeting. Thank you for your continued interest in Superior.

David D. Dunlap
President and Chief Executive Officer

May [], 2013

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To our Stockholders:

The annual meeting of stockholders of Superior Energy Services, Inc. will be held at 9:00 a.m., local time, on Thursday, June 6, 2013, at the Magnolia Hotel Houston, Sterling Ballroom I, 1100 Texas Avenue, Houston, Texas 77002. At the annual meeting, our stockholders will be asked to vote on the following proposals:

1. the election of ten directors (Proposal 1);
2. an advisory vote on the compensation of our named executive officers (Proposal 2);
3. the adoption of the 2013 Stock Incentive Plan (Proposal 3);
4. the adoption of the 2013 Employee Stock Purchase Plan (Proposal 4);
5. the adoption of an amendment to our certificate of incorporation to remove the limitation on non-U.S. citizen stock ownership (Proposal 5);
6. the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2013 (Proposal 6);
and
7. any other business that may properly come before the meeting.

Only holders of record of our common stock as of the close of business on April 19, 2013 are entitled to receive notice of, attend and vote at the meeting.

Your vote is important. Whether or not you plan to attend the meeting, please complete, sign and date the enclosed proxy or voting instruction card and return it promptly in the enclosed envelope, or vote by one of the other methods specified in this proxy statement. If you attend the annual meeting, you may vote your shares in person, even if you have sent in your proxy.

By Order of the Board of Directors,

Greg Rosenstein
Executive Vice President and Secretary

Houston, Texas

May [], 2013

Edgar Filing: SUPERIOR ENERGY SERVICES INC - Form PRE 14A
**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE STOCKHOLDER MEETING TO BE HELD ON JUNE 6, 2013.**

**This proxy statement and the 2012 annual report
are available at <https://materials.proxyvote.com/868157>**

Table of Contents

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT OUR 2013 ANNUAL MEETING</u>	1
<u>ELECTION OF DIRECTORS (PROPOSAL 1)</u>	6
<u>CORPORATE GOVERNANCE</u>	12
<u>DIRECTOR COMPENSATION</u>	18
<u>OWNERSHIP OF SECURITIES</u>	20
<u>ADVISORY VOTE ON OUR NAMED EXECUTIVE OFFICERS' COMPENSATION (PROPOSAL 2)</u>	22
<u>ADOPTION OF THE 2013 STOCK INCENTIVE PLAN (PROPOSAL 3)</u>	23
<u>ADOPTION OF THE 2013 EMPLOYEE STOCK PURCHASE PLAN (PROPOSAL 4)</u>	35
<u>ADOPTION OF AN AMENDMENT TO OUR CERTIFICATE OF INCORPORATION TO REMOVE THE LIMITATION ON NON-U.S. CITIZEN STOCK OWNERSHIP (PROPOSAL 5)</u>	40
<u>RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PROPOSAL 6)</u>	41
<u>AUDIT COMMITTEE REPORT</u>	42
<u>EXECUTIVE COMPENSATION</u>	44
<u>2014 STOCKHOLDER NOMINATIONS AND PROPOSALS</u>	86
<u>2013 STOCK INCENTIVE PLAN</u>	APPENDIX A
<u>2013 EMPLOYEE STOCK PURCHASE PLAN</u>	APPENDIX B
<u>AMENDMENT TO CERTIFICATE OF INCORPORATION</u>	APPENDIX C

Table of Contents

SUPERIOR ENERGY SERVICES, INC.

11000 Equity Drive, Suite 300

Houston, Texas 77041

**WELCOME TO OUR ANNUAL MEETING OF STOCKHOLDERS
QUESTIONS AND ANSWERS ABOUT OUR 2013 ANNUAL MEETING**

This proxy statement is being mailed to our stockholders on or about May [], 2013.

Q: Why am I receiving this proxy statement?

A: Our Board of Directors is soliciting your proxy to vote at the annual meeting because you owned shares of our common stock at the close of business on April 19, 2013, the record date for the meeting, and are entitled to vote at the meeting. This proxy statement, along with a proxy card or a voting instruction card and a copy of our annual report, are being mailed to stockholders beginning May [], 2013. This proxy statement summarizes the information you need to know to vote at the annual meeting. You do not need to attend the annual meeting to vote your shares.

Q: On what matters will I be voting?

A: At the annual meeting, our stockholders will be asked to (i) elect ten directors, (ii) hold an advisory vote on the compensation of our named executive officers (the say-on-pay proposal), (iii) adopt the 2013 Stock Incentive Plan, (iv) adopt the 2013 Employee Stock Purchase Plan, (v) adopt an amendment to our certificate of incorporation to remove the limitation on non-U.S. citizen stock ownership (the charter amendment), (vi) ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2013, and (vii) consider any other business that may properly come before the meeting.

Q: When and where will the meeting be held?

A: The meeting will be held at 9:00 a.m., local time, on Thursday, June 6, 2013, at the Magnolia Hotel Houston, Sterling Ballroom I, 1100 Texas Avenue, Houston, Texas 77002. You can obtain directions to the Magnolia Hotel at the hotel's website at www.magnoliahotels.com.

Q: How many votes may I cast?

A: You have one vote for every share of our common stock that you owned on the record date.

Q: How many votes may be cast by all stockholders?

Edgar Filing: SUPERIOR ENERGY SERVICES INC - Form PRE 14A

A: As of the record date, we had [] shares of common stock outstanding.

Q: **How many shares must be present to hold the meeting?**

A: Our By-laws provide that a majority of the outstanding shares of stock entitled to vote generally in the election of directors, represented in person or by proxy, constitutes a quorum at a meeting of our stockholders. As of the record date, [] shares of our common stock constitute a quorum. Shares that are voted, broker non-votes and shares for which voting authority is withheld are treated as being present at the annual meeting for purposes of determining whether a quorum is present.

Table of Contents

Q: What are my voting options on each proposal? How does the Board recommend that I vote? How many votes are required to approve each proposal?

Proposal	Your Voting Options	Board's Recommendation	Vote Required to Approve the Proposal
No. 1: Election of the ten director nominees	You may vote FOR each nominee or choose to WITHHOLD your vote for one or all of the nominees	FOR each of the nominees	Ten nominees receiving the highest number of votes in favor will be elected, except that a nominee who receives a greater number of withhold than for votes must tender his resignation
No. 2: Approval of the say-on-pay proposal (advisory)	You may vote FOR or AGAINST this proposal or ABSTAIN from voting	FOR approval of our executive compensation as disclosed in this proxy statement	Affirmative vote of the holders of a majority of the shares of common stock present and entitled to vote on the proposal
No. 3: Adoption of the 2013 Stock Incentive Plan	You may vote FOR or AGAINST this proposal or ABSTAIN from voting	FOR approval of our 2013 Stock Incentive Plan	Affirmative vote of the holders of a majority of the votes cast, provided all votes cast (for, against or abstaining) represent a majority of shares outstanding and entitled to vote
No. 4: Adoption of the 2013 Employee Stock Purchase Plan	You may vote FOR or AGAINST this proposal or ABSTAIN from voting	FOR approval of our 2013 Employee Stock Purchase Plan	Affirmative vote of the holders of a majority of the votes cast, provided all votes cast (for, against or abstaining) represent a majority of shares outstanding and entitled to vote
No. 5: Adoption of the charter amendment	You may vote FOR or AGAINST this proposal or ABSTAIN from voting	FOR approval of the charter amendment	Affirmative vote of the holders of a majority of the outstanding shares of common stock

Table of Contents

Proposal	Your Voting Options	Board's Recommendation	Vote Required to Approve the Proposal
No. 6: Ratification of KPMG LLP as our independent registered public accounting firm	You may vote FOR or AGAINST this proposal or ABSTAIN from voting	FOR ratification of our selection of KPMG as our auditors for 2013	Affirmative vote of the holders of a majority of the shares of common stock present and entitled to vote on the proposal

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with our transfer agent, American Stock Transfer and Trust Company, you are considered, with respect to those shares, the stockholder of record. The proxy materials have been directly sent to you by us.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. The proxy materials have been forwarded to you by your broker, bank or nominee. As the beneficial owner, you have the right to direct your broker, bank or nominee how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or Internet. You should also be aware that you may not vote shares held in street name by returning a proxy card directly to us or by voting in person at the annual meeting unless you provide a legal proxy, which you must obtain from your broker or other nominee.

Q: What happens if I complete the proxy or voting instruction card? What if I don't vote for a proposal? On which proposals may my shares be voted without receiving voting instructions from me?

A: By completing and returning the proxy or voting instruction card, you are authorizing the proxy holder to vote your shares at our annual meeting as you have instructed him on the card.

If you are a stockholder of record and you make no specifications on your returned proxy card, your shares will be voted in accordance with the recommendations of our Board of Directors, as provided above.

If you are a beneficial owner of shares, under the rules of the New York Stock Exchange (NYSE) your broker, bank or nominee may generally vote your shares on routine matters without receiving voting instructions from you but cannot vote your shares on non-routine matters. Of the proposals, only the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2013 is a routine matter. If your broker, bank or nominee does not receive instructions from you on how to vote your shares on the remainder of the proposals, the organization will not have the authority to vote your shares on those matters. This is generally referred to as a broker non-vote.

Q: What are the effects of abstentions and broker non-votes on each proposal?

A: Abstentions will:

have no effect on the election of directors (Proposal 1).

have the effect of a vote AGAINST the remainder of the proposals (Proposal 2 through Proposal 6).

Table of Contents

Broker non-votes will:

have no effect on the election of directors (Proposal 1) or the say-on-pay proposal (Proposal 2), since these shares are not entitled to vote on the specific matters without instructions from the beneficial owner for the broker.

have the effect of a vote **AGAINST** the charter amendment (Proposal 3), since it requires an affirmative vote of a majority of all outstanding shares of common stock.

have the effect of a vote **AGAINST** the 2013 Stock Incentive Plan and the 2013 Employee Stock Purchase Plan (Proposal 4 and Proposal 5), since NYSE rules require an affirmative vote of the majority of votes cast, provided the total votes cast represent a majority of all shares of common stock entitled to vote on a proposal. Unlike votes for, against and abstentions, broker non-votes do not count as a vote cast, which may result in obtaining less than the 50% of outstanding shares of common stock voting as required by the NYSE.

not occur with respect to ratification the appointment of KPMG LLP as our independent registered public account firm, since this is a routine matter the broker can vote on without instructions.

Q: How do I vote?

A: You may vote using any of the following methods:

Proxy card or voting instruction card: Be sure to complete, sign and date the card and return it in the prepaid envelope.

Telephone or Internet: The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or nominee. Therefore, we recommend that you follow the voting instructions in the materials you receive.

In person at the annual meeting: All stockholders may vote in person at the annual meeting. You may also be represented by another person at the meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or nominee and present it to the inspectors of election with your ballot when you vote at the annual meeting.

Q: Can I change my vote?

A: Yes. Your proxy can be revoked or changed at any time before it is voted by notice in writing to our Secretary, by our timely receipt of another proxy with a later date or by voting in person at the meeting.

Q: Who pays for soliciting proxies?

Edgar Filing: SUPERIOR ENERGY SERVICES INC - Form PRE 14A

- A:** We are paying for all costs of soliciting proxies. In addition to solicitations by mail, we have retained Georgeson Stockholder Communications, Inc. to aid in the solicitation of proxies at an estimated fee of \$11,500. Our officers and employees may request the return of proxies by personal conversation or by telephone or telecopy. We are also requesting that banks, brokerage houses and other nominees or fiduciaries forward the soliciting material to their principals and that they obtain authorization for the execution of proxies. We will reimburse them for their expenses.

Table of Contents

Q: Could other matters be decided at the meeting?

A: The Board does not expect to bring any other matter before the annual meeting, and it is not aware of any other matter that may be considered at the meeting. In addition, pursuant to our By-laws, the time has elapsed for any stockholder to properly bring a matter before the meeting. However, if any other matter does properly come before the meeting, the proxy holder will vote the proxies in his discretion.

Q: What happens if the meeting is postponed or adjourned?

A: Your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

Table of Contents

ELECTION OF DIRECTORS

(PROPOSAL 1)

The size of the Board is currently fixed at ten directors, and our directors are elected annually. The Nominating and Corporate Governance Committee (the Corporate Governance Committee) recommended, and the Board nominated, each of the current ten directors to serve another one-year term of office.

Proxies cannot be voted for more than ten nominees. Unless you specify otherwise in your proxy card, your shares will be voted by the proxy holder FOR the election of each of the ten nominees named below to serve until the next annual meeting and until their successors are duly elected and qualified. If any nominee should decline or be unable to serve for any reason, votes will be cast for a substitute nominee designated by the Board. Each of the nominees has advised us that he will serve on the Board if elected.

Information About Directors

The biographies below provide certain information as the date of this proxy statement for each director nominee. The information includes the person's service as a director, business experience, director positions held currently or at any time during the last five years, and the experiences, qualifications, attributes or skills that caused the Corporate Governance Committee and the Board to determine that the person should be nominated to serve as a director. Unless otherwise indicated, each person has been engaged in the principal occupation shown for the past five years.

