

SUPERIOR ENERGY SERVICES INC
Form PRE 14A
April 16, 2013
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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.

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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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

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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

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**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>**

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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?

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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.

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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

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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).

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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?

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- 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.

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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.

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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

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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

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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

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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

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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

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Name and Age	Business Experience, Qualifications, and Skills	Director Since
	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.	

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.

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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

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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.

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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.

Audit Committee* J.L. Sullivan, Chairman	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	Meetings in 2012 5
H.J. Bouillion		
J.M. Funk (until May 16, 2012)		
E.E. Howard III		
P.D. Kinnear (joined May 16, 2012)		
M.M. McShane (joined May 16, 2012)		
<i>*Each member of the Audit Committee is an audit committee financial expert as defined by the SEC</i>	please also see Audit Committee Report included in this proxy statement	
Compensation Committee H.J. Bouillion, Chairman	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	Meetings in 2012 8
J.M. Funk		
M.M. McShane (joined May 16, 2012)		
W.M. Ralls (joined May 16, 2012)		
J.L. Sullivan (until May 16, 2012)	please also see Compensation Committee Report on Executive Compensation included in this proxy statement	

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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

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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,

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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.

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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.

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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
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- (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.

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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.

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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

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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.

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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;

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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

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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.

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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.

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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

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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.

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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.

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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.

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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

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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.

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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.

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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

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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

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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.

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**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.

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**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.

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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.

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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):

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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>

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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 **Anti-Hedging Policy** we prohibit our executives and directors from hedging Company securities.

Ø **Expanded Long-Term Incentive Program** during the last few years we have expanded the use of long-term incentive awards within our Company, and in 2013 granted awards to more than 300 additional non-executive management employees in an effort to promote stock ownership and alignment of stockholder interests deeper within our organization.

Ø **Elimination of Excise Tax Gross-Ups** our CEO's current employment agreement does not provide for an excise tax gross-up. Further, we have also entered into new employment agreements that, upon effectiveness, will eliminate the gross-ups from all existing contracts, as discussed below.

Ø **Review of Tally Sheets** our Committee annually reviews tally sheets summarizing the compensation of our executive officers.

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New Executive Employment Agreements and Severance Program

We recognize that there is dissatisfaction among stockholders of public companies and their advisers regarding the traditional manner in which executive change of control severance benefits are structured, and since 2011 we have been working to revise our program to address our stockholders' concerns. We have structured a program that eliminates the excise tax gross up provisions currently provided to most of our executives, but also treats our executives uniformly in the event of a termination following a change of control and aligns the program with stockholder interests.

The Committee worked extensively during 2012 with its advisers, and with management and its advisers, to structure and evaluate the program. In addition, prior to finalizing the program, we sought input from our 25 largest investors (owning in the aggregate 60% of our outstanding shares) and various proxy advisory groups, in an effort to ensure that we understood and addressed, if possible, our investors' concerns and considerations. We have also continued our dialogue with these investors and advisory groups following our Board's approval of the program in December 2012.

The new program will become effective June 15, 2013, provided we do not exercise our right to cancel the program prior to that date. Our new program:

Eliminates excise tax gross ups;

Maintains double trigger severance payments;

Fosters our ability to effectively compete for and retain executive talent by maintaining protections for our executives if their employment is terminated in connection with a change of control;

Motivates executives to enhance stockholder value by incorporating a performance-based element into the program that aligns the interests of the executives and stockholders:

- i Severance payments in connection with a change of control are no longer based on a multiple of salary and bonus. Under the new program, executives receive a percentage interest in a transaction sharing pool that funds severance payments, and the transaction sharing pool funding amount increases or decreases based on the amount of consideration paid to our stockholders and the total debt assumed in the transaction;

Calculates severance payments in a manner that treats all executives equitably on an after-tax basis;

Provides a severance multiple of two times salary and target bonus in connection with terminations not involving a change of control for all executives. Under the current agreements, the severance multiple varies by officer and is generally tied to the remaining term of the agreement (up to three times in certain circumstances); and

Provides consistent treatment among executive officers in connection with other employment termination scenarios, in that all executives receive severance payment in connection with a termination of employment due to incapacity or for good reason not involving a change of control. Under the current agreements, only our CEO receives such benefits.

See Components of Executive Compensation Post-Employment Compensation and Arrangements below for more information on this new program.

2012 Corporate Highlights

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

On February 7, 2012, we acquired Complete Production Services, Inc. (Complete) pursuant to a merger that transformed our Company, significantly expanding our U.S. land geographic footprint and service and product offerings. We now offer a wider variety of services and products throughout

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the economic life of an oil and gas well. In addition, the acquisition should allow us to more rapidly expand our international operations as our enhanced cash flow capacity will provide funding for growth initiatives. This acquisition also greatly expanded the responsibilities of many of our executive officers, resulting in commensurate changes to their compensation during 2012.

Additional 2012 highlights include:

Record revenue of \$4.6 billion, income from operations of \$706.5 million and income from continuing operations before taxes of \$608.2 million.

Diluted earnings per share increased from \$1.76 to \$2.42, a 38% improvement from 2011.

U.S. land revenue was a record \$3.0 billion, up from \$856 million in 2011.

International revenue increased 52% compared to 2011 to a record \$799 million.

Gulf of Mexico revenue increased 25% compared to 2011 to \$726 million.

Achieved investment grade credit rating with Standard & Poor's and improved rating with Moody's.

Impact of 2012 Company Financial Performance on Executive Pay

The charts below show how the annual and long-term performance components of our program have paid out, or not paid out, over the last four years, commensurate with our results under these performance components:

As noted above, our annual bonus plan measures performance based on our achievement of pre-established pre-tax income targets. As described further below, we achieved 82% of the pre-tax income target set for 2012, after approved adjustments described below. As this was below the 85% of

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target required for minimum payout under the program, our executive officers were not entitled to a payout. The Committee determined that annual bonus awards to our executive officers were warranted, however, after noting several factors, including the following: the Company's pre-tax income growth on a pro-forma basis in 2012 compared to a pro forma basis in 2011 reviewed by the Committee in early 2013 was strong relative to our peers; the failure to achieve the target goal was primarily the result of market conditions in the second half of 2012 and not management's failure to perform (the Committee noted that after the first half of the year, the executives were on pace to achieve payouts above target); the 2012 results were only 3% below the threshold payment level; and the threshold level itself was aggressive when set by the committee. After factoring in the 5% deduction that would have been applied to any incentive awards under the program as a result of our safety performance for 2012, the Committee determined to base the annual bonus award on 35% of the target payout level under the 2012 annual incentive bonus program.

