

Edgar Filing: UNIT CORP - Form 8-K

UNIT CORP  
Form 8-K  
December 20, 2004

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

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 14, 2004

Unit Corporation

(Exact name of registrant as specified in its charter)

Oklahoma (State or other jurisdiction of incorporation)	1-9260 (Commission File Number)	73-1283193 (I.R.S. Employer Identification No.)
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7130 South Lewis, Suite 1000, Tulsa, Oklahoma (Address of principal executive offices)	74136 (Zip Code)
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Registrant's telephone number, including area code: (918) 493-7700

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

--- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

--- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

--- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

--- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.  
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Effective December 14, 2004, the Compensation Committee of the Board of Directors of Unit Corporation (the "Company") amended in certain respects the Company's Separation Benefit Plan of Unit Corporation and Participating Subsidiaries (Plan A), the Company's Separation Benefit Plan for Senior Management (Plan B) and the Company's Special Separation Benefit Plan (Plan C). Plan A allows eligible employees whose employment with the Company is involuntarily terminated or, in the case of an employee who has completed 20 years of service, voluntarily or involuntarily terminated, to receive benefits equivalent to 4 weeks salary for every whole year of service completed with the Company up to a maximum of 104 weeks. To receive payments the recipient must waive any claims against the Company in exchange for receiving the separation benefits. Plan B provides certain officers and key executives of the Company with benefits generally equivalent to Plan A. The compensation committee of the Board of Directors has absolute discretion in the selection of the individuals covered in Plan B. Plan C is identical to Plan A with the exception that the benefits under that plan vest on the earliest of the participant's reaching the age of 65 or serving 20 years with the Company. The compensation committee of the Board of Directors has absolute discretion in the selection of the individuals covered in Plan C. Currently there are no participants in Plan C.

The majority of the amendments were to bring the plans into compliance with applicable Oklahoma law and to conform the plans' change in control provisions to match those contained in other documents relevant to the Company. The following chart shows the more significant amendments made to each plan:

Plan Amended -----	Summary of Amendment -----	Reason for Amendment -----
Plan A and Plan B	The definition of Discharge for Cause was amended by removing the term "willful" in subsections 2.12 (i) and (ii).	This change was made to allow the Company greater certainty in defining a Discharge for Cause.
Plan A and Plan B	The provisions in the plans providing for Forfeiture of Separation Benefit Payments by Competition were revised to bring them into compliance with recent Oklahoma law that restricts the Company's ability to limit a former employee's ability to compete against the Company. Corresponding changes were also made to the Release Agreements that a participant is required to sign to get the benefits under the plan.	Comply with applicable law.
Plans A, B and C.	The definition of Change in Control was amended to provide that if the Board of Directors of the Company determines in good faith that a person became the beneficial owner of 15% or more of the outstanding common stock of the Company	This change was made to allow those persons who might unintentionally acquire enough stock of the Company to trigger a change of control the opportunity to divest themselves of enough stock and

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inadvertently (including, without limitation, because (A) such person was unaware that it beneficially owned a percentage of outstanding common stock that would cause a Change of Control or (B) such person was aware of the extent of its beneficial ownership of outstanding common stock but had no actual knowledge of the consequences of such beneficial ownership under the plan) and without any intention of changing or influencing control of the Company, then the beneficial ownership of outstanding common stock by that person will not be deemed to be or to have become a Change of Control for any purposes of the plans unless that person fails to divest itself, as soon as practicable (as determined, in good faith, by the Board of Directors of the Company), of beneficial ownership of a sufficient number of outstanding

thus not trigger the change in control provisions.

2

common stock so that person's beneficial ownership of outstanding common stock would no longer otherwise qualify as a Change of Control.

A copy of the plans, as amended, are filed as exhibits to this form 8-K and incorporated herein by reference. The foregoing summary is qualified in its entirety by reference to such exhibits.

Also, as previously reported in the Company's Form 8-K filed on 10-21-04, the Company reached an agreement with its current Chief Executive Officer, Mr. Nikkel, providing for him to serve as a consultant to the Company on his retirement April 1, 2005. At the time the prior 8-K was filed, the Company had not signed a written agreement with its Chief Executive Officer memorializing the terms set forth in the prior 8-K. That agreement was signed on December 17, 2004 and is attached as an exhibit to this Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

Not Applicable.

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(b) Pro Forma Financial Information.  
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Not Applicable.

(c) Exhibits.  
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- 10.1 Unit Corporation Separation Benefit Plan for Senior Management
- 10.2 Separation Benefit Plan of Unit Corporation and Participating Subsidiaries
- 10.3 Special Separation Benefit Plan
- 10.4 Consulting Agreement dated December 16, 2004 between John Nikkel and the Company

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Unit Corporation

Date: December 20, 2004

By: /s/ Mark E. Schell  
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Name: Mark E. Schell  
Title: Senior Vice President

3

EXHIBIT INDEX  
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