Name and Age	Business Experience, Qualifications, and Skills	Director Since
Harold J. Bouillion, 69	<p>Mr. Bouillion is currently the Managing Director of Bouillion & Associates, LLC, which provides tax and financial planning services, a position he has held since 2002. From 1966 until 2002, Mr. Bouillion was with KPMG LLP where he served as Managing Partner of the New Orleans office from 1991 through 2002. Mr. Bouillion is a certified public accountant.</p> <p>Mr. Bouillion's tax and financial planning services experience and his 36-year career in tax with an international accounting firm, where he served in various leadership positions, make him a valuable member of the Board and Audit Committee and distinctively qualified to chair our Compensation Committee. His prior management experiences, as well as service on other private and non-profit, adds valuable perspectives to the challenges faced at the Board level.</p>	2006
Enoch L. Dawkins, 75	<p>Mr. Dawkins has over 50 years of experience in the energy industry. From 1991 until his retirement in March 2003, Mr. Dawkins served as president of Murphy Exploration and Production Company, a subsidiary of Murphy Oil. His career included numerous management positions domestically and internationally with Ocean Drilling and Exploration Company (known as ODECO), a company he joined in 1964, including</p>	2003

Table of Contents

Name and Age	Business Experience, Qualifications, and Skills	Director Since
David D. Dunlap, 51	<p>serving as President from 1989 until its acquisition by Murphy Oil Company in 1991. Mr. Dawkins began his career as a drilling engineer with The California Co., a predecessor to Chevron USA. Mr. Dawkins was previously on the board of Murphy Oil Canada, Ltd.</p> <p>Mr. Dawkins' employment history as an executive in the domestic and international oil and gas industry makes him uniquely suited to understand and oversee the complex managerial, strategic and financial considerations necessary to serve on our Board and as our Lead Director. Mr. Dawkins' service on other private, non-profit and industry boards allows him to provide our Board with a variety of perspectives on corporate governance issues.</p> <p>Mr. Dunlap has served as CEO since April 2010 and President since February 2011. Prior to joining the Company, Mr. Dunlap had served since 2007 as Executive Vice President – Chief Operating Officer of BJ Services Company (BJ Services), a well services provider. He joined BJ Services in 1984 as a District Engineer. Prior to being promoted to Executive Vice President and Chief Operating Officer, Mr. Dunlap held the position of Vice President International Division from 1995 through 2007. He also previously served as Vice President – Sales for the Coastal Division of North America and U.S. Sales and Marketing Manager. Mr. Dunlap currently serves as a director of Linn Energy, LLC and as director and trustee on the boards of numerous non-profit organizations.</p> <p>Mr. Dunlap has worked and held leadership positions in the oil and gas industry for more than 30 years. Under his direction, BJ Services significantly expanded internationally and successfully transformed into a global leader in multiple well service product lines, demonstrating his exceptional leadership abilities in developing and executing a global business strategy. His extensive knowledge, experience and expertise and his insight on global expansion in the oil and gas industry make him a valuable member of our Board and uniquely position him to assist the Board in the successful implementation of the Company's business strategy.</p>	2010
James M. Funk, 63	<p>Dr. Funk is currently the President of J.M. Funk & Associates, an oil and gas business consulting firm, and has more than 30 years of experience in the energy industry. Dr. Funk served as Senior Vice President of Equitable Resources (now EQT Corporation) and President of Equitable Production Co. from June 2000 until December of 2003. Previously, Dr. Funk worked</p>	2005

Table of Contents

Name and Age	Business Experience, Qualifications, and Skills	Director Since
	<p>for 23 years with Shell Oil Company and its affiliates. Dr. Funk has previously served on the boards of Westport Resources (April 2000 to June 2004) and Matador Resources Company (January 2003 to December 2008). Dr. Funk currently serves as a Director of Range Resources Corporation and Sonde Resources Corp. Dr. Funk is a Certified Petroleum Geologist.</p> <p>Dr. Funk's extensive experience in the energy industry in similar areas as the Company's operations, along with his strong technical experience, gives him a unique understanding of our business and the challenges and strategic opportunities facing us. His senior executive leadership in the energy industry provides our Compensation and Corporate Governance Committees with substantial personnel management experience. In addition, his service on the board of directors of a number of public companies adds valuable perspective in connection with the role of the board and positions him well to handle challenges faced at the Board level.</p>	
Terence E. Hall, 67	<p>Mr. Hall has served as the Chairman of the Board since December 1995. Mr. Hall is the founder of the Company and served as CEO of the Company and its predecessors from 1980 until April 2010. Mr. Hall also currently serves as a director of the Hancock Holding Company (Hancock), and served on the Whitney Holding Corp.'s board of directors prior to it merging with Hancock in June 2011.</p> <p>As founder of the Company, Mr. Hall led the Company through tremendous growth through all industry cycles. His detailed knowledge of every aspect of our business and perspective regarding strategic and operational opportunities and challenges facing the Company and the oil and gas industry enable him to guide the Company's business strategy and focus the Board on the most significant business issues.</p>	1995
Ernest E. Wyn Howard, III, 70	<p>Mr. Howard retired as a director of Stratus Properties Inc. in 1996, where he previously served as President and Chief Executive Officer. He also previously served as Chief Financial Officer, Executive Vice President and a director of Freeport-McMoRan Copper & Gold Inc. (FCX). In the 1970s and 1980s, Mr. Howard served in a variety of executive capacities with FCX's former parent company, Freeport-McMoRan, Inc., and its predecessor company, McMoRan Oil & Gas Co. Mr. Howard also served as a Trustee and member of the Audit Committee and Nominating Committee of Capital One Funds from 2003 to 2007.</p> <p>Mr. Howard's extensive experience serving as an executive and a director for various publicly traded companies provides him with a wealth of knowledge in</p>	2005

Table of Contents

Name and Age	Business Experience, Qualifications, and Skills	Director Since
Peter D. Kinnear, 66	<p>dealing with financial, accounting and regulatory matters at the board level and gives him a deep understanding of the role of the Board and expectations of our directors. His prior business and board experiences make him highly qualified to serve as the chair of our Corporate Governance Committee and as a member of our Audit Committee.</p> <p>Mr. Kinnear has held numerous management, operations, and marketing roles with FMC Technologies, Inc. and FMC Corporation since 1971. Mr. Kinnear served as Chief Executive Officer from March 2007 through February 2011 of FMC Technologies, Inc., and previously as President from March 2006 through April 2010, and Chief Operating Officer from March 2006 through March 2007. Mr. Kinnear also serves on the board of directors of Stone Energy Corporation. In addition to serving as trustee or director of various non-public entities, he previously served on the board of directors of Tronox Incorporated from November 2005 to December 2010, and as FMC Technologies, Inc.'s Chairman of the board from October 2008 through October 2011.</p> <p>Mr. Kinnear's experience in numerous roles of management, operations and marketing in the global energy industry provides extensive knowledge and leadership skills to the Board. His management and board experience gives him a thorough understanding of industry regulations and public policy applicable to the industry, experience and understanding of the different cultural, political and regulatory requirements from international operations and extensive oil service industry experience. This experience makes Mr. Kinnear highly qualified to serve on our Audit Committee and Corporate Governance Committee.</p>	2011
Michael M. McShane, 58	<p>Mr. McShane has served as a Director since February 2012, when we acquired Complete Production Services, Inc. (Complete), having served on the Complete board of directors since March 2007. Mr. McShane serves as an Advisor to Advent International, a global private equity fund. Mr. McShane served as a director and President and Chief Executive Officer of Grant Prideco, Inc., from June 2002 until the completion of its merger with National Oilwell Varco, Inc. in April 2008, having also served as the chairman of its board from May 2003 through 2008. Prior to joining Grant Prideco, Mr. McShane was Senior Vice President Finance and Chief Financial Officer and a director of BJ Services Company from 1990 to June 2002, and Vice President Finance from 1987 to 1990 while BJ Services Company was a division of Baker-Hughes Incorporated. Mr. McShane also serves as a director of Spectra Energy Corp, Oasis Petroleum Inc. and Forum Energy Technologies, Inc.</p>	2012

Table of Contents

Name and Age	Business Experience, Qualifications, and Skills	Director Since
W. Matt Ralls, 63	<p>Mr. McShane's institutional knowledge of Complete's operations and management, as well as his knowledge of the global oil and gas industry generally, provides insight to our Board. His experience and knowledge in the energy industry from a career spanning more than 30 years, including serving in a variety of executive management and financial leadership positions, provide the Board excellent perspective and experience. Mr. McShane's experience and finance and accounting background make him highly qualified to serve on our Audit Committee and Compensation Committee.</p>	2012
Justin L. Sullivan, 73	<p>Mr. Ralls has served as Director since February 2012, when we acquired Complete, having served on the Complete board of directors since December 2005. Mr. Ralls has been the Chief Executive Officer and a director of Rowan Companies, Inc. since January 2009, and its President from January 2009 until March 2013. Mr. Ralls served as Executive Vice President and Chief Operating Officer of GlobalSantaFe Corporation from June 2005 until the completion of the merger of GlobalSantaFe with Transocean, Inc. in November 2007, having also served in the role of Senior Vice President and Chief Financial Officer from November 2001 to June 2005. In addition to serving on Rowan Companies, Inc.'s board of directors, Mr. Ralls also serves as a director of Cabot Oil and Gas Corporation and the American Petroleum Institute, and previously served as a director of El Paso Pipeline Partners L.P.</p> <p>Mr. Ralls' institutional knowledge of Complete's operations and management, as well as extensive financial and senior executive management experience at companies focusing on the various phases of the drilling and production industry, provides insight to our Board. The Board also benefits from his extensive leadership and financial knowledge in the global oil and gas drilling and production industry, making him highly qualified to serve on our Compensation Committee and Corporate Governance Committee.</p> <p>Mr. Sullivan has been a private investor and has served as a business consultant since May 1993. Prior to May 1993, he held senior operating and financial management positions with various companies in the forest products industry, including Plywood Panels, Inc. and its predecessors where he served as President from 1992 until 1993 and Vice President, Treasurer and Director from 1967 until 1992. Mr. Sullivan also was an accounting faculty member of the University of New Orleans and Tulane University for over ten years. Mr. Sullivan is a certified public accountant.</p>	1995

Table of Contents

Name and Age	Business Experience, Qualifications, and Skills	Director Since
	<p>As our longest serving non-management director, Mr. Sullivan provides important institutional knowledge to the Board. Mr. Sullivan's educational background, experience in financial management and extensive involvement in accounting matters provide him with the necessary skills to chair the Audit Committee and evaluate financial results and generally oversee the financial reporting process of our Company. Mr. Sullivan's significant business and accounting experience provides insight into strategies and solutions to address an increasingly complex business environment to our Board and the Corporate Governance Committee.</p>	

Vote Required

The election of directors will be decided by plurality vote in compliance with our majority voting policy, that is, the ten nominees receiving the highest number of affirmative votes cast will be elected to the Board of Directors provided no director nominee receives a greater number of withhold than for votes in an uncontested election. In the event a director nominee receives a greater number of withhold than for votes they will provide their resignation for consideration. See Corporate Governance Election of Directors.

The Board unanimously recommends that stockholders vote FOR each of the ten nominees for director.

Table of Contents

CORPORATE GOVERNANCE

The Board is responsible for our management and direction and for establishing broad corporate policies. The Board regularly discusses the Company's organizational needs, managing its growth, competitive challenges, the potential of senior leadership, future development and possible emergency situations to help provide strategic plans. The Board also actively focuses on succession planning and management development activities, seeking input from members of the Board and senior management to find candidates for potential successors to the CEO and other senior executives.

Election of Directors

In March 2013, we revised our Corporate Governance Principles to include a majority withheld policy in connection with director elections. In a director election where the only nominees are those nominated by the Board (an uncontested election), if the director nominee receives a greater number of votes withheld from his election than for his election (a majority withheld vote) the nominee is required to tender his resignation, after certification of the stockholder vote, for consideration by the Corporate Governance Committee. The Corporate Governance Committee will consider the resignation and recommend to the Board whether to accept it or take other action, including rejecting the tendered resignation and addressing the apparent underlying cause of the majority withheld vote.

In making its recommendation, the Corporate Governance Committee will consider all factors deemed relevant by its members, including without limitation (i) the underlying reasons of the majority withheld vote (if it can be determined), (ii) the length of service and qualifications of the director whose resignation has been tendered, (iii) the director's contributions to the Company, (iv) the current mix of skills and attributes of directors on the Board, (v) whether, by accepting the resignation, the Company will no longer be in compliance with any applicable law, rule, regulation or governing document, and (vi) whether or not accepting the resignation is in the best interests of the Company and its stockholders.

The Board will act on the Corporate Governance Committee's recommendation at its first regularly scheduled meeting following certification of the stockholder vote, or within 120 after the certification if a regular board meeting is not scheduled within that time. The Board will consider the same criteria as the Corporate Governance Committee, as well as any additional information and factors it believes is relevant. The Board's decision and process will then be disclosed in a periodic or current report filed with the Securities and Exchange Commission (SEC).