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Target Pay v. Realizable Pay Analysis

In making its compensation decisions, the Committee focuses on target total direct compensation of our executives, and also evaluates target compensation against the compensation that is ultimately realized by our executives. The charts below highlight, for our CEO and our other named executive officers as a group, the differences between the 2012 compensation reported in the Summary Compensation Table, the target total direct compensation opportunity approved by the Committee and the realizable pay resulting from our performance.

Target Total Direct Compensation

Ø Includes base salary, target annual incentive bonus for the fiscal year, and the total grant date value of long-term incentives granted for that fiscal year

Ø Not consistent with the compensation reflected in the Summary Compensation Table, which reports actual annual incentive bonus and PSU payouts and the grant date value of stock options and restricted stock granted as part of the compensation program for the subsequent year (due to our prior practice of making equity grants in the December before the year to which they relate)

Realizable Compensation

Ø Approximates the executives' take-home pay, and includes base salary, actual annual incentive bonuses, PSU payouts for the fiscal year, the value received from restricted stock vesting and stock option exercises during the year, and the change in intrinsic value of all outstanding exercisable options

One-Year Absolute Perspective

Based upon a combination of our stock price performance and annual incentive payouts, the realizable compensation of our CEO for 2012 was lower than target direct compensation, but slightly higher than the values reported in the Summary Compensation Table. This decrease from target direct compensation was due to a combination of stock price underperformance in 2012 and the significantly below target annual incentive payout for 2012. Although lower than target compensation, our CEO's realizable compensation as compared to target (70%) was proportionately higher than the average of our other named executive officers (19%) due primarily to two factors: (i) our CEO's PSU award that vested in 2012 and paid out at target was part of his sign-on compensation upon joining us in 2010 and was disproportionately larger than the annual PSU award for our CEO at the time and also disproportionately larger than the awards received by our other named executive officers at the time,

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and (ii) because our CEO is relatively new to the Company, he has fewer accumulated stock options, thus the reduction in the intrinsic value of each executive's outstanding stock options caused by the 27% drop in our stock price as compared to the end of 2011 had less of an impact on his total realizable compensation than it had on that of our longer-tenured named executive officers, two of whom have significant option holdings as reflected in the Outstanding Equity Awards at 2012 Fiscal Year-End table below.

Three-Year Relative Perspective

To demonstrate the alignment of CEO pay relative to our performance, the following graph compares our CEO's realizable pay as a percent of target total direct compensation for the three-year period from 2010 through 2012 to our total stockholder return performance relative to our Compensation Peer Group (as later defined) over the same period.

Results of 2012 Say-on-Pay Advisory Vote

Since 2011, we have held annual say-on-pay advisory votes. At our 2012 annual meeting, our stockholders overwhelmingly approved the compensation of our named executive officers, with approximately 97% of voting stockholders casting their vote in favor of the say-on-pay resolution (not including abstentions). While recognizing our stockholders' strong show of support, the Committee has nevertheless continued to evaluate with its compensation consultant the elements and structure of our program to determine if any changes are necessary or recommended in order to further strengthen the performance-driven focus of our program. We have also continued our efforts to seek input directly from our investors on compensation and other matters, including the new severance and change of control program as discussed below.

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COMPENSATION PRINCIPLES AND PROCESSES

The Committee is responsible for designing, implementing, and administering our executive compensation program. The Committee seeks to increase stockholder value by:

- Ø rewarding performance with cost-effective compensation; and
- Ø ensuring that we can attract and retain executives with the skills, educational background, experience and personal qualities needed to successfully manage and contribute to our expanding business.

In structuring our executive compensation program, the Committee is guided by the following principles:

Principle

Implementation

Compensation should be performance driven and incentive compensation should comprise the largest part of an executive's compensation package.

Ø The largest portion of our executive compensation (represented by the annual incentive bonuses and PSUs) depends on achieving specific performance targets.

Ø Base salary, the only fixed element of compensation in our executive compensation program, accounts for approximately 12% of our CEO's compensation and an average of 21% of our other named executive officers' compensation. All remaining elements of pay are variable, including annual incentive bonuses and long-term incentives in the form of stock options, restricted stock and PSUs, the value of which are all directly linked to our performance.

Compensation levels should be competitive in order to attract and retain talented executives.

Ø The Committee annually seeks input from its compensation consultant regarding the competitiveness of our pay strategy relative to the market. We have established a process for evaluating the competitiveness of all elements of direct compensation.

Incentive compensation should balance short- and long-term performance, including balancing short-term growth with long-term returns.

Ø Our annual incentive bonus program rewards executives for the achievement of annual goals geared to our profitability.

Ø We provide long-term incentive opportunities that have significantly more potential reward value to the executive if goals are met and our share price grows.

Ø In order to encourage our executives to prudently grow our business without sacrificing long-term returns, the performance metrics used for our PSUs are our three-year relative ROIC and our three-year relative TSR as compared to our peers.

Ø The Committee annually evaluates with its consultant whether the program is balanced in terms of base pay and incentives, both short- and long-term.

Compensation programs should provide an element of retention and motivate executives to stay with the Company long-term.

Ø Executives forfeit their opportunity to earn a payout from the PSUs if they voluntarily leave the Company before the three-year performance cycle is complete, except in the case of retirement. Also, the use of time-vested restricted stock and stock options provide a strong incentive for employees to stay with the Company.

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Ø The retirement benefits provided under the Supplemental Executive Retirement Plan increase the longer the executive remains with the Company.

Compensation programs should encourage executives to own Company stock, thus aligning their interests with our stockholders.

Ø Our stock ownership guidelines require our executive officers to own shares of Company stock equivalent to a stated multiple of the executive's base salary. The multiple varies depending on the executive's job title. See Executive Compensation Policies Stock Ownership Guidelines for more information.

Ø To assist our executives in achieving these ownership requirements, we grant shares of time-vested restricted stock as one of our long-term incentives, and may also elect to payout up to 50% of the value of our PSUs in common stock.

Role of Management in Setting Compensation

Our CEO is involved in recommending the compensation of our executive officers, other than himself. Each year, the CEO makes recommendations to the Committee regarding salary adjustments, percentage bonus targets under the annual incentive program and long-term incentive grants to our other executive officers. In formulating his recommendations, the CEO considers various factors, including his subjective analysis of each executive's performance and contributions, the performance of his business unit (if applicable to the particular officer), experience level, tenure in position, the average base pay level for similar positions, and the Company's performance. Although the Committee considers the CEO's recommendations, the committee makes all final determinations regarding executive compensation.

Role of Compensation Consultants

Since May 2007, the Committee has engaged Pearl Meyer & Partners (PM&P) as its independent executive compensation consultant to advise the committee on matters relating to executive compensation and assist it in developing and implementing our executive compensation program. The Committee also discussed this CD&A with PM&P. As required by SEC rules, the Committee has assessed the independence of PM&P and concluded that PM&P's work did not raise any conflicts of interest. In making this determination, the Committee noted that during fiscal 2012:

PM&P only provided advisory services related to executive and director compensation;

Fees from our Company represented less than 1% of PM&P's total revenue;

PM&P maintained a conflicts policy to prevent a conflict of interest or any other independence issues;

None of the team assigned to the Company had any business or personal relationship with members of the committee outside of the engagement;

None of the team assigned to the Company had any business or personal relationship with any Company executive officer outside of the engagement; and

None of the team assigned to the Company maintained any individual position in our common stock.

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During 2012, management engaged the services of Cogent Compensation Partners, which was subsequently acquired by Frederic W. Cook & Co., Inc. (Cook), to assist the Company in designing a new severance and change of control program for our executives as discussed above in the Executive Summary and elsewhere. Cook assisted management in the proposed design of the new

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program, and in its presentations to the Committee regarding the new program. At all times during the process, Cook reported to management and was viewed by the Committee as management’s adviser. PM&P, as the Committee’s independent consultant, reviewed and made recommendations to the Committee regarding the proposed program. As Cook was engaged by management, the Committee did not view Cook as an independent adviser to the Committee.

Peer Groups, Annual Benchmarking Process and Survey Data

The Committee evaluates the Company’s executive compensation practices and financial performance by reference to two different peer groups as described below. The Committee periodically reviews the companies comprising each peer group, and revises each group as it deems appropriate after consultation with PM&P and to reflect consolidation and changes in the industry. Both groups were revised as part of our annual review of our peer groups and as a result of our acquisition of Complete to better align them with the Company’s size and operations following the acquisition.

Performance Peer Group			
Performance g Used to measure our financial performance under our long term incentive program, in particular the PSUs.	Baker Hughes, Inc.	Basic Energy Services, Inc.	Cameron International Corp.
	FMC Technologies, Inc.	Halliburton Co.	Helix Energy Solutions Group, Inc.
	Helmerich & Payne, Inc.	Key Energy Services, Inc.	Nabors Industries Ltd.
	National Oilwell Varco, Inc.	Oceaneering International, Inc.	Oil States International, Inc.
	Patterson-UTI Energy, Inc	RPC, Inc.	Schlumberger Ltd.
	Weatherford International, Ltd.		
Reference group for the PSUs granted for 2012			

Compensation Peer Group			
Compensation g Used to evaluate and benchmark executive compensation.	Baker Hughes, Inc.*	Basic Energy Services, Inc.	Cameron International Corp
	FMC Technologies, Inc.*	Halliburton Co.*	Helix Energy Solutions Group, Inc.
	Key Energy Services, Inc.	National Oilwell Varco, Inc.	Oceaneering International, Inc.
	Oil States International, Inc.	RPC, Inc.	Weatherford International, Ltd.
*Indicates new to the group			

Prior to our acquisition of Complete, the Compensation Peer Group consisted of 14 companies in the oilfield services industry with comparable revenue ranges during 2011, and included companies with whom we compete for executive talent, as well as performance. In connection with our acquisition of Complete and as part of our annual review of our peers, the following companies were removed from this group: Complete Production Services, Inc., Global Industries Ltd., Hercules Offshore, Inc., Seacor Holdings Inc. and Tetra Technologies Inc. The resulting group had median revenue of \$5.3 billion, compared to our projected post-acquisition revenue of \$4.6 billion.

At the Committee’s request, PM&P conducts an annual executive compensation review to benchmark the Company’s senior executive compensation relative to the Compensation Peer Group with supplemental data from published market surveys. The Committee uses this report to evaluate whether the executive compensation levels, including base salary and actual incentive payouts, are within industry norms and the Company’s stated strategy.

In December 2011, PM&P performed an executive compensation review in anticipation of our acquisition of Complete, to ascertain whether any changes to the compensation of our executives would be recommended in light of the increased size and scope of our post-acquisition Company.

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In connection with its review of 2012 compensation, PM&P recommended, and the Committee approved, the use of a revised Compensation Peer Group that more closely aligned with the Company's projected size and revenue range post-acquisition. For 2012 executive compensation, the Committee set base salary amounts, annual incentive plan percentages and long-

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term incentive award values in December 2011 with reference to the pre-acquisition Compensation Peer Group, and then approved changes to these values that would only be effective if the acquisition was consummated. The revised base salary amounts, annual incentive program percentages and incremental long-term incentive award values were determined in early 2012 with reference to the post-acquisition Compensation Peer Group.

PM&P supplements data from the Compensation Peer Group with broad-based compensation survey data to develop a comprehensive view of the competitive market data. The Committee believes that this use of survey data is an important element of our compensation evaluation. Compensation survey data includes companies from the broader energy industry that influence the competitive market for executive compensation levels. Further, the survey data also includes data from companies that are comparable to us in terms of size and scale.

The Committee has reviewed and evaluated an executive tally sheet that contained a listing and quantification (as appropriate) of each component of our compensation program during 2012 for all of our executive officers, including special executive benefits and perquisites, as well as accumulated values (e.g., stock option holdings) and other contingent compensation such as severance arrangements. The Committee believes that our balance of annual and long-term compensation elements, our mix of long-term incentive vehicles and our stock ownership guidelines that encourage executive ownership result in a compensation program that aligns our executives' interests with those of our stockholders and does not encourage our management to take unreasonable risks relating to our business. The various components of our executive compensation program are described in detail below.

COMPONENTS OF EXECUTIVE COMPENSATION

The main components of our executive compensation program are base salary, annual incentive bonus and long-term incentives. Our executives also participate in a supplemental executive retirement plan. Overall, the Company positions the majority of the executive compensation program to be at-risk with much of the compensation based on measurable performance, with a specific emphasis on the long-term performance of the Company. As an executive's level of responsibility increases, a greater portion of total compensation is at risk, creating the potential for greater variability in the individual's compensation from year to year.