Director Independence; Board's Leadership Structure

The Board of Directors has determined that the following directors are independent within the meaning of the NYSE listing standards: Harold J. Bouillion, James M. Funk, Ernest E. Howard, III, Peter D. Kinnear, Michael M. McShane, W. Matt Ralls and Justin L. Sullivan. Of the remaining non-management directors, the Board is not able to consider Enoch L. Dawkins independent under NYSE listing standards because his son-in-law is a consulting principal with KPMG LLP, our independent registered public accounting firm. Mr. Dawkins' son-in-law joined KPMG LLP after Mr. Dawkins joined our Board in 2003, and he provides Sarbanes-Oxley compliance and enterprise risk management advisory services to public company clients with no affiliation to our Company. KPMG LLP has been our independent registered public accounting firm since we went public in 1995. The Board does not believe, on our facts, that there has ever been a conflict, although under NYSE rules we cannot consider Mr. Dawkins independent. The Board is also not able to consider our Chairman, Terence E. Hall, independent because he served as the Company's CEO until April 2010 and Executive

Table of Contents

Chairman of the Board of Directors from April 2010 to December 2010, and because he is currently a party to a senior advisor agreement with the Company pursuant to which he receives compensation in excess of \$120,000 per year.

The Board of Directors takes a flexible approach to the issue of whether the offices of Chairman and CEO should be separate or combined, considering the tenure and experience of the CEO along with the broader economic and operating environment of the Company. This approach allows the Board to regularly evaluate whether it is in the best interests of the Company for the CEO or another director to hold the position of Chairman. We have separated the role of Chairman and CEO since April 2010, when the Board appointed David D. Dunlap as CEO of the Company, at which time Mr. Hall assumed the role of Executive Chairman of the Board of Directors to, among other things, facilitate the transition of Mr. Dunlap as CEO. Mr. Hall served in this capacity through December 10, 2010, at which time he assumed the position of Chairman of the Board and senior advisor.

Mr. Hall continues to serve as Chairman of the Board of Directors. As former CEO and founder of the Company, Mr. Hall possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the Company and its businesses and is thus best positioned to develop agendas that ensure that the Board's time and attention are focused on the most critical matters. The Board determined that the separation of these roles would maximize management's efficiency by allowing our CEO to focus on our day-to-day business, while allowing the Chairman of the Board to lead the Board in its fundamental role of providing guidance to and oversight of management.

As described above, seven of our ten directors are independent, and the Board believes that the independent directors provide effective oversight of management. Moreover, in addition to feedback provided during the course of Board meetings, the Board has adopted a policy providing that the non-management directors meet regularly in executive session. Under our Corporate Governance Principles, the Board may elect annually a non-management Lead Director who has been recommended by the Corporate Governance Committee. If elected, the Lead Director will communicate any issues discussed by the non-management directors back to the CEO and Chairman, confer with the CEO and Chairman at intervals between Board meetings, and assist in planning for Board and Board committee meetings. In addition, he will act as a liaison between the Board and the CEO and Chairman to ensure close communication and coordination between them and to promote a harmonious and effective relationship. The Board has elected Mr. Dawkins to serve as Lead Director of the Board until the 2013 annual meeting of stockholders.

The Board believes that the foregoing leadership structure and policies strengthen Board leadership, foster cohesive decision-making at the Board level, solidify director collegiality, improve problem solving and enhance strategy formulation and implementation.

Meetings of the Board; Meeting Attendance

There were five Board meetings in 2012. Each of our directors attended 100% of the meetings of the Board and the committees of which he was a member, except Mr. Kinnear, who was unable to attend one board meeting and thus attended 88% of the meetings of Board and committees of which he was a member. The Board has adopted a policy that recommends that all directors personally attend each annual stockholders' meeting. At the last annual meeting of stockholders held on May 16, 2012, all of our directors were in attendance.

Table of Contents

Board Committees

Our Board has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. These committees regularly report back to the full Board with specific findings and recommendations in their areas of oversight and liaise regularly with the Chairman and Lead Director. The Board has affirmatively determined that each member of each of our standing committees has no material relationship with the Company and satisfies the independence criteria (including the enhanced criteria applicable to audit) set forth in the NYSE listing standards and SEC rules. The members and primary functions of each board committee are described below.

<p>Audit Committee* J.L. Sullivan, Chairman</p>	<p>Functions of the Committee retain, terminate, oversee, and evaluate the registered public accounting firm review and discuss quarterly financial statements, earnings releases, certain earnings guidance review critical accounting policies, accounting treatments and determine if there are any recommendations to improve controls or procedures discuss risk assessment, legal matters or any matters pertaining to the integrity of management</p>	<p>Meetings in 2012 5</p>
<p>H.J. Bouillion</p>		
<p>J.M. Funk (until May 16, 2012)</p>		
<p>E.E. Howard III</p>		
<p>P.D. Kinnear (joined May 16, 2012)</p>		
<p>M.M. McShane (joined May 16, 2012)</p>		
<p><i>*Each member of the Audit Committee is an audit committee financial expert as defined by the SEC</i></p>	<p>please also see Audit Committee Report included in this proxy statement</p>	
<p>Compensation Committee H.J. Bouillion, Chairman</p>	<p>Functions of the Committee establish, evaluate, approve and review the compensation philosophy of the Company, its executives, and CEO review and approve corporate goals and objectives for compensation review incentive compensation and other stock-based plans administer, approve and recommend awards under non-qualified programs and supplemental benefits</p>	<p>Meetings in 2012 8</p>
<p>J.M. Funk</p>		
<p>M.M. McShane (joined May 16, 2012)</p>		
<p>W.M. Ralls (joined May 16, 2012)</p>		
<p>J.L. Sullivan (until May 16, 2012)</p>	<p>please also see Compensation Committee Report on Executive Compensation included in this proxy statement</p>	

Table of Contents

Nominating and Corporate		Meetings
Governance Committee	Functions of the Committee	in 2012
E.E. Howard III, Chairman	lead search for director nominees and recommend director nominees to the Board	3
J.M. Funk	review committee structure and recommend committee appointments	
P.D. Kinnear (joined May 16, 2012)	develop and recommend to the Board an annual self-evaluation process	
W.M. Ralls (joined May 16, 2012)	review director compensation	

J.L. Sullivan develop and implement our Corporate Governance Principles

Each of the Board’s standing committees has adopted a written charter that has been approved by the Board. Copies of these charters, as well as copies of our Corporate Governance Principles and our Code of Business Ethics and Conduct, are available on the investor relations page of our website at www.superiorenergy.com and are available in print upon request to our Secretary, Superior Energy Services, Inc., 11000 Equity Drive, Suite 300, Houston, Texas 77041.

Compensation Committee

Since May 2007, the Compensation Committee has engaged Pearl Meyer & Partners (PM&P), an independent compensation consultant, to advise the committee on matters relating to executive compensation and assist it in maintaining and administering our executive compensation programs. The Compensation Committee annually requests PM&P to conduct an executive compensation review to evaluate the Company’s senior executive compensation relative to an industry peer group selected by the Compensation Committee with input from the compensation consultant and management and published market survey data. See Executive Compensation - Compensation Discussion and Analysis - Compensation Principles and Processes - Role of Compensation Consultants herein for more information.

Our stock incentive plans permit the Compensation Committee to delegate to appropriate personnel its authority to make awards to employees other than those subject to Section 16 of the Securities Exchange Act of 1934 (Exchange Act). In December 2011, the Compensation Committee delegated authority to our CEO, subject to the following conditions:

the CEO may grant awards relating to no more than 100,000 shares of our common stock in any fiscal year, and awards relating to no more than 20,000 shares to any one participant;

the CEO must approve the grant in writing during an open window period, with the grant date being the date of the written approval or a future date; and

the CEO must report the grants to the Compensation Committee at its next meeting.

Nominee Qualifications

The Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of directors in accordance with our Corporate Governance Principles and evaluating whether the current members of the Board as a group possess those skills and characteristics. The Corporate Governance Principles, as revised in March 2013, provide that the Board will select director candidates who represent a mix of backgrounds

Table of Contents

and experiences that enhance the quality of the Board's deliberations and decisions. The Board believes that a diverse membership with varying perspectives and breadth of experience is an important attribute of a well-functioning board. As a result, the Board will seek diversity of background, experience, gender, race and skills among its members.

When seeking candidates for director, other than potential nominees who are current directors standing for re-election, the Corporate Governance Committee identifies potential nominees for director through business and other contacts. The committee will also consider director nominees recommended by stockholders in accordance with the procedures described in our By-laws and may also choose to retain a professional search firm to identify potential nominees for director. We did not pay any fee to any third party to identify or evaluate, or assist in identifying or evaluating, potential nominees for election as director at the 2013 annual meeting of stockholders.

When the Corporate Governance Committee selects director candidates it is looking for director candidates:

with a mix of backgrounds and experiences;

having substantial experience with one or more publicly-traded domestic or multinational companies;

having achieved high distinction of success in their field;

displaying the personal attributes necessary to be an effective director, including having unquestioned integrity, sound judgment, independence in fact and mindset, and the ability to operate collaboratively; and

commitment to the Company and its shareholders.

The Board is particularly interested in maintaining a mix that includes, but is not necessarily limited to, active or retired chief executive officers and senior executives, particularly those with significant management experience in operations, international business, finance, accounting or significant targeted expansion areas for the Company. The committee evaluates a potential nominee by considering whether the potential nominee meets the expectations described above, as well as by considering the following factors:

whether the potential nominee has experience and expertise that is relevant to our business, including any specialized business experience, technical expertise, or other specialized skills, and whether the potential nominee has knowledge regarding issues affecting us;

whether the potential nominee is independent, whether he or she is free of any conflict of interest or the appearance of any conflict of interest with our best interests and the best interests of our stockholders, and whether he or she is willing and able to represent the interests of all of our stockholders; and

whether there are factors that could affect the ability or willingness of the potential nominee to devote sufficient time to Board activities and to enhance his or her understanding of our business.

There are no differences in the manner in which the Corporate Governance Committee evaluates a nominee for director suggested by stockholders using the process set forth in our By-laws. See 2014 Stockholder Nominations and Proposals for information on proposing a director nominee for consideration as a stockholder, in accordance with our By-laws and Corporate Governance Principles. For the 2013 annual meeting, we did not receive timely notice of director nominations from any stockholder.

In addition, with respect to an incumbent director whom the Corporate Governance Committee is considering as a potential nominee for re-election, the committee reviews and considers the incumbent director's service to us during his or her term, including the number of meetings

attended,

Table of Contents

level of participation, and overall contribution to the Board. Recently, we updated our Corporate Governance Principles to revise the Board's retirement age. Rather than requiring directors to retire at the annual meeting following a director's 75th birthday, directors are expected to retire at this time unless asked by the Board to continue to serve. Mr. Dawkins recently celebrated his 75th birthday, and due to his active involvement and significant contributions to our Board, prior positive feedback from investors regarding the composition of our Board, and the insight he provides as a result of his extensive experience in the domestic and international oil and gas industry, the Board requested that he continue to serve and nominated him for reelection. Each of the nominees for director at the 2013 annual meeting of stockholders is a current director standing for re-election.

Role of the Board in Risk Oversight

The Board is responsible for the oversight of risk, while assessing and managing risk is the responsibility of management. It is management's responsibility to anticipate, identify and communicate risks to the Board and its committees so that the Board can better understand the risks the Company faces, the steps management is taking to manage these risks and the level of risk that is appropriate for the Company at any given time. Management meets regularly to discuss our business strategies, challenges, risks and opportunities and reviews those items with the Board at regularly scheduled meetings.

While the Board has primary responsibility for risk oversight, each of the standing Board committees support the Board by addressing various risks in their respective areas of oversight. For instance, the Audit Committee maintains responsibility related to the Company's financial reporting, audit process, and internal controls over financial reporting and disclosure controls and procedures. The Compensation Committee endeavors to develop a program of incentives that encourages an appropriate level of risk-taking behavior consistent with the Company's long-term business strategy and also reviews the leadership development of our employees. The Corporate Governance Committee conducts assessments of nominees to our Board and is charged with developing and recommending to the Board policies, corporate governance principles and Board committee structure, leadership and membership, including those related to, affecting or concerning the Board and its committee's risk oversight.

Director Stock Ownership Guidelines

The Company maintains stock ownership guidelines applicable to our non-management directors. Under the guidelines, each non-management director is required to own shares of our common stock equal in value to five times the annual retainer paid to the non-management directors. In addition to shares of common stock, the restricted stock units held by the directors count towards their ownership requirements. As of the date of this proxy statement, all of our non-management directors exceeded the required ownership level. New directors have three years from joining the Board to meet the threshold. See "Stock Ownership of Management" for the number of shares of our common stock beneficially owned by our non-management directors.

Communications with the Board

Stockholders and other interested parties may communicate directly with one or more members of our Board, or the non-management directors as a group, by sending a letter by mail c/o Secretary, Superior Energy Services, Inc., 11000 Equity Drive, Suite 300, Houston, Texas 77041. The Secretary will forward the communication directly to the appropriate director or directors.

Compensation Committee Interlocks and Insider Participation

During 2012, the Compensation Committee was composed entirely of non-management directors and none of our executive officers served as a director or member of the compensation committee of another entity whose executive officers served on the Board.