As reflected in the charts set forth above in the Executive Summary, the CEO's component mix is more heavily weighted towards long-term performance and reflects the Committee's view that his role in setting the strategic direction of the Company gives him greater influence on the ultimate performance level achieved. The Committee believes that its current combination of compensation elements provides an appropriate mix of fixed and variable pay, balancing short-term and long-term performance, and encouraging executive retention.

A description of each element of the Company's compensation program follows.

Base Salary

The primary role of the Company's base salary element is to compensate executives for the experience, education, personal qualities and other qualifications that are key for their specific role within the Company. In establishing the base salaries for our executives, we have historically targeted the market median and strive to set base salaries at consistent levels for positions with similar responsibilities.

In December 2011, the Committee approved modest base salary increases for our named executive officers (approximately 5% for each executive) effective January 1, 2012, and that the resulting salaries remained generally within 10% of the market median. In early 2012, the Committee

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approved further base salary increases for certain of our named executive officers that were contingent on our closing the acquisition of Complete and would be effective retroactively to January 1, 2012. These increases were not related to the executives' performance, but were intended to recognize the increased duties and responsibilities that these executives would incur due to the increased scope and size of our business, and were as follows: Mr. Dunlap 2.7%, Mr. Taylor 1.4%, Mr. Moore 5.0% and Mr. Masters 11.0%.

Annual Incentive Bonus

The purpose of the Company's annual incentive bonus program is to reward executives for achievement of annual operational, financial and safety goals. Although the Committee sets annual incentive target levels that result in median payouts when performance objectives are met, this program provides executives the opportunity to earn significantly higher payments depending on the extent to which these performance objectives are exceeded.

Establishment of Program Parameters for 2012

In administering the annual incentive bonus program, our Committee annually approves the minimum, target and maximum award opportunities for all of the executives and the annual incentive plan goals at the beginning of the performance cycle. In March 2012, the Committee approved pre-tax income as the performance measure for the program for 2012. The Committee set the pre-tax income target for 2012 at \$770 million. This target represented 95% of 2012 budgeted pre-tax income and a 41% increase over our pro-forma 2011 results (calculated as if we had combined with Complete for all of fiscal 2011), which the Committee recognized was aggressive but believed was reasonable assuming the robust market conditions continued through the year. The financial goal associated with minimum payout was equivalent to 85% of the target goal, and the goal for maximum payout was equivalent to 115% of the target goal. Under the terms of the program, the Committee may adjust our actual operating results for the year for non-operational gains and losses. In addition, the Committee may reduce the ultimate payout to each executive by up to 15% based on the Company's performance relative to various safety metrics and a grading system that make up the executive team safety scorecard. In March 2012, the Committee approved the 2012 scorecard, which contained three results-oriented metrics that measure the number of safety incidents and nine leading indicators that are designed to encourage behaviors by the Company's employees that will decrease the number of safety incidents.

Under the program, our named executive officers were eligible to receive an annual incentive bonus based on a target percentage of their base salary. They could earn more, or less, than the target amount based on the level of achievement as measured against the pre-tax income goals. The Committee increased each officer's percentages from the prior year's program in light of the increased size and scope of the Company's operations and commensurate with the median levels of the revised Compensation Peer Group. The possible bonus payout levels for 2012 for each named executive officer, stated as a percentage of the officer's base salary, are set forth in the table below.

Named Executive Officer	Minimum	Target	Maximum
Mr. Dunlap	60%	120%	240%
Mr. Taylor	40%	80%	160%
Mr. Moore	37.5%	75%	150%
Mr. Bernard	35%	70%	140%
Mr. Masters	32.5%	65%	130%

Determination of 2012 Results

In March 2013, the Committee reviewed the Company's financial results for 2012 and confirmed that the Company had reached 82% of the pre-tax income target, as adjusted, established for 2012, resulting in no payout under the program. Our reported income before income taxes for 2012

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was \$608.162 million, resulting in 2012 adjusted pre-tax income of \$632.418 million after adjustments for the following: a deduction for gain on sale of business, and the addition of due diligence and acquisition costs (primarily related to the Complete acquisition), management transition costs, non-cash hedging losses, loss on extinguishment of debt and an acquisition earnout adjustment.

Notwithstanding the results of the annual incentive program, the Committee determined that annual bonus awards to our executive officers were warranted, after noting several factors, including the following: the Company's pre-tax income growth on a pro-forma basis in 2012 compared to a pro forma basis in 2011 reviewed by the Committee in early 2013 was strong relative to our peers; the failure to achieve the target goal was primarily the result of market conditions in the second half of 2012 and not management's failure to perform (the committee noted that after the first half of the year, the executives were on pace to achieve payouts above target); the 2012 results were only 3% below the threshold payment level; and the threshold level itself was aggressive when set by the committee. Further, the Committee determined that a 5% deduction to the annual incentive bonus payouts would have been applied if the pre-established program had resulted in payouts, based on our results for the three safety metrics that measure the number of safety incidents. After factoring in this 5% deduction, the Committee determined to base the annual bonus award on 35% of the target payout level under the 2012 annual incentive bonus program.

Establishment of Program Parameters for 2013 Annual Incentive Program

In March 2013, the Committee approved the parameters of the annual incentive program for 2013, providing for minimum, target and maximum annual incentive award levels, as a percentage of salary, based upon the achievement of 80%, 100% and 120% of pretax income goals established during the first quarter of the year.

Long-Term Incentives

The purpose of our long-term incentive program (the LTI program) is to focus executives on long-term Company goals, growth and creation of stockholder value. Under the LTI program, we grant a mix of long-term incentive awards, which currently consists of 25% stock options, 25% restricted stock and 50% PSUs. Consistent with the Company's compensation philosophy, the Committee believes stock-based incentive awards are one of the best ways to align the interests of our executives with those of our stockholders. In addition, the terms of the PSUs reflect the Committee's belief that executive compensation should be tied to Company performance. The PSUs provide our executives the opportunity to earn additional compensation based on the Company's performance. The executives' overall compensation could be significantly below median for below threshold performance and at or above the 75th percentile of the market if the Company achieves the maximum level of performance relative to its peers as described below.

Description of the LTI Program

As mentioned above, the Company's LTI program provides for annual grants of stock options, restricted stock and PSUs. These awards vest over a three-year period, with the stock options and restricted stock vesting in equal annual increments during the three-year period. The ultimate value recognized by our executives for each of these awards depends upon Company performance. We believe these awards further our compensation philosophies for the following reasons:

Stock Options. The value of a stock option depends entirely on the long-term appreciation of the Company's stock price. Since the value of a stock option is determined by the Company's stock price and our options have ten-year terms, we believe that this compensation vehicle serves to motivate executives to continue to grow the value of the Company's stock over the long term.

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Restricted Stock. Restricted stock awards are widely used in the energy industry to strengthen the link between stockholder and employee interests, while motivating employees to remain with the Company. This is especially true in a cyclical industry like ours in which the value of the Company's stock may fluctuate significantly between the industry cycles. Our use of restricted stock is intended to provide just such a bridge between the short- and long-term interests of stockholders, and smooth out the volatility of the industry cycles, as has occurred in recent years. By this mechanism, employees are more likely to remain with the Company, even during periods of stock price volatility. Further, we believe the use of restricted stock as a long-term incentive award helps motivate executives to take measured risks. This is accomplished because the incentive value to the executive is not entirely dependent on significant price appreciation.

Performance Share Units. PSU's are awards of units assigned an initial target value of \$100, which can be earned by participants based on the Company's performance relative to the Performance Peer Group, as described herein. Consistent with past years, for the 2012 grants the Committee used two performance criteria for the PSUs: ROIC and TSR. The performance criteria link the Company's long-term performance directly to compensation received by executive officers and other key employees and encourage them to make significant contributions towards increasing ROIC and, ultimately, stockholder returns. These awards provide the executives the opportunity to earn a value per unit between \$0 to \$200 based on the Company's performance over a three-year period relative to its peers. Grants of PSUs provide for the payout of up to 50% in shares of common stock at the Committee's discretion and the remainder in cash following the end of the three-year performance period, if the recipient has met continued service requirements.

For the PSUs granted for the cycle 2012-2014, under both performance criteria, the maximum, target and minimum levels are met when our ROIC and TSR are in the 75th percentile, 50th percentile and 25th percentile, respectively, as compared to the ROIC and TSR of the Performance Peer Group, as described in the table below:

Performance Level	Percent of Date-of-Grant Value of PSU Received for Relative ROIC Level	Percent of Date-of-Grant Value of PSU Received for Relative TSR Level	Total Percent of Date-of-Grant Value of PSU Received
Relative to Performance Peer Group			
(Below 25th Percentile)	0%	0%	0%
Minimum (25th Percentile)	25%	25%	50%
Target (50th Percentile)	50%	50%	100%
Maximum (75th Percentile or above)	100%	100%	200%

For the 2012-2014 grants, the Committee revised the PSU terms to provide that under both performance criteria, the maximum, target and minimum levels are met when our ROIC and TSR are at the above levels noted above, while grants for prior performance cycles require achievement of the 80th percentile, 60th percentile and 40th percentile, respectively, as compared to the ROIC and TSR of the Performance Peer Group. The Committee recognized that when we established the PSU program in 2005, we were one of the first companies in our industry to implement this type of long-term, performance-based award and there was limited comparative data for guidance in structuring the terms of the award. As more companies have now implemented this type of award, we re-evaluated the structure of the PSUs during 2011 and revised the relative performance levels to make the award more competitive, while retaining its focus on performance. Additionally, before making this change, we reviewed the likely difficulty of achievement of the payout levels, and concluded that the program remains sufficiently challenging in light of our revised Performance Peer Group. For all PSUs granted, results that fall in-between the maximum, target and minimum levels of both performance criteria will be calculated based on a sliding scale.

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After considering PM&P's market study and in order to remain competitive with the market median and the competitive market for executive talent in the Company's business areas, and Mr. Dunlap's recommendations for the executives other than himself, the Committee set the target percentages of the named executive officers' 2012 awards based on each officer's position with the Company, which percentages were consistent with the prior year's award levels. The Committee made the initial grants under the 2012 LTI program in December 2011. In February 2012, after considering the increased size and scope of the Company and the data from the revised Compensation Peer Group, the Committee approved increases in the target percentages under the 2012 LTI program for the named executive officers, and granted additional awards under the 2012 LTI program applying the new percentages to the increased salary levels, if applicable. The grant date value of the stock options and restricted stock granted in December 2011 are reflected in the Summary Compensation Table below for 2011, and the grant date value of the stock options and restricted stock granted in February 2012 are reflected in the Summary Compensation Table below for 2012.

The award mix for executive officers has been consistent since the awards granted for fiscal year 2007, being 50% in PSUs, 25% in stock options and 25% in restricted stock. The table below shows the 2012 target LTI percentages, both before and after the Complete acquisition, and the total value of the 2012 LTI grants, including the awards made in December 2011 and the additional incremental awards granted in February 2012.

Named Executive Officer	2012 LTI		Total Value granted as PSUs	Total Value Granted as Options	Total Value Granted as Restricted Stock	Total Value of 2012 LTI Awards
	% of Salary	2012 LTI				
	(Pre-Merger)	(Post-Merger)				
Mr. Dunlap	400%	600%	\$ 2,775,000	\$ 1,387,501	\$ 1,387,503	\$ 5,550,004
Mr. Taylor	250%	360%	900,000	449,994	449,997	1,799,991
Mr. Moore	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Bernard	225%	300%	597,900	298,952	298,942	1,195,794
Mr. Masters	175%	250%	531,200	265,619	265,647	1,062,466

Mr. Moore, as a former executive of Complete, did not receive awards under our 2012 LTI program, having received long-term incentives from Complete in January 2012 under Complete's program. These awards converted to Superior awards upon the closing, but did not accelerate or vest in connection with our acquisition of Complete.

Payout of 2010-2012 PSUs

The PSUs granted for the performance period beginning in January 2010 vested at the end of 2012, and were paid out to the PSU recipients in March 2013 under the terms of the award. Superior ranked in the 92nd percentile of relative ROIC and in the 21st percentile of relative TSR, both as compared to its peers, resulting in a payout to the named executive officers of \$100.00 out of a maximum \$200.00 per PSU. The Committee elected to pay the PSU award solely in cash. Although the terms of the award permit up to 50% of the cash value to be paid in our common stock, due in part to the reduced annual cash incentive payouts for 2012 the Committee elected to pay the PSUs solely in cash. The total value of the payout received by each named executive officer is reflected in the Summary Compensation Table herein under the column Non-Equity Incentive Plan Compensation.