Table of Contents

DIRECTOR COMPENSATION

During 2012, our non-management directors received:

an annual retainer of \$67,500;

an additional annual fee of \$20,000 for the chairman of Audit Committee;

an additional annual fee \$15,000 for the chairman of the Compensation Committee;

an additional annual fee \$10,000 for the chairman of the Corporate Governance Committee;

an additional annual fee \$25,000 for the Lead Director; and

a \$2,000 fee for each Board and committee meeting attended.

To closely align the non-management directors' compensation with the financial interests of our stockholders, a significant portion of their compensation is paid in the form of an equity award. Since 2004, the equity award has been granted in restricted stock units (RSUs) on the day following each annual meeting of our stockholders, with the number of RSUs granted determined by dividing the equity compensation amount, as set by the Board, by the closing price of our common stock on the day of grant, and rounding to the next whole share. In addition, if the director's initial election or appointment does not occur at an annual meeting, they will receive a pro rata number of RSUs based on the number of full calendar months between the date of election and the first anniversary of the previous annual meeting. The equity compensation amount for 2012 was \$200,000, and has remained the same for 2013. Prior to 2013, the RSUs represented the right to automatically receive from us, within 30 days of the date the director ceases to serve on the Board, one share of our common stock per unit.

The RSUs to be granted in 2013 will vest and pay out in shares of common stock on the first anniversary of the grant date, subject to each director's ability to elect to defer receipt of the common stock under our Directors Deferred Compensation Plan. The Board may in the future elect to deliver the equity compensation amount in a form other than RSUs and may establish different vesting terms for the awards to our non-management directors.

Under our Directors Deferred Compensation Plan, non-management directors may elect to defer compensation received from the Company for service on the Board. Deferred cash compensation will earn a rate of return based on hypothetical investments in certain mutual funds from which the director may select, and deferred restricted stock units will be paid out in shares of common stock and will be credited with dividend equivalents if the Company were to pay dividends on its common stock. Director participants may elect the timing of the distributions of their deferred compensation, which may be made in a lump sum payment or installments, provided that all payments are made no later than 10 years following the director's termination of service on the Board.

Senior Advisor Agreement with Mr. Hall. Mr. Hall and the Company are parties to a senior advisor agreement, which expires May 31, 2015 and provides for an annual advisory fee of \$400,000 and the continuation of health benefits. If the Company terminates this agreement for any reason prior to this date (including as a result of Mr. Hall's death or disability), Mr. Hall will receive (i) the annual advisory fee for the remainder of the term in a lump sum and (ii) continuation of the health benefits for the remainder of the term.

Table of Contents

The table below summarizes the compensation of our non-management directors for 2012. Mr. Dunlap does not receive any special compensation for his service as a director. His compensation as an executive is reflected in the 2012 Summary Compensation Table herein. Finally, as Messrs. McShane and Ralls did not join our Board until February 2012, both received pro-rata compensation for the year, and also received an additional grant of RSUs upon joining the Board as described above. All non-management directors are reimbursed for reasonable expenses incurred in attending Board and committee meetings.

2012 Director Compensation

Name	Fees Earned		Non-Equity Incentive Plan Compensation	All Other Compensation	Total
	Or Paid in Cash(1)	Stock Awards(2)(3)			
Mr. Bouillion	\$116,625	\$200,005			\$316,630
Mr. Dawkins	\$100,625	\$200,005			\$300,630
Mr. Funk	\$103,625	\$200,005			\$303,630
Mr. Hall(4)	\$75,625	\$200,005	\$779,167	\$566,592	\$1,621,389
Mr. Howard	\$101,625	\$200,005			\$301,630
Mr. Kinnear	\$79,625	\$200,005			\$279,625
Mr. McShane	\$80,625	\$231,678			\$312,303
Mr. Ralls	\$78,625	\$231,678			\$310,303
Mr. Sullivan	\$119,625	\$200,005			\$319,630

- (1) Amounts shown reflect the retainer fees earned by the directors during 2012.
- (2) Amounts reflect the aggregate grant date fair value of the RSU awards. RSUs are valued at the closing sale price per share of our common stock on the date prior to the date of grant. The number of RSUs granted is determined by dividing the equity compensation amount (\$200,000) by the closing price of our common stock on the day of the annual meeting, and rounding up to the next whole share. On May 17, 2012 each non-employee director received an award of 9,412 RSUs with an aggregate grant date fair value of \$200,005. Messrs. McShane and Ralls joined the board on February 7, 2012, and each received 1,025 RSUs with an aggregate grant date fair value of \$31,673 on such date.
- (3) As of December 31, 2012, the non-management directors had the following RSUs and option awards outstanding:

Director	Restricted Stock Units	Options
Mr. Bouillion	37,533	
Mr. Dawkins	44,623	
Mr. Funk	41,362	
Mr. Hall	14,763	1,356,988
Mr. Howard	41,847	
Mr. Kinnear	11,590	
Mr. McShane	10,437	
Mr. Ralls	10,437	

Mr. Sullivan

44,623

5,000

- (4) The amount reflected in the Non-Equity Incentive Plan Compensation column represents \$779,167 received upon the payout of performance share units that Mr. Hall received as an executive officer in 2009 and that vested on December 31, 2012. The amount reflected in the All Other Compensation column includes the following amounts provided for under Mr. Hall's senior advisor arrangement: (i) \$400,000 received as advisory fees, including health benefits, (ii) \$165,276 representing the Company's incremental cost for corporate aircraft use through March 2012 and reimbursement of fuel costs and the services of a pilot for the remainder of the year, and (iii) \$1,316 representing payments under the Exec-U-Care program.

Table of Contents**OWNERSHIP OF SECURITIES****Principal Stockholders**

The following table shows the number of shares of our common stock beneficially owned as of the date of this proxy by persons known by us to beneficially own more than 5% of the outstanding shares of our common stock. The information in the table is based on our review of filings with the SEC. Each person listed below has sole voting and investment power with respect to the shares beneficially owned unless otherwise stated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR LLC	11,547,729 ⁽¹⁾	7.3%
82 Devonshire Street		
Boston, Massachusetts 02109		
BlackRock, Inc.	10,349,121 ⁽²⁾	6.6%
40 East 52 nd Street		
New York, New York 10022		

(1) In the Schedule 13G filed on February 14, 2012 by FMR LLC and Edward C. Johnson 3d, they reported that Fidelity Management & Research Company (Fidelity), an investment advisor and a wholly owned subsidiary of FMR LLC, is the beneficial owner of 11,425,675 shares of common stock. FMR, through its control of Fidelity, has the sole power to dispose or direct the disposition of 11,547,729 shares and the sole power to vote or direct the vote of 54,929 shares.

(2) In Amendment No. 3 to the Schedule 13G filed on February 5, 2013, by BlackRock, Inc. (BlackRock), BlackRock reported that it has the sole power to dispose, or direct the disposition of, 10,349,121 shares of common stock.

Table of Contents**Management and Director Stock Ownership**

The following table shows the number of shares of our common stock beneficially owned as of the date of this proxy statement by (i) our non-management directors, (ii) our named executive officers, as defined below in Executive Compensation Compensation Discussion and Analysis, and (iii) all of our directors and executive officers as a group. The information in the table is based on our review of filings with the SEC. Each person listed below has sole voting and investment power with respect to the shares beneficially owned unless otherwise stated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class
<i>Non-management Directors⁽²⁾</i>		
Harold J. Bouillion	44,533	*
Enoch L. Dawkins	64,623	*
James M. Funk	46,362	*
Terence E. Hall	1,431,389	*
Ernest E. Howard, III	46,847	*
Peter D. Kinnear	21,590	*
Michael McShane	50,605	*
W. Matt Ralls	57,487	*
Justin L. Sullivan	84,623	*
<i>Named Executive Officers</i>		
David D. Dunlap	452,964	*
Robert S. Taylor	488,724	*
Brian K. Moore	404,481	*
A. Patrick Bernard	314,618	*
William B. Masters	156,604	*
<i>All directors and executive officers as a group (18 persons)</i>	4,353,803	[]%

* Less than 1%.

(1) Includes the number of shares subject to options that will be exercisable within 60 days, as follows: Mr. Bernard (240,512); Mr. Dunlap (219,070); Mr. Hall (1,356,988); Mr. Masters (96,648); Mr. Moore (129,988); Mr. Taylor (383,648); and all directors and executive officers as a group (2,942,451).

(2) Includes the number of shares the director has the right to receive through outstanding RSUs, as follows: Mr. Bouillion (37,533); Mr. Dawkins (44,623); Mr. Funk (41,362); Mr. Hall (14,763); Mr. Howard (41,847); Mr. Kinnear (11,590); Mr. McShane (10,437); Mr. Ralls (10,437); and Mr. Sullivan (44,623). Each outstanding RSU vests immediately upon grant, but the shares of common stock payable upon vesting will not be delivered to the director until he ceases to serve on our Board of Directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and 10% stockholders to file with the SEC reports of ownership and changes in ownership of our equity securities. Based solely upon our review of the Forms 3, 4 and 5 filed during 2012, and written representations from all of our reporting persons, we believe that all required reports were timely filed, except that W. Matt Ralls' initial Form 4 did not include 1,278 shares acquired upon our acquisition of Complete due to a miscalculation, which shares were subsequently reported on an

amended Form 4.

Table of Contents

ADVISORY VOTE ON OUR NAMED EXECUTIVE OFFICERS' COMPENSATION

(PROPOSAL 2)

We are seeking stockholder approval of the compensation of our named executive officers as disclosed in this proxy statement in accordance with the SEC's rules. This vote is not intended to address any specific item of compensation but rather the overall compensation of our named executive officers and our compensation philosophy and practices. In considering how to vote on this proposal, we urge you to carefully consider the information in the Executive Compensation section of this proxy statement, namely the Compensation Discussion and Analysis (including its Executive Summary) and the compensation tables and accompanying narrative disclosures.

The Compensation Committee of our Board designs, implements and administers our compensation program for our executive officers, including our named executive officers. As noted in the Compensation Discussion and Analysis, we position the majority of our executives' target direct compensation to be at-risk, with a significant percentage of the target compensation (88% for our CEO and an average of 79% for our other current named executive officers) based on annual and long-term performance measures. Our core executive compensation philosophy and practice continue to be based on pay for performance, and we believe that our compensation program is strongly aligned with the long-term interests of our stockholders.

Stockholders are asked to vote on the following resolution:

RESOLVED, that the stockholders of Superior Energy Services, Inc. approve, on an advisory basis, the compensation of the named executive officers as disclosed in the proxy statement for the Company's 2013 annual meeting of stockholders pursuant to the rules of the Securities and Exchange Commission.

While this advisory vote, commonly referred to as a "say-on-pay" vote, is not binding, our Board and the Compensation Committee value the opinion of our stockholders and will consider the outcome of the vote when making future compensation decisions for our named executive officers. We invite stockholders who wish to communicate with our Board on executive compensation or any other matters to contact us as provided under Corporate Governance Communications with the Board.

Vote Required

The approval, by an advisory vote, of the compensation of our named executive officers requires the affirmative vote of the holders of a majority of the shares of our common stock present in person or by proxy at the annual meeting and entitled to vote on such proposal.

The Board unanimously recommends that stockholders vote FOR the proposal to approve of the compensation of our named executive officers as disclosed in this proxy statement.

Table of Contents**ADOPTION OF THE 2013 STOCK INCENTIVE PLAN****(Proposal 3)**

The growth and future success of our Company depends upon the efforts of its officers, directors, employees, consultants and advisors. We believe that the proposed Superior Energy Services, Inc. 2013 Stock Incentive Plan (the "Stock Plan") provides an effective means of delivering equity-based compensation to our key personnel. Upon the recommendation of the Compensation Committee, our Board has adopted the Stock Plan, subject to stockholder approval at the annual meeting. The Stock Plan is summarized below and the full text of the Stock Plan is attached to this proxy statement as [Appendix A](#). Because this is a summary, it may not contain all the information that you may consider to be important. You should read [Appendix A](#) carefully before you decide how to vote on this proposal.

Purpose of the Proposal

We believe that providing officers, directors, employees, consultants and advisors with a proprietary interest in the growth and performance of our Company stimulates individual performance and enhances stockholder value. We also believe that a significant portion of an executive's compensation should be directly linked to our performance. Consistent with this philosophy, during 2012, 73% of the total target compensation of our CEO, and 63% of the average total target compensation of our other named executive officers was delivered in the form of long-term incentive awards.

We currently grant annual long-term incentive awards to our executives and key employees under our 2011 Stock Incentive Plan and the Amended and Restated Legacy CPX 2008 Incentive Award Plan (the "Complete Plan"), which we assumed in our acquisition of Complete. Further, we may grant awards to our non-management directors under our 2004 Directors Restricted Stock Unit Plan or the 2011 Stock Incentive Plan. If the Stock Plan is approved by our stockholders, no future awards will be made from any of these outstanding plans.

In its determination to recommend Board adoption of the Stock Plan and in determining the appropriate number of shares to make available under the Stock Plan, the Compensation Committee considered the recommendation of PM&P, its independent compensation consultant, and reviewed burn rate and dilution data, as well as the estimated value transfer cost of the Stock Plan. The following table provides data on our use of shares under our incentive plans since 2010 (including grants to non-management directors):

Fiscal Year	Employee Participants	Director RSUs Granted	Restricted Stock Granted	Stock Options Granted	PSUs Paid in Stock	Total Shares	Annual Burn Rate*
2010	81	42,525	357,826	1,549,058	0	1,949,409	2.98%
2011	87	34,284	567,083	207,183	67,288	875,838	1.94%
2012	344	86,758	362,904	78,043	43,259	570,964	0.71%
2013	584	0	1,352,165	406,185	0	1,758,350	1.96%
Three-Year Average Burn Rate (2010-2012)							1.88%
Three-Year Average Burn Rate (2011-2013)							1.54%

* Burn Rate is the annual number of all option equivalents (options and converted full value awards) divided by the weighted average of common shares outstanding. Option equivalents are calculated by converting all full value awards to options by multiplying the full value awards by a multiple based on the company's 3-year daily stock volatility. The multiplier could range from 1.5-4.0 depending on the stock volatility. The Company's multiplier is 2.

Table of Contents

As reflected in the table above, the number of shares required for long-term incentive awards each year varies, and this variation is due to changes in our stock price at the time of grant, the size of individual grants awarded by our Compensation Committee and the number of participants in the program. In particular, beginning in 2012 we significantly expanded participation in our long-term incentive program to promote stock ownership deeper within the Company, and that expansion continued in 2013, due in part to the significant increase in the size of our Company and our employee base following our acquisition of Complete. Recognizing these variables, we do not believe that we have sufficient shares available for our long-term incentive annual grants to our executive officers and other key employees for 2014 and beyond. Although we have over 4 million shares remaining available for grant under the Complete Plan, under the NYSE rules we are unable to grant awards under that plan to anyone who was a legacy Superior employee prior to the acquisition. We believe that adoption of a new plan is necessary to provide us with the continued ability to attract, retain, and motivate key personnel in a manner tied to the best interests of our stockholders. We anticipate that the shares reserved for issuance under the Stock Plan will be sufficient to meet our needs for approximately three to four years.

With stockholder approval of the Stock Plan, the overall simple dilution of our equity-based incentive plans would be []% of our common stock outstanding as of the record date, based on 8.0 million shares proposed under the Stock Plan, 159.5 million shares of common stock outstanding, 2.2 million shares of unvested restricted stock, and shares issuable pursuant to 5.0 million outstanding stock options and 0.3 million outstanding restricted stock units.

If the Stock Plan is not approved by the stockholders, we will not have sufficient shares to fund our LTI program, especially with regard to our executive officers, and the Company may be required to increase significantly the cash component of our executive compensation program in order to remain competitive and adequately compensate our employees. Such a drastic decline in our LTI program would misalign our executive and stockholder interests.

Best Practice Provisions in the Stock Plan

The Stock Plan has many provisions designed to protect stockholder interests and promote effective corporate governance, including the following:

the exercise price and base price of stock options and stock appreciation rights, respectively, may not be less than the fair market value of a share of stock on the date of grant;

the Stock Plan prohibits the repricing of any stock option or stock appreciation right without stockholder approval;

the Stock Plan uses a fungible share design, which is more efficient and under which each share subject to a stock option or stock appreciation right counts as one share against the plan limit and each share issued subject to a full value award counts as 1.6 shares against the plan limit;

shares of common stock delivered or withheld in payment of the exercise price of a stock option or delivered or withheld to satisfy tax obligations in respect of an incentive may not be re-issued under the Stock Plan;

stock options and stock appreciation rights are subject to a minimum three-year vesting requirement (although incremental vesting is permitted), except for awards made to non-management directors;

no more than 400,000 shares of Company stock may be granted as full value awards (restricted stock, restricted stock units, and other stock-based awards) to participants

Table of Contents

without compliance with certain minimum vesting conditions, except that all full value awards to executive officers must comply with the minimum vesting conditions and full value awards made to non-management directors are not subject to the minimum vesting conditions;

the Stock Plan limits the number of shares subject to awards that may be granted to a participant, including directors, each year;

awards under the Stock Plan are expressly subject to recovery if the Company's financial statements are restated within a three-year period following payout of the incentive and the participant is determined to be responsible, in whole or in part, for the reason for the restatement, or if the award is subject to any policy the Company adopts pursuant to SEC or NYSE requirements;

if stock appreciation rights are paid in stock, each right paid is counted as a whole share used;

material amendments of the Stock Plan require stockholder approval; and

awards under the Stock Plan are administered by the Compensation Committee, an independent committee of our Board. Other Company policies that help align the interests of our directors and executive officers with those of our stockholders include our policies that prohibit our directors and executive officers from hedging our common stock, and our minimum stock ownership guidelines for our directors and executive officers. See [Director Compensation](#) and [Executive Compensation](#) Compensation Discussion and Analysis.

Terms of the Stock Plan

Administration of the Stock Plan. The Compensation Committee of the Board (or a subcommittee) will generally administer the Stock Plan, and has the authority to make awards under the Stock Plan, including setting the terms of the awards. Our Compensation Committee will also generally have the authority to interpret the Stock Plan, to establish any rules or regulations relating to the Stock Plan that it determines to be appropriate and to make any other determination that it believes necessary or advisable for proper administration of the Stock Plan. Subject to the limitations specified in the Stock Plan, our Compensation Committee may delegate its authority to appropriate officers of our Company with respect to grants to employees or consultants who are not subject to Section 16 of the Exchange Act. As provided under our current plans, our CEO will have limited authority to grant awards under the Stock Plan. See [Corporate Governance](#) Board Committees Compensation Committee for information on our CEO's delegated authority.

Eligibility. Officers, directors and employees of our Company and our consultants and advisors will be eligible to receive awards, or incentives, under the Stock Plan when designated as Stock Plan participants. We currently have nine executive officers and nine non-management directors eligible to receive incentives under the Stock Plan. In addition, approximately 575 other employees currently participate in our long-term incentive program and would be eligible to receive awards under the Stock Plan. The Compensation Committee may grant incentives under the Stock Plan to eligible participants outside of the United States under such terms and conditions as may, in the judgment of the Compensation Committee, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions, and to that end, may establish sub-plans, modified vesting, exercise or settlement procedures and other terms and procedures.

Table of Contents

Awards. Incentives under the Stock Plan may be granted in any one or a combination of the following forms:

for officers and employees only, incentive stock options under Section 422 of the Internal Revenue Code;

non-qualified stock options;

restricted stock;

restricted stock units;

stock appreciation rights (SARs); and

other stock-based awards.

Shares Issuable Through the Stock Plan. A total of 8 million shares of our common stock are authorized to be issued under the Stock Plan, subject to adjustment for recapitalizations and other similar events affecting our outstanding common stock. Common stock issued under the Stock Plan maybe be authorized and unissued shares of common stock or shares of common stock held as treasury shares. The closing sale price of our common stock on the NYSE as of April 19, 2013 was \$[] per share.

Limitations and Adjustments to Shares Issuable Through the Stock Plan. The Stock Plan uses a fungible share design, which means that each share issued subject to a stock option or SAR counts as one share against the plan limit and each share issued subject to any other incentive (the full value awards) counts as 1.6 shares against the plan limit. In addition, full value awards must be made subject to certain minimum vesting periods (three years for service-based awards, with incremental vesting permitted, and one year for performance-based awards), not including awards made to our non-management directors and awards with respect to 400,000 shares made to participants who are not executive officers. A maximum overall limit of 8 million shares may be issued subject to incentive stock options. The maximum number of shares subject to incentives, including stock options or SARs, that may be granted in a single year to a non-management director is 50,000 shares and to all other participants is 1,000,000 shares. In addition, the maximum value of another stock-based award that is valued in dollars and that is scheduled to be paid out to any one participant in any fiscal year shall be \$10 million.

Generally, for purposes of determining the maximum number of shares of our common stock available for delivery under the Stock Plan, shares that are not delivered because an award is forfeited, cancelled, or settled in cash will not be deemed to have been delivered under the Stock Plan. With respect to SARs paid in shares, all shares to which the SARs relate are counted against the Stock Plan limits rather than the net number of shares delivered upon exercise. If shares are withheld to satisfy the exercise price of a stock option or the tax withholding obligation associated with any award, those withheld shares will not be available for reissuance under the Stock Plan.

Proportionate adjustments will be made to all of the share limitations provided in the Stock Plan, including shares subject to outstanding awards, in the event of any recapitalization, reclassification, stock dividend, stock split, combination of shares or other change in the shares of our common stock. Further, the Compensation Committee may adjust the terms of any award to the extent appropriate to provide participants with the same relative rights before and after the occurrence of any such event.

Amendments to the Stock Plan. The Board may amend or discontinue the Stock Plan at any time. However, our stockholders must approve any amendment that would:

materially increase the benefits accruing to participants under the Stock Plan;

materially increase the number of shares of common stock that may be issued under the Stock Plan;

Table of Contents

materially expand the classes of persons eligible to participate in the Stock Plan;

expand the types of awards available for grant under the Stock Plan;

materially extend the term of the Stock Plan;

reduce the price at which common stock may be offered through the Stock Plan; or

permit the repricing of a stock option or SAR.

No amendment or discontinuance of the Stock Plan may materially impair any previously granted incentive without the consent of the recipient.

Term of the Stock Plan. No incentives may be granted under the Stock Plan after June 6, 2023.

Types of Incentives. Each of the types of incentives that may be granted under the Stock Plan is described below:

Stock Options. The Compensation Committee may grant non-qualified stock options or incentive stock options to purchase shares of our common stock. The committee will determine the number and exercise price of the options, provided that the option exercise price may not be less than the fair market value of a share of common stock on the date of grant, except for an option granted in substitution of an outstanding award in an acquisition transaction. In addition, the committee will determine the time or times that the options become exercisable, provided that options granted to employees may not become fully exercisable prior to the third anniversary of the date of grant, with incremental vesting of portions of the award over the three-year period permitted. The term of an option will also be determined by the committee, but may not exceed ten years from the date of the grant. The committee may accelerate the exercisability of any stock option at any time. As noted above, the committee may not, without the prior approval of our stockholders, decrease the exercise price for any outstanding option after the date of grant. In addition, an outstanding option may not, as of any date that the option has a per share exercise price that is greater than the then current fair market value of a share of common stock, be surrendered to us as consideration for the grant of a new option with a lower exercise price, another incentive, a cash payment or shares of common stock, unless approved by our stockholders. Incentive stock options will be subject to certain additional requirements necessary in order to qualify as incentive stock options under Section 422 of the Internal Revenue Code.

Restricted Stock. Shares of common stock may be granted by the Compensation Committee and made subject to restrictions on sale, pledge or other transfer by the recipient for a certain restricted period. Except for shares of restricted stock granted to non-management directors and shares of restricted stock that vest based on the attainment of performance goals, the restricted period must be a minimum of three years, with incremental vesting of portions of the award over the three-year period permitted. If vesting of the shares is subject to the future attainment of specified performance goals, the restricted period for employees, consultants or advisors must be at least one year, with incremental vesting of portions of the award allowed. However, in addition to the previously described exceptions, restricted stock, restricted stock units or other stock-based awards, with respect to an aggregate of 400,000 shares of common stock may be granted to participants who are not executive officers without compliance with these minimum vesting periods. All shares of restricted stock will be subject to such restrictions as the committee may provide in an agreement with the participant, including provisions that may obligate the participant to forfeit the

Table of Contents

shares to us in the event of a termination of employment, certain competitive behavior or if specified performance goals or targets are not met. Subject to the restrictions provided in the agreement and the Stock Plan, a participant receiving restricted stock shall have all of the rights of a stockholder as to such shares, including the right to receive dividends if provided for in the agreement.

Restricted Stock Units. A restricted stock unit represents the right to receive from the Company on the scheduled vesting date or other specified payment date one share of common stock. Restricted stock units are subject to the same minimum vesting requirements and exceptions described above for restricted stock. All restricted stock units will be subject to such restrictions as the Compensation Committee may provide in an agreement with the participant, including provisions which may obligate the participant to forfeit the units in the event of termination of employment or if specified performance goals or targets are not met. Subject to the restrictions provided in the agreement and the Stock Plan, a participant receiving restricted stock units shall have no rights of a stockholder as to such units until such time as shares of common stock are issued to the participant. Restricted stock units may be granted with dividend equivalent rights.

Stock Appreciation Rights. A stock appreciation right is a right to receive, without payment to us, a number of shares of common stock or an amount of cash determined by dividing the product of the number of shares as to which the stock appreciation right is exercised and the amount of the appreciation in each share by the fair market value of a share on the date of exercise of the right. The Compensation Committee will determine the base price used to measure share appreciation, whether the right may be paid in cash and the number and term of stock appreciation rights, provided that the term of a stock appreciation right may not exceed ten years from the date of grant. Stock appreciation rights are subject to the same minimum vesting requirements and exceptions as described above for stock options. The committee may accelerate the exercisability of any stock appreciation right at any time. The Stock Plan restricts decreases in the base price and certain exchanges of stock appreciation rights on terms similar to the restrictions described above for stock options.