Named Executive

Officer	Number of Units	Value of PSU Payout
Mr. Dunlap	30,000	\$ 3,000,000
Mr. Taylor	5,000	500,000
Mr. Moore	n/a	n/a
Mr. Bernard	4,106	410,600
Mr. Masters	3,062	306,200

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Perquisites

We seek to maintain a cost conscious culture in connection with the benefits provided to executives. Further, our modest approach to providing perquisites supports our philosophy of tying the vast majority of our executives' compensation to performance. The Company does provide each of our executive officers an automobile allowance, including fuel and maintenance costs, and also reimburses them for all deductibles, co-pays and other out of pocket expenses associated with our health insurance programs through a program called Exec-U-Care. The attributed costs of the personal benefits described above for the named executive officers for 2012, are included in the Summary Compensation Table herein.

Post-Employment Compensation and Arrangements

In addition to the annual compensation received by executive officers during 2012 and benefits under the Company's 401(k) plan, which we provide to all qualified employees, we also provide certain post-employment benefits to our executive officers, including a supplemental executive retirement plan, a non-qualified deferred compensation plan, and certain severance and change of control benefits pursuant to employment agreements that we have entered into with our executive officers.

Supplemental Executive Retirement Plan (the SERP). We maintain a supplemental retirement benefit for our executive officers. Prior to adoption of the SERP in 2008, the Committee determined that the Company's lack of supplemental retirement benefits limited our ability to attract top executives and encourage long-term retention. The Committee worked with an independent consultant specializing in supplemental retirement programs when designing the SERP, which provides retirement benefits to the Company's executive officers and certain other designated key employees. The value of aggregate projected retirement benefits upon retirement at age 65 was targeted to be near the median for the Company's peers that have a nonqualified employer-paid retirement plan, creating an important retention tool for the Company. The SERP is an unfunded, non-qualified defined contribution retirement plan, and all contributions under the SERP are in the form of credits to a notional account maintained for each participant.

Under the SERP, the Company makes annual contributions to a retirement account of a percentage of the participant's base salary and bonus actually received in the prior year, based on the participant's age and years of service. In an effort to address the deficiency in the retirement income of certain long-tenured executives as compared to newly hired and younger executives, the SERP provides that executives who had combined age and years of service of at least 55 as of December 31, 2008, will receive higher annual contributions under the SERP. For 2012, the participants in the plan received contributions ranging from 2.5% to 35% of salary and bonuses paid during 2012. For a complete description of the 2012 contributions for each named executive officer, see the table entitled Nonqualified Deferred Compensation for Fiscal Year 2012 below.

Nonqualified Deferred Compensation Plan. In 2004 the Committee approved a nonqualified deferred compensation program. The purpose of the program is to provide an income deferral opportunity for executive officers and certain senior managers of the Company in order to help attract and retain these key employees. Participants in the program may make an advance election each year to defer up to a maximum of 75% of base salary, 100% of their annual bonus and 100% of the cash payment received upon payout of the PSUs. Participants may choose from a variety of investment choices to invest their deferrals over the deferral period. The plan provides that, upon approval by the Board, the Company could match up to 100% of their deferrals; however, the Company has never elected to grant a match. For a complete description of each named executive officer's contributions, earnings and aggregate account balance, see the table entitled Nonqualified Deferred Compensation for Fiscal Year 2012 below.

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Severance and Change of Control Benefits. We believe that severance protections, particularly in the context of a change of control transaction, play a valuable role in attracting and retaining key executive officers. In addition, we believe these benefits also serve the Company's interest by promoting a continuity of management in the context of an actual or threatened change of control transaction. Although we consider these protections an important part of an executive's compensation and consistent with competitive practices, the existence of these arrangements does not impact our decisions regarding other components of our executive compensation program.

As described in more detail under *Potential Payments Upon Termination or Change in Control* below, as of December 31, 2012, we had entered into employment agreements with each of our named executive officers, pursuant to which they are each entitled to severance benefits in the event of a termination of employment by the Company under certain conditions. We also assumed the employment agreement between Mr. Moore and Complete in connection with our acquisition of Complete. As we were unable to find a mutually agreeable method of terminating this former Complete agreement early, primarily due to constraints under Section 409A of the Code, we chose to allow this agreement to continue through its current term. We have given Mr. Moore notice that this former agreement with Complete will not be renewed, and it will expire by its terms on December 31, 2014. Like our other executive officers, Mr. Moore has executed a new form of employment agreement that will become effective January 1, 2015, as described below. The Company has determined that it is appropriate to provide our executives with severance benefits under these circumstances in light of their positions with the Company and as part of their overall compensation package. The severance benefits for our executives are generally designed to approximate the benefits each would have received had he remained employed by the Company through the remainder of the term covered by his employment agreement.

We recognize that the occurrence, or potential occurrence, of a change of control transaction will create uncertainty regarding the continued employment of our executive officers and distract them from effectively performing their duties for the Company. This uncertainty results from the fact that many change of control transactions result in significant organizational changes, particularly at the senior executive level. In order to encourage our executive officers to remain employed with the Company during an important time when their prospects for continued employment following the transaction are often uncertain, we provide our executive officers with enhanced severance benefits if their employment is terminated by the Company without cause or, in certain cases, by the executive in connection with a change of control (a *double-trigger* benefit). Because we believe that a termination by the executive for good reason may be conceptually the same as a termination by the Company without cause, and because we believe that in the context of a change of control, potential acquirors would otherwise have an incentive to constructively terminate the executive's employment to avoid paying severance, we believe it is appropriate to provide severance benefits in these circumstances. The payment of cash severance benefits is only triggered by an actual or constructive termination of employment. Under the respective award agreements, the stock options, restricted stock and PSUs will automatically vest upon a change of control of the Company.

The terms of the employment agreements and the benefits provided thereby are discussed more fully in the section entitled *Potential Payments Upon Termination or Change in Control* below.

New Executive Employment Agreements and Severance Program

The Committee has recognized that there is dissatisfaction among public company stockholders and their advisers regarding the traditional manner in which executive change of control severance benefits are structured. In particular, the provision of excise tax gross up payments has received criticism as a potentially excessive benefit, where the Company's cost to provide the benefit can be disproportionate to the financial benefit realized by the executive. The Committee understands, however, that excise tax gross-up payments can (i) equalize the benefits realized by similarly situated

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executives, which in turn benefits stockholders by promoting uniform interest in pursuing strategic opportunities for the Company by the entire executive team, and (ii) ensure that key executives are not disadvantaged in their ability to realize a promised benefit by their past compensation history or tenure with the Company. As such, we endeavored to structure a program that eliminated the excise tax gross up provisions currently provided to most of our executives, while at the same time addressing our desire to ensure that our executives are treated uniformly in the event of a termination following a change of control. In addition, we sought to incorporate a performance element into the program, under which the aggregate pool available to fund cash severance payments to our executives following termination would increase or decrease based upon the change of control transaction value. This would further align the program with stockholder interests.