Other Stock-Based Awards. The Stock Plan also permits the Compensation Committee to grant participants awards of shares of common stock and other awards that are denominated in, payable in, valued in whole or in part by reference to, or are otherwise based on the value of, or the appreciation in value of, shares of common stock (other stock-based awards). The committee has discretion to determine the times at which such awards are to be made, the size of such awards, the form of payment, and all other conditions of such awards, including any restrictions, deferral periods or performance requirements. Other stock-based awards are subject to the same minimum vesting requirements and exceptions described above for restricted stock and restricted stock units.

Table of Contents

Performance-Based Compensation Under Section 162(m). Stock options and stock appreciation rights granted in accordance with the terms of the Stock Plan are designed to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code. Performance-based compensation does not count toward the \$1 million limit on our Company’s federal income tax deduction for compensation paid to its most highly compensated executive officers. Grants of restricted stock, restricted stock units or other stock-based awards that we intend to qualify as performance-based compensation under Section 162(m) must be made subject to the achievement of pre-established performance goals. The pre-established performance goals will be based upon any or a combination of the following criteria relating to our Company or one or more of our divisions or subsidiaries:

earnings per share	stockholder return	return on invested capital
earnings before interest, taxes, depreciation and amortization (EBITDA)	earnings	return on invested capital relative to cost of capital
operating income	stock price	safety performance
return on assets	return on equity	reduction of expenses
an economic value added measure	return on total capital	increase in cash flow
	pre-tax income	

For any performance period, the performance goals may be measured on an absolute basis or relative to a group of peer companies selected by the Compensation Committee, relative to internal goals or industry benchmarks, or relative to levels attained in prior years. Performance measurements may be adjusted as specified under the Stock Plan.

Our Compensation Committee has authority to use different targets from time to time with respect to the performance goals provided in the Stock Plan. The regulations under Section 162(m) require that the material terms of the performance goals be reapproved by our stockholders every five years. To qualify as performance-based compensation, grants of restricted stock, restricted stock units and other stock-based awards are required to satisfy the other applicable requirements of Section 162(m).

Clawback. The Stock Plan also provides that each incentive agreement shall contain a provision permitting the Company to recover any incentive granted under the Stock Plan if (i) the Company’s financial statements are required to be restated at any time within the three-year period following the final payout of the incentive and the award recipient is determined to be responsible, in whole or in part, for the reason for the restatement, or (ii) if the incentive is subject to any clawback policies the Company may adopt in order to conform to the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any resulting rules issued by the SEC or NYSE thereunder. All determinations regarding the applicability of these provisions shall be in the discretion of the Compensation Committee.

Termination of Employment; Change of Control. If a participant ceases to be an employee of the Company or to provide services to us for any reason, including death, disability, early retirement or normal retirement, or in the event of a change of control of the Company as defined in the Stock Plan or in an incentive agreement, the participant’s outstanding incentives may be exercised, shall vest or shall expire at such time or times as may be determined by the Compensation Committee and described in the incentive agreement.

Table of Contents

In addition, upon a change of control, our Compensation Committee will have the authority to take a variety of actions regarding outstanding incentives. Within certain time periods and under certain conditions, our Compensation Committee may:

require that all outstanding incentives be exercised by a certain date;

require the surrender to the Company of some or all outstanding incentives in exchange for a stock or cash payment for each incentive equal in value to the per share change of control value, calculated as described in the Stock Plan, over the exercise or base price;

make any equitable adjustment to outstanding incentives as our Compensation Committee deems necessary to reflect our corporate changes; or

provide that an incentive shall become an incentive relating to the number and class of shares of stock or other securities or property (including cash) to which the participant would have been entitled in connection with the change of control transaction if the participant had been a stockholder at the time of consummation of such transaction.

Transferability of Incentives. The incentives awarded under the Stock Plan may not be transferred except:

by will;

by the laws of descent and distribution;

if permitted by the Compensation Committee and so provided in the incentive agreement, pursuant to a domestic relations order; or

in the case of stock options only, if permitted by the Compensation Committee and if so provided in the incentive agreement, to immediate family members or to a partnership, limited liability company or trust for which the sole owners, members or beneficiaries are the participant or immediate family members.

Payment of Withholding Taxes. We may withhold from any payments or stock issuances under the Stock Plan, or collect as a condition of payment, any taxes required by law to be withheld. The participant may, but is not required to, satisfy his or her withholding tax obligation by electing to deliver currently owned shares of common stock or to have the Company withhold, from the shares the participant would otherwise receive, shares, in each case having a value equal to the minimum amount required to be withheld. This election must be made prior to the date on which the amount of tax to be withheld is determined and for participants who are not subject to Section 16 of the Exchange Act is subject to the Compensation Committee's right of disapproval.

Purchase of Incentives. The Compensation Committee may approve the purchase by the Company of an unexercised or unvested incentive from the holder by mutual agreement, provided that the repurchase does not constitute a repricing without stockholder approval.

Awards To Be Granted

If our stockholders approve the Stock Plan at the annual meeting, grants of awards to employees, officers, directors, consultants and advisors will be made in the future by the Compensation Committee as it deems necessary or appropriate.

Federal Income Tax Consequences

Edgar Filing: SUPERIOR ENERGY SERVICES INC - Form PRE 14A

The federal income tax consequences related to the issuance of the different types of incentives that may be awarded under the Stock Plan are summarized below. Participants who are granted incentives under the Stock Plan should consult their own tax advisors to determine the tax consequences based on their particular circumstances.

Table of Contents

Stock Options. A participant who is granted a stock option normally will not realize any income, nor will our Company normally receive any deduction for federal income tax purposes, in the year the option is granted. When a non-qualified stock option granted through the Stock Plan is exercised, the participant will realize ordinary income measured by the difference between the aggregate purchase price of the shares acquired and the aggregate fair market value of the shares acquired on the exercise date and, subject to the limitations of Section 162(m) of the Internal Revenue Code, we will be entitled to a deduction in the year the option is exercised equal to the amount the participant is required to treat as ordinary income.

An employee generally will not recognize any income upon the exercise of any incentive stock option, but the excess of the fair market value of the shares at the time of exercise over the option price will be an item of tax preference, which may, depending on particular factors relating to the employee, subject the employee to the alternative minimum tax imposed by Section 55 of the Internal Revenue Code. The alternative minimum tax is imposed in addition to the federal individual income tax, and it is intended to ensure that individual taxpayers do not completely avoid federal income tax by using preference items. An employee will recognize capital gain or loss in the amount of the difference between the exercise price and the sale price on the sale or exchange of stock acquired pursuant to the exercise of an incentive stock option, provided the employee does not dispose of such stock within two years from the date of grant and one year from the date of exercise of the incentive stock option (the holding periods). An employee disposing of such shares before the expiration of the holding periods will recognize ordinary income generally equal to the difference between the option price and the fair market value of the stock on the date of exercise. The remaining gain, if any, will be capital gain. Our Company will not be entitled to a federal income tax deduction in connection with the exercise of an incentive stock option, except where the employee disposes of the shares received upon exercise before the expiration of the holding periods.

If the exercise price of a non-qualified option is paid by the surrender of previously owned shares, the basis and the holding period of the previously owned shares carry over to the same number of shares received in exchange for the previously owned shares. The compensation income recognized on exercise of these options is added to the basis of the shares received. If the exercised option is an incentive stock option and the shares surrendered were acquired through the exercise of an incentive stock option and have not been held for the holding periods, the optionee will recognize income on such exchange, and the basis of the shares received will be equal to the fair market value of the shares surrendered. If the applicable holding period has been met on the date of exercise, there will be no income recognition and the basis and the holding period of the previously owned shares will carry over to the same number of shares received in exchange, and the remaining shares will begin a new holding period and have a zero basis.

Restricted Stock. Unless the participant makes an election to accelerate recognition of the income to the date of grant (as described below), the participant will not recognize income, and we will not be allowed a tax deduction, at the time the restricted stock award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the shares as of that date, and we will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Section 162(m) of the Internal Revenue Code. If the participant files an election under Section 83(b) of the Internal Revenue Code within 30 days of the date of grant of restricted stock, the participant will recognize ordinary income as of the date of the grant equal to the fair market value of the stock as of that date, and our Company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Section 162(m). Any future appreciation in the stock will be taxable to the participant at capital gains rates. If the stock is later forfeited, however, the participant will not be able to recover the tax previously paid pursuant to a Section 83(b) election.

Table of Contents

Restricted Stock Units. A participant will not be deemed to have received taxable income upon the grant of restricted stock units. The participant will be deemed to have received taxable ordinary income at such time as shares are distributed with respect to the restricted stock units in an amount equal to the fair market value of the shares distributed to the participant. Upon the distribution of shares to a participant with respect to restricted stock units, we will ordinarily be entitled to a deduction for federal income tax purposes in an amount equal to the taxable ordinary income of the participant, subject to any applicable limitations under Section 162(m) of the Internal Revenue Code. The basis of the shares received will equal the amount of taxable ordinary income recognized by the participant upon receipt of such shares.

Stock Appreciation Rights. Generally, a participant who is granted a stock appreciation right under the Stock Plan will not recognize any taxable income at the time of the grant. The participant will recognize ordinary income upon exercise equal to the amount of cash or the fair market value of the stock received on the day it is received. In general, there are no federal income tax deductions allowed to our Company upon the grant of stock appreciation rights. Upon the exercise of the stock appreciation right, however, we will be entitled to a deduction equal to the amount of ordinary income that the participant is required to recognize as a result of the exercise, provided that the deduction is not otherwise disallowed under Section 162(m).

Other Stock-Based Awards. Generally, a participant who is granted an other stock-based award under the Stock Plan will recognize ordinary income at the time the cash or shares of common stock associated with the award are received. If stock is received, the ordinary income will be equal to the excess of the fair market value of the stock received over any amount paid by the participant in exchange for the stock. In the year that the participant recognizes ordinary taxable income in respect of such award, we will be entitled to a deduction for federal income tax purposes equal to the amount of ordinary income that the participant is required to recognize, provided that the deduction is not otherwise disallowed under Section 162(m).

Section 409A. If any incentive constitutes non-qualified deferred compensation under Section 409A of the Internal Revenue Code, it will be necessary that the incentive be structured to comply with Section 409A of the Internal Revenue Code to avoid the imposition of additional tax, penalties and interest on the participant.

Tax Consequences of a Change of Control. If, upon a change of control of the Company, the exercisability, vesting or payout of an incentive is accelerated, any excess on the date of the change of control of the fair market value of the shares or cash issued under accelerated incentives over the purchase price of such shares, if any, may be characterized as parachute payments (within the meaning of Section 280G of the Internal Revenue Code) if the sum of such amounts and any other such contingent payments received by the employee exceeds an amount equal to three times the base amount for such employee. The base amount generally is the average of the annual compensation of the employee for the five years preceding such change in ownership or control. An excess parachute payment, with respect to any employee, is the excess of the parachute payments to such person, in the aggregate, over and above such person's base amount. If the amounts received by an employee upon a change of control are characterized as parachute payments, the employee will be subject to a 20% excise tax on the excess parachute payment and we will be denied any deduction with respect to such excess parachute payment.

The foregoing discussion summarizes the federal income tax consequences of incentives that may be granted under the Stock Plan based on current provisions of the Internal Revenue Code, which are subject to change. This summary does not cover any foreign, state or local tax consequences.

Table of Contents**Equity Compensation Plan Information as of December 31, 2012**

The following table presents information as of December 31, 2012, regarding compensation plans under which our common stock may be issued to employees and non-employees as compensation. In connection with our acquisition of Complete in February 2012, the outstanding stock options and restricted stock issued pursuant to Complete's stock incentive plans were converted into corresponding equity awards for our common stock. In addition, we assumed the Complete Plan, although our use of these shares is subject to limitations under the NYSE listing standards.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	4,504,873(1)	\$ 21.08(2)	2,474,570(4)
Equity compensation plans not approved by security holders	675,444(3)	16.95(2)	5,123,280(4)
Total	5,180,317(1)		7,597,850(4)

- (1) The number of securities to be issued upon the exercise of outstanding options, warrants and rights includes shares issuable upon the payout of 257,215 vested restricted stock units. These awards are not reflected in column (b) as they do not have an exercise price.
- (2) The weighted-average remaining term of the outstanding stock options as of December 31, 2012 from plans approved by security holders is 5.2 years and from plans not approved by security holders is 6.7 years.
- (3) Represents the number of securities to be issued pursuant to outstanding options granted by Complete that were assumed in our acquisition of Complete.
- (4) As of December 31, 2012, there were 1,979,353 shares of common stock remaining available for future issuance under the 2011 Stock Incentive Plan (the 2011 Plan), all of which could be issued under the terms of such plan upon the exercise of stock options or stock appreciation rights and in the form of restricted stock or other stock-based awards, which awards are valued in whole or in part on the value of the shares of common stock. There were 5,123,280 shares of common stock remaining available for future issuance under the Complete Plan, all of which could be issued under the terms of such plan upon the exercise of stock options or stock appreciation rights and in the form of restricted stock, restricted stock units, performance awards, dividend equivalent awards, deferred stock awards and stock awards. There were 28,226 shares remaining available for future issuance under the Directors Plan, which shares are issuable under the terms of the plan (a) only to eligible directors, and (b) upon the payout of restricted stock units, as specifically set forth in the plan. Finally, there were 466,991 shares remaining available for issuance under our 2007 Employee Stock Purchase Plan.

Edgar Filing: SUPERIOR ENERGY SERVICES INC - Form PRE 14A

In connection with our acquisition of Complete on February 7, 2012, we assumed the Complete Plan. The Complete Plan was approved by Complete's stockholders on May 22, 2008, and no new grants may be made under the Plan after February 21, 2018, although awards made prior to that date may extend beyond that date. The Complete Plan provides for the issuance of equity awards to employees and non-employee directors of the Company, although participation is now limited to those employees and directors who were not employed by Superior prior to our acquisition of Complete. The Complete Plan is administered by the Compensation Committee of our Board of Directors, which may delegate some of its authority under the plan, with the exception of grants to executive officers and directors. An aggregate 5,040,948 shares of our common stock (as adjusted pursuant to the merger agreement) may be issued under the Complete Plan, subject to increases for forfeitures of awards previously granted. The committee may make awards of stock options (qualified or nonqualified) with a maximum term of ten years, restricted stock, restricted stock units, performance

Table of Contents

awards, dividend equivalent awards, deferred stock awards, stock awards, and stock appreciation rights. Each share awarded as a stock option or stock appreciation right will reduce the maximum issuable by one share, while each share issued as any other type of award will reduce the maximum issuable by 1.3 shares. Shares surrendered in payment of the exercise price of options or stock appreciation rights or in payment of withholding taxes are not eligible for reissuance under the Complete Plan. No participant may be granted awards with respect to more than 1,079,924 shares in a calendar year. In addition, the maximum cash payment with respect to performance awards payable in cash that may be granted to a participant during a calendar year is \$4 million. Our Board amended the Complete Plan on August 31, 2012 to, among other things, reflect these merger-adjusted share limitations and conform the administration and change of control provisions to those of the Company's other outstanding equity incentive plans.

Equity Compensation Plan Information as of April 19, 2013

As of April 19, 2013, there are only [] shares of common stock remaining available for future issuance under the 2011 Plan to our officers, employees and consultants and [] shares remaining available under the Complete Plan. However, as noted above, if the proposed Stock Plan is approved, none of these shares will be used for grants in the future, leaving only the 8 million shares available under the proposed Stock Plan for future grants to our officers, directors, employees, and consultants. In addition, since December 31, 2012, our outstanding equity awards have changed due to the vesting of restricted stock, exercise of stock options, grants made to employees and employees departing. In particular, as of April 19, 2013, we had [] non-vested shares of restricted stock outstanding, with average grant date fair value of [\$] and [] stock options outstanding, with a weighted-average exercise price of [\$] and a weighted-average remaining contractual term of [] years. Share balances from the Directors Plan are as follows: [] shares issuable upon payout of restricted stock units and [] shares available for future grant. Lastly, there were [] shares remaining available for issuance under our 2007 Employee Stock Purchase Plan.

Vote Required

Under the NYSE Rules, adoption of the proposed 2013 Stock Incentive Plan requires the affirmative vote of the holders of a majority of the votes cast, and the total votes cast on the proposal must represent a majority of our outstanding common stock entitled to vote on the proposal as of the record date.

The Board unanimously recommends that stockholders vote FOR the adoption of the proposed 2013 Stock Incentive Plan.

Table of Contents

ADOPTION OF THE 2013 EMPLOYEE STOCK PURCHASE PLAN

(Proposal 4)

Our Board of Directors has unanimously approved the Superior Energy Services, Inc. 2013 Employee Stock Purchase Plan (the 2013 ESPP) for the benefit of eligible employees of the Company and its subsidiaries, subject to stockholder approval at the annual meeting. The 2013 ESPP is summarized below and the full text of the plan is attached to this proxy statement as [Appendix B](#). Because this is a summary, it may not contain all the information that you may consider to be important. You should read [Appendix B](#) carefully before you decide how to vote on this proposal.

Purpose of the Proposal

Our Board of Directors believes that the Company's interests are best advanced by aligning stockholder and employee interests. The 2013 ESPP is intended to provide eligible employees of the Company, and of its subsidiaries and affiliates, with an opportunity to participate in the Company's success by permitting them to acquire shares of the Company's common stock at a discount from the market price through periodic payroll deductions or contributions. If approved, the 2013 ESPP would replace our existing 2007 Employee Stock Purchase Plan (the 2007 ESPP), effective upon the beginning of the first offering period under the 2013 ESPP. Although we currently have 415,301 shares of common stock remaining available for issuance under the 2007 ESPP, given the growth and expansion of our Company, particularly internationally, since that plan was approved, our Board believes it is important to revise the structure of our employee stock purchase program to accommodate participation by employees of our foreign subsidiaries and to incorporate provisions that will make the program more attractive to all of our employees.

Like the 2007 ESPP, the proposed 2013 ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code. However, unlike the 2007 ESPP, the 2013 ESPP includes a non-Section 423 component to achieve tax, securities law and other objectives for our employees. Under this component, the Compensation Committee of our Board, or its delegate, as administrator of the 2013 ESPP, will be able to structure and grant purchase rights to eligible participants residing outside of the United States or employed by a non-U.S. subsidiary or affiliate of the Company in order to comply with local legal requirements, to otherwise protect the interests of such non-U.S. entities, or for the purpose of qualifying for preferred tax treatment under foreign tax laws. In addition, the other significant differences between the 2013 ESPP and the 2007 ESPP are as follows:

the 2013 ESPP has six-month offering periods, compared to one-month offering periods in the 2007 ESPP; and

the 2013 ESPP contains a look-back, allowing participants to purchase common stock at a per share price equal to the *lesser* of 85% of fair market value determined as of the first *or* last trading day of such offering period, whereas the 2007 ESPP did not contain a look-back feature.

As of December 31, 2012, we had approximately 12,300 domestic employees, including our nine executive officers, who are eligible to participate in the 2007 ESPP, although only approximately 1,300 employees are current participants. However, if approved by stockholders, our Board of Directors believes that the 2013 ESPP will not only permit international employees to participate, but will be more attractive to domestic employees.

Summary of the ESPP

Purpose. The purpose of the 2013 ESPP is to provide employees of our Company and our designated subsidiaries and affiliates with the opportunity to purchase our common stock and, therefore, to have an additional incentive to contribute to the prosperity of the Company.

Table of Contents

Administration. The 2013 ESPP will be administered by the Compensation Committee of our Board of Directors or one or more officers appointed by the committee. None of the members of the committee is an officer or employee, or former officer or employee, of our Company or its subsidiaries. Subject to the terms of the 2013 ESPP, the committee or its delegatee has the power to make, amend and repeal rules and regulations for the interpretation and administration of the 2013 ESPP, including rules and procedures to accommodate specific requirements of local laws for jurisdictions outside of the United States.

Shares Subject to the 2013 ESPP. There are 3,000,000 shares of common stock reserved for issuance under the 2013 ESPP, subject to adjustment as described below. The reserved shares will be used to fund stock purchases under both the Section 423 and the non-Section 423 components of the 2013 ESPP. The common stock made available for sale under the 2013 ESPP may be authorized but unissued shares or treasury shares. On April 19, 2013, the closing sale price of our common stock on the NYSE was \$[] per shares.

As of December 31, 2012, 533,009 shares of common stock had been issued under the 2007 ESPP and 466,991 shares were available for future issuance. If our stockholders approve the 2013 ESPP, no further shares will be issued under the 2007 ESPP following the beginning of the first offering period under the 2013 ESPP. Subject to the Compensation Committee's discretion, we anticipate that if the 2013 ESPP is approved, the first offering period could commence on July 1, 2013, and the last purchase date under the 2007 ESPP would be June 30, 2013. However, if the first offering period under the 2013 ESPP is delayed, we will continue to use the 2007 ESPP until the 2013 ESPP is implemented.

Eligibility. Generally, any individual who is treated as an employee of the Company or any designated company shall be eligible to participate in the 2013 ESPP. However, the administrator in its discretion may from time to time, prior to the commencement of an offering period under the 2013 ESPP, determine that employees who customarily work twenty (20) hours or less per week or not more than five (5) months in any calendar year (or, in each case, such lesser period of time as may be determined by the administrator in its discretion) shall not be allowed to purchase common stock offered under the 2013 ESPP during such offering period. An offering period is a six-month period that begins on January 1st and July 1st of each year, unless changed by the Compensation Committee or its delegatee.

Plan Participation. Each participant is granted a right to purchase shares of our common stock on his or her enrollment date. A participant may make contributions through payroll deductions or other contributions as permitted by the administrator, however no single payroll deduction or contribution made for the purchase of common stock may exceed 10% of the compensation that the participant receives on any pay day during an offering period. Stock purchase rights may not accrue at a rate that exceeds \$25,000 in fair market value of the common stock per calendar year. The participant's contributions are used to purchase shares of our common stock at the end of each offering period. The right to purchase common stock is exercised automatically on the last trading day of each offering period to the extent of the payroll deductions accumulated during the offering period, provided that the number of shares that may be purchased by a participant in any offering period is limited to 1,000 shares. No participant shall be granted a stock purchase right under the 2013 ESPP to the extent that, immediately after the grant, such participant (or any other person whose stock would be attributed to such participant) would own common stock of the Company and/or hold outstanding options to purchase such stock possessing 5% or more of the total combined voting power or value of all classes of the stock of the Company or any of its subsidiaries.

Purchase Price; Shares Purchased. The purchase price per share is equal to 85% of the fair market value of the common stock on first trading day of the offering period or the last trading day of the offering period (the purchase date), whichever is less. The number of whole shares of our common

Table of Contents

stock a participant purchases in each offering period is determined by dividing the total amount of payroll deductions and other contributions during the offering period by the purchase price. Unless otherwise determined by the administrator prior to an offering period, no fractional shares will be purchased by a participant and any payroll deductions or other contributions accumulated in a participant's account that are not sufficient to purchase a full share shall, at the discretion of the administrator, be returned to the participant or be retained in the participant's account for a subsequent offering period.

Termination of Employment. Termination of a participant's employment for any reason, including death, immediately cancels his or her participation in the 2013 ESPP. In that event, the payroll deductions credited to the participant's account will be refunded to him or her, and in the case of death, to his or her heirs or estate.

Withdrawal from the 2013 ESPP. A participant may decide not to purchase shares on a purchase date and may elect to withdraw all, but not less than all, of the payroll deductions or other contributions credited to his or her account prior to the purchase date at such time specified by the administrator. Upon withdrawal the participant's purchase right for the offering shall be terminated automatically, and no further payroll deductions or other contributions for the purchase of shares shall be made. A participant's withdrawal from an offering shall not have any effect upon his or her eligibility to participate in any subsequent offerings that commence under the 2013 ESPP, although the participant must re-enroll in order to participate in subsequent offerings.

Changes in Common Stock; Adjustments. Subject to any required action by our stockholders, the number of shares of our common stock available for purchase under the 2013 ESPP, whether under currently outstanding purchase rights or available for future purchase rights, and the price per share covered by each purchase right under the 2013 ESPP that has not yet been exercised, shall be proportionately and equitably adjusted for any increase or decrease in the number of issued and outstanding shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of our common stock, or any other increase or decrease in the number of shares of common stock effected without receipt of consideration by the Company.

In the event of a public announcement of an event that may result in a change of control (as defined in the 2013 ESPP), the Board of Directors or the Compensation Committee may, in its sole discretion (and without the consent of participants) elect to: (i) unilaterally terminate the 2013 ESPP at any time prior to the consummation of such transaction and return all contributions to participants; (ii) unilaterally set a new purchase date for all outstanding purchase rights on or at any time before the date of consummation of the change of control; or (iii) provide for an alternative treatment of such purchase rights that is acceptable to the person or entity that will succeed to the Company's assets, business or operations pursuant to such change of control.

Amendment and Termination of the Plan. Our Board of Directors or Compensation Committee may amend, modify, suspend or terminate the 2013 ESPP at any time without the approval of our stockholders; provided, however, that the Company shall obtain stockholder approval of any amendment in such a manner and to such a degree as required by applicable law or government regulations, or the rules of the NYSE or to comply with Section 423 of the Internal Revenue Code. Unless terminated earlier by our Board of Directors or Compensation Committee, the 2013 ESPP will continue until the issuance of all of the shares of common stock reserved for issuance under the 2013 ESPP or, if earlier, March 13, 2023, the tenth anniversary of the date on which our Board of Directors approved the 2013 ESPP.

U.S. Federal Income Tax Consequences

The following is a summary of the principal United States federal income tax consequences to the Company and to participants subject to U.S. taxation with respect to participation in the 2013 ESPP. This summary assumes that the Section 423 component of the 2013 ESPP qualifies as an

Table of Contents

employee stock purchase plan within the meaning of Section 423 of the Internal Revenue Code, is not intended to be exhaustive and does not discuss the income tax laws of any city, state or foreign jurisdiction in which a participant under the non-Section 423 component of the 2013 ESPP may reside.