After considerable review and discussion, negotiations with the executive team, and efforts to seek input from our 25 largest stockholders (owning in the aggregate 60% of our outstanding shares) and certain advisory groups, the Committee and the Board approved the new program, which includes new employment agreements with our executive officers and a new Change of Control Severance Plan, and which the Company believes effectively incorporates all of the objectives outlined above. We believe this program is unique and provides an innovative approach to structuring change of control severance arrangements that is stockholder friendly and competitive with the market because the severance amounts are limited to a reasonable level while still being sufficient to retain management through a potential change of control transaction. As this program is vastly different from traditional arrangements, the Committee believes it is important to consider the views of our stockholders as to its structure. Accordingly, although the Change of Control Severance Plan and the new employment agreements have been adopted and executed, they will not become effective until June 15, 2013 so that the Company may assess stockholder reaction to the new program. Prior to the effective date, the Company has the unilateral right to cancel all of the new employment agreements and the Change of Control Severance Plan. Upon becoming effective, the new employment agreements will supersede the existing employment agreements for all of our named executive officers except Mr. Moore, who will remain subject to the employment agreement he entered into with Complete. As noted above, we have given notice of non-renewal of Mr. Moore's current employment agreement, which will expire on December 31, 2014. Mr. Moore and the Company have executed a new agreement consistent in form with the other named executive officers that will be effective January 1, 2015, unless the Company exercises its right to cancel the arrangements prior to June 15, 2013. In the event the Company chooses not to implement the new program, all existing executive employment agreements, and change of control severance benefits provided in those agreements, will remain in effect subject to their respective terms.

Under the new program, each executive executing a new employment agreement becomes a participant in the Change of Control Severance Plan and will be entitled to a cash severance payment if his employment is terminated without cause or he terminates employment with good reason in connection with a change of control (as those terms are defined in the plan) during the period beginning six months prior to the change of control and ending two years after the change of control. The severance payments are made from a transaction sharing pool that is calculated as of the date of the change of control and based on the transaction value of the Company at the time of the change of control (with the transaction pool increasing or decreasing as the transaction value increases or decreases, respectively). Each participant's portion of the transaction sharing pool is set as of the date of the change of control, and is determined by reference to the participant's annual base salary, target bonus and unvested long-term incentive awards as compared to other participants, subject to a limit on the differential that can exist between the two executives with the highest percentage interests in the pool (effectively capping the highest paid executive's benefit). The severance payment is calculated for each participant in a way that takes into account taxes on the participant so that participants are treated equitably on an after-tax basis. Each participant, however, is liable for any taxes, including any excise taxes, due as a result of the severance payments. If a participant is not terminated during the protected period, his interest in the pool is not paid and is not allocated to other participants.

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The terms of the new employment agreements and the Change of Control Severance Plan and the benefits provided thereby are discussed more fully in the section entitled "Potential Payments Upon Termination or Change in Control" below, which includes an example of how these benefits would have been calculated assuming the new program was in effect as of December 31, 2012 and a change of control had occurred on that date.

Frequently Asked Questions. The following are some of the more common questions asked by investors during our discussions of the new severance program:

Q: What were the key objectives when creating the new change of control severance agreements?

Eliminate excise tax gross ups;

Achieve equitable treatment for all executives and create alignment among the executive team;

Align the interests of the executive team and stockholders by introducing a "pay-for-performance" component to severance agreements in which an executive's benefits would increase or decrease based on the transaction value; and

Provide a competitive benefit to attract and retain the top talent in our industry.

Q: Does the new Change of Control Severance Plan provide a double trigger?

Yes, in order for an executive to receive the cash severance, he must experience a qualifying termination (either without cause or for good reason) within the change of control protection period. If an executive does not terminate employment, he does not receive a cash severance payment.

Q: Are the Company's existing agreements uniform?

One of our primary objectives in structuring this new program was to create alignment among executives. While our longer-tenured executives have agreements that provide for excise tax gross ups, we have discontinued offering that benefit and thus agreements between the Company and more recently recruited executives do not contain this benefit. Our goal is to have executive employment agreements that encourage teamwork by having one form of agreement that treats each executive equitably. All of the new agreements, regardless of the executive's position, have the same terms and conditions.

Q: If the Company is concerned about the uneven treatment of executives in the event of a change of control, why not simply eliminate excise tax gross ups in the existing agreements?

Simply eliminating the excise tax gross ups would not result in even treatment of our executives, and would in fact result in greater uneven treatment due to the punitive effect of the excise tax on certain executives. Uneven tax treatment creates misalignment of executives depending on whether they trigger the excise tax. Thus, eliminating excise tax gross ups can create further inequities among executives in terms of their after-tax benefit as a result of the tax rules pertaining to "golden parachute" payments. These inequities can be as much as 50% (or greater) of the net severance benefit for similarly situated executives. For instance, if two executives are due the same change of control cash payment upon termination, but only one executive triggers the excise tax under tax rules due to the fact that his previous five-year average pay was lower than the other executive, his ultimate payout could be significantly below the other executive's, even though in the Company's view the two executives are due equivalent treatment. This misalignment could potentially motivate one group of executives to view a change of control more favorably than another group of executives.

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Q: Explain how the Company introduces the concept of pay-for performance in the new severance plan.

Executives share in a transaction sharing pool that is capped and linked to the transaction value of the Company in the event of a change of control. If executives are successful in increasing the Company's value, the available pool is greater. Conversely, if the transaction value of the Company decreases, the available pool is reduced and executives realize a lower benefit if they are terminated as a result of the change of control.

Q: How was the transaction sharing pool calibrated?

We reviewed the competitive market for change of control severance benefit costs at a group of oilfield services companies with market capitalization in the range of \$800 million to \$10 billion and calibrated the sharing ratio so that the overall pool was competitive to the market.

Q: When are the severance benefits calculated?

Severance amounts for the executive team are calculated and finalized at the time of the change of control. An executive will only receive the change of control severance amount if he experiences a qualifying termination within the protection period of the change of control. Regardless of which executives are terminated, if any, the pool is never re-allocated and all unused funds remain with the Company.