Under a plan that qualifies as an employee stock purchase plan pursuant to Section 423 of the Internal Revenue Code, no taxable income will be recognized by a participant, and no deductions will be allowable to the Company, upon either the grant or the exercise of the purchase rights. Taxable income will not be recognized until there is a sale or other disposition of the shares acquired under the Section 423 component of the 2013 ESPP or in the event that the participant dies while still owning the purchased shares.

If the participant sells or otherwise disposes of the purchased shares within two years after the first day of the offering period in which such shares were acquired, or within one year after the actual purchase date of those shares, then the participant will recognize ordinary income in the year of sale or disposition equal to the amount by which the closing market price of the shares on the purchase date exceeded the purchase price paid for those shares, and the Company will be entitled to an income tax deduction in the taxable year in which such disposition occurs equal to the amount of such excess. Any further gain or loss to the participant upon disposition will be capital gain or loss, and the amount of ordinary income recognized by the participant will be added to the participant's basis in the common stock for purposes of determining such capital gain or loss.

If the participant sells or disposes of the purchased shares more than two years after the first day of the offering period in which the shares were acquired and more than one year after the purchase date of those shares, the participant will recognize ordinary income in the year of sale or disposition equal to the lesser of (i) the amount by which the selling price of the shares on the sale or disposition date exceeded the purchase price paid for those shares or (ii) fifteen percent (15%) of the closing market price of the shares on the first day of the offering period in which the shares were acquired. Any further gain or loss to the participant upon disposition will be capital gain or loss, and the amount of ordinary income recognized by the participant will be added to the participant's basis in the common stock for purposes of determining such capital gain or loss. The Company will not be entitled to an income tax deduction with respect to such disposition.

If the participant still owns the purchased shares at the time of death, his or her estate will recognize ordinary income in the year of death equal to the lesser of (i) the amount by which the closing market price of the shares on the date of death exceeds the purchase price or (ii) fifteen percent (15%) of the closing market price of the shares on the first day of the offering period in which those share were acquired.

Purchase rights granted under the Section 423 component of the 2013 ESPP are exempt from the application of Section 409A of the Internal Revenue Code. Purchase rights granted under the non-Section 423 component of the 2013 ESPP to U.S. taxpayers are intended to be exempt from the application of Section 409A of the Internal Revenue Code under the short-term deferral exception and any ambiguities shall be construed and interpreted in accordance with such intent.

Table of Contents**Plan Benefits**

The benefits to be received by our officers and employees under the ESPP are not determinable because the amounts of future purchases by participants are based on elective participant contributions. The following table sets forth information pertaining to the aggregate number of shares that were purchased under the 2007 ESPP during 2012 (Mr. Masters was the only named executive officer who participated in the 2007 ESPP during 2012) and the dollar value contributed by the participants (reflects the 15% discount):

Name	2007 Employee Stock Purchase Plan	
	Total Number of Shares Purchased in 2012	Dollar Value
William B. Masters	341	\$8,479
Non-NEO Executive Group	350	\$8,481
Non-Executive Employee Group	146,335	\$ 2,838,170

Vote Required

Under the NYSE Rules, adoption of the proposed 2013 Employee Stock Purchase Plan requires the affirmative vote of the holders of a majority of the votes cast, and the total votes cast on the proposal must represent a majority of our outstanding common stock entitled to vote on the proposal as of the record date.

The Board unanimously recommends that stockholders vote FOR the proposal to approve the 2013 Employee Stock Purchase Plan.

Table of Contents

**ADOPTION OF AN AMENDMENT TO OUR CERTIFICATE OF
INCORPORATION TO REMOVE THE LIMITATION ON NON-U.S. CITIZEN
STOCK OWNERSHIP**

(Proposal 5)

We are seeking stockholder approval of an amendment to our Certificate of Incorporation (our charter) to remove article TWELFTH, which currently imposes limitations on the ownership and control of the Company's capital stock by non-U.S. citizens.

Purpose of the Proposal

Following a 1999 acquisition, a material part of our business involved the ownership and operation of liftboats engaged in coastwise trade within the meaning of U.S. maritime laws. Those laws prohibit non-U.S. citizens from owning a significant amount of capital stock in a U.S. corporation owning vessels engaged in coastwise trade. In order to ensure that the Company was compliant with the citizenship requirements of U.S. maritime laws, our stockholders approved adding article TWELFTH to our charter to limit and control ownership of any class of our capital stock by non-U.S. citizens. Since article TWELFTH was adopted by our stockholders, the Company's scope of business operations has expanded significantly. In 2012, the Company undertook significant efforts to shift its focus to U.S. land markets and international expansion, and our ability to engage in coastwise trade is no longer of any consequence. As a result, we no longer believe that article TWELFTH's protections are needed due to the Company's business focus and strategic direction. We also believe they could unnecessarily restrict our stockholders' ability to freely transfer their shares and serve to discourage foreign investment in our Company at a time when we are focused on international expansion.

The proposed charter amendment is attached as [Appendix C](#). If approved by our stockholders, the charter amendment will become effective upon filing with the Secretary of State of the State of Delaware, which we intend to do promptly after the annual meeting.

Vote Required

Under our Certificate of Incorporation and the General Corporation Law of the State of Delaware, adoption of the charter amendment requires the affirmative vote of the holders of a majority of the shares of our common stock outstanding and entitled to vote on the proposal as of the record date.

Our Board unanimously recommends that stockholders vote FOR the proposal to remove article TWELFTH of our charter.

Table of Contents

**RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

(PROPOSAL 6)

The Audit Committee has selected KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013, which we submit to our stockholders for ratification. If our stockholders do not ratify the selection of KPMG LLP by the affirmative vote of holders of a majority of the voting power present or represented by proxy at the annual meeting, the selection will be reconsidered by the Audit Committee.

Representatives of KPMG LLP are expected to be present at the annual meeting and will have an opportunity to make a statement if they desire to do so. They will also be available to respond to appropriate questions from stockholders.

Vote Required

The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2013 requires the affirmative vote of the holders of a majority of the shares of our common stock present in person or by proxy at the annual meeting and entitled to vote on such proposal.

The Audit Committee and the Board of Directors unanimously recommend that stockholders vote FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013.

Table of Contents**AUDIT COMMITTEE REPORT**

The Audit Committee is comprised of Messrs. Sullivan as Chairman, Bouillion, Howard, Kinnear and McShane. Each of these individuals meets the independence requirements of the NYSE, as well as any other applicable legal and regulatory requirements. The duties and responsibilities of the Audit Committee are set forth in its written charter adopted by the Board. The committee reassesses its charter as conditions dictate, but in no event less than once a year, and updates it to comply with the rules of the NYSE and any other applicable legal and regulatory requirements.

The Audit Committee reviewed and discussed our financial statements with management, which is primarily responsible for preparing the statements, and our independent registered public accounting firm, KPMG LLP, which is responsible for expressing an opinion on the conformity of the financial statements with generally accepted accounting principles. The committee also discussed with KPMG the matters required to be discussed by Statement on Auditing Standards No. 16, Communications with Audit Committees, which superseded Statement on Auditing Standards No. 61, as amended and as adopted by the Public Company Accounting Oversight Board (the PCAOB) in Rule 3200T. The committee has reviewed KPMG's independence, and as part of that review, it received and discussed the written disclosures and the letter from KPMG required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence. The Audit Committee has also considered whether KPMG's provision of non-audit services to us, which are described below, was compatible with its independence. The committee has concluded that it is.

Based on its reviews and discussions with management and KPMG, the Audit Committee recommended to the Board, and the Board has approved, that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 for filing with the SEC.

THE AUDIT COMMITTEE

Justin L. Sullivan

Harold J. Bouillion

Ernest E. Howard, III

Peter D. Kinnear

Michael M. McShane

Fees Paid to Independent Registered Public Accounting Firm

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of the Company's annual financial statements for 2012 and 2011, and fees billed for other services rendered by KPMG LLP during those years:

	Fiscal Year Ended December 31,	
	2012	2011
Audit Fees(1)	\$ 3,783,478	\$ 2,435,007
Audit-Related Fees		
Tax Fees(2)	288,329	188,979
All Other Fees		

- (1) Reflects fees for services rendered for the audits of our annual financial statements for the fiscal year indicated and reviews of the financial statements contained in our quarterly reports on Form 10-Q for that fiscal year.
- (2) Reflects fees for professional services rendered for tax compliance, tax advice and tax planning.

Table of Contents

Pre-Approval Process

The services performed by the independent registered public accounting firm in 2012 were pre-approved by the Audit Committee. The Audit Committee has established a policy to pre-approve all audit and non-audit services provided by our independent registered public accounting firm. The Audit Committee has delegated pre-approval authority for routine audit, audit-related and tax services specifically listed in the pre-approval policy to its chairman for any individual service estimated to involve a fee of less than \$75,000. The chairman reports all pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee will not delegate to management its responsibility to pre-approve services to be performed by the Company's independent registered accounting firm. All audit, audit-related and tax services with our independent registered public accounting firm not specifically listed in the pre-approval policy must be separately pre-approved by the Audit Committee.

Certain Transactions

Our practice has been that any transaction which would require disclosure under Item 404(a) of Regulation S-K of the rules and regulations of the SEC, with respect to a director or executive officer, must be reviewed and approved, or ratified, by our Audit Committee pursuant to the Audit Committee Charter. The Audit Committee reviews and investigates any matters pertaining to the integrity of management and directors, including conflicts of interest, or adherence to standards of business conduct required by our policies. We are currently not a party to any transactions requiring such disclosure, however, see [Director Compensation](#) for information regarding Mr. Hall's senior advisor agreement with the Company.

Table of Contents

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis, or CD&A, is designed to provide stockholders with an understanding of our compensation philosophy and objectives, as well as the analysis that we performed in setting our executive compensation. It discusses the Compensation Committee's (referred to as the Committee in this CD&A) determination of how and why, in addition to what, compensation actions were taken during 2012 for our Chief Executive Officer, our Chief Financial Officer and our three other highest paid executive officers (the named executive officers):

David D. Dunlap, our President and Chief Executive Officer;

Robert S. Taylor, our Executive Vice President, Chief Financial Officer and Treasurer;

Brian K. Moore, our Senior Executive Vice President;

A. Patrick Bernard, our Senior Executive Vice President; and

William B. Masters, our Executive Vice President and General Counsel.

EXECUTIVE SUMMARY

Performance Elements of our Executive Compensation Program

Our executive compensation program is significantly performance-based, linking executive pay, Company performance and results for stockholders, and is appropriately balanced with short- and long-term measures. The primary components of our executive compensation program are base salary, annual incentive bonus awards and long-term incentives (which we collectively refer to as our executives' direct compensation). The annual incentive bonus awards and long-term incentives, which comprise the majority of our executives' target direct compensation, are at-risk, with a significant percentage of the compensation (51% for our CEO and an average of 47% for our other current named executive officers) based on measurable performance, both annual and long-term (the performance share units (PSUs)). Our program also features elements of compensation that vary with stock price (comprised of stock options and restricted stock), resulting in a minimal level of fixed compensation in the form of base salary for our executives (approximately 12% for our CEO and an average of approximately 21% for our other current named executive officers). The following charts illustrate the target mix of direct compensation elements for our CEO, and our other current named executive officers (an average):

Table of Contents

Our Committee recognizes the need to balance short-term financial performance objectives with long-term stockholder value creation, and has structured our program to incentivize executives to generate both positive financial results and create incremental stockholder value, as follows:

Financial performance	<p>Ø measured through our annual incentive bonus program, under which payouts are determined based on our achievement of a pre-established pre-tax income target</p> <p>Ø measured through our PSU awards under our long-term incentive program, under which 50% of the payout is based on our relative level of return on invested capital (ROIC) during a three-year performance period</p>
Stockholder return	<p>Ø measured through the PSU awards under our long-term incentive program, under which the remaining 50% of the payout is based on our relative total stockholder return (TSR) during a three-year performance period</p>

Table of Contents

Compensation Best Practices

We strive to align executive compensation with stockholder interests, and to incorporate strong governance standards within our compensation program and practices, such as:

Ø **50% of Long-Term Incentives are Performance-Based** we grant a combination of stock options, restricted stock and performance share units under our long-term incentive program, with half of the grant date value awarded in PSUs that pay out based on our relative achievement against our peers under total stockholder return and return on investment metrics.

Ø **Annual Incentives Based on Performance** our annual incentive bonus awards are based on our financial performance, measured against pre-tax income targets.

Ø **Balanced Mix of Performance-Based Compensation** we provide a balanced mix of performance-based compensation designed to motivate our executives to improve both our financial and stock-price performance and maintain alignment with both short and long-term objectives.

Ø **Clawback Policy** since December 2011, our long-term incentive awards have been subject to a clawback provision, providing for the forfeiture of these awards or the return of any related gain in the event of a restatement of our financial statements.

Ø **Engagement of Independent Compensation Consultant** our Committee retains an independent compensation consultant who reports directly to the Committee and does not provide any other services to management or our Company.

Ø **Executives Subject to Stock Ownership Guidelines** we require our executive officers to maintain certain levels of ownership in our Company, thus aligning their interests with our stockholders' interests, and all of our executives currently exceed their ownership requirements, most by a significant amount.

Ø