EXECUTIVE COMPENSATION POLICIES

Timing of Long-Term Incentive Awards

Since 2006, the Committee made all LTI program awards for a given year at its meeting held in December of the prior year. During 2012, the Committee re-evaluated this practice, in part due to the disconnect this timing causes in our proxy disclosures. Specifically, under the SEC's rules, the grant date value of equity awards is required to be included in the Summary Compensation Table in the year in which the award is made, and not in the year for which the awards is made. Beginning in 2013, the Committee elected to revise this practice and going forward will make LTI awards effective in January of each year, which corresponds to our Committee's view of the year to which the awards relate.

Policy Regarding Section 162(m) of the Internal Revenue Code

Section 162(m) of the Internal Revenue Code generally limits our ability to take a federal income tax deduction for compensation paid to our CEO and certain other named executive officers in excess of \$1 million, except for qualified performance-based compensation. The stock options and PSUs we grant under the LTI program are generally designed to qualify as performance-based compensation under Section 162(m), so they are not subject to this deduction limitation. We do not believe the PSU award to our CEO that vested during 2012 will qualify for this exclusion, as it was part of his sign-on package with the Company and was granted upon his joining us in April 2010, four months after the beginning of the applicable performance period and outside of the approval period set forth under Section 162(m). While the Committee will seek to utilize deductible forms of compensation to the extent practicable, it believes it is important to preserve flexibility in administering compensation programs. Accordingly, the Company has not adopted a policy that all compensation must qualify as deductible under Section 162(m).

Table of Contents***Stock Ownership Guidelines***

With the creation of the current LTI program, the Company has encouraged stock ownership through equity awards to our executives. We believe it is important that the interests of our executives and directors be aligned with the long-term interests of our stockholders. We have adopted stock ownership guidelines applicable to our executive officers. Under the guidelines, each executive officer is required to own shares of stock equal in value to a designated multiple of his base salary based on the executive's position:

Position	Stock Value as a Multiple of Base Salary
Chief Executive Officer	4x
Chief Financial Officer	3x
Executive Vice Presidents	2x

The required share amount is determined as of the date the officer becomes subject to the guidelines, and is calculated by dividing such officer's applicable base salary multiple by the 365-day average closing price of our common stock as reported on the New York Stock Exchange, and then rounding to the nearest 100 shares. The target ownership level does not change with changes in base salary or common stock price, but will change in the event the officer's position level changes. Our executive officers are required to achieve their required ownership levels within five years from the date they become subject to the guidelines. The Committee will administer the guidelines and will periodically review each participant's compliance (or progress towards compliance) and may impose additional requirements the Committee determines are necessary or appropriate to achieve the purposes of this program. As of the date of this proxy statement, all of our named executive officers had exceeded their required ownership levels, some significantly so. See [Stock Ownership of Management](#) for the number of shares of our common stock beneficially owned by our named executive officers as of the date of this proxy statement.

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COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of our Board has reviewed and discussed the Compensation Discussion and Analysis with management, and based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by the Compensation Committee on April 15, 2013:

Harold J. Bouillion

James M. Funk

Michael M. McShane

W. Matt Ralls

Table of Contents**2012 EXECUTIVE COMPENSATION**

The following table summarizes the compensation of our named executive officers for the three years ended December 31, 2010, 2011 and 2012.

2012 Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Option Awards(2)	Non-Equity Incentive Plan Compensation(3)	All Other Compensation(4)	Total
David D. Dunlap President & Chief Executive Officer	2012	\$925,000	\$388,500	\$487,490	\$487,502	\$3,000,000	\$161,861	\$5,450,353
	2011	858,000	0	900,013	899,999	1,716,000	136,055	4,510,067
	2010	560,548	0	2,358,021	2,358,011	1,121,096	44,714	6,442,390
Robert S. Taylor Executive Vice President, Chief Financial Officer, and Treasurer	2012	\$500,000	\$140,000	\$176,991	\$176,997	\$500,000	\$241,049	\$1,735,037
	2011	416,000	0	273,006	272,997	800,800	218,812	1,981,615
	2010	400,000	0	259,984	650,151	872,453	85,749	2,268,337
Brian K. Moore(5) Senior Executive Vice President	2012	\$490,652	\$143,325	\$2,400,005	\$ 0	\$ 0	\$20,340	\$3,054,322
A. Patrick Bernard Senior Executive Vice President	2012	\$398,600	\$97,657	\$74,739	\$74,735	\$410,600	\$165,115	\$1,221,446
	2011	379,600	0	224,203	224,217	669,045	160,205	1,657,270
	2010	365,000	0	213,517	603,668	742,172	83,456	2,007,813
William B. Masters Executive Vice President and General Counsel	2012	\$425,000	\$96,688	\$98,424	\$98,411	\$306,200	\$94,815	\$1,119,538
	2011	364,000	0	167,223	167,209	559,650	82,317	1,340,399
	2010	350,000	0	159,264	465,804	587,781	37,479	1,600,328

- (1) Amounts reflect the aggregate grant date fair value of the restricted stock awards. Restricted stock awards are valued on the date of grant at the closing sale price per share of our common stock. Please see the Grants of Plan-Based Awards Table for more information regarding the stock awards we granted in 2012.
- (2) The Black-Scholes option model was used to determine the grant date fair value of the options that we granted to the named executive officers during 2012. For a discussion of valuation assumptions, see Note 9 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. See the Grants of Plan-Based Awards Table for more information regarding the option awards we granted in 2012.
- (3) The amounts reflect the annual cash incentive awards received by our named executive officers and the payout of performance share units (PSUs) that vested on the last day of the applicable fiscal year. Please see the Executive Compensation Compensation Discussion and Analysis Long-Term Incentives for more information regarding the PSUs. For 2012, no payout was earned under our annual incentive bonus program, although the Compensation Committee did elect to pay certain bonus amounts based on the Company's performance, which amounts are reflected in the Bonus column. Thus, the amount reported for 2012 represents the PSU payout.

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- (4) For 2012, includes (i) annual contributions to the executive's retirement account under the supplemental executive retirement plan and matching contributions to the Company's 401(k) plan, (ii) life insurance premiums paid by the Company for the benefit of the executives, and (iii) the value of perquisites, consisting of payments made under the Exec-U-Care program during 2012 and the provision of an automobile allowance, including fuel and maintenance costs, to our executives, as set forth below:

Name	Retirement	Life	Exec-U-	Automobile
	Plan Contributions	Insurance Premiums	Care	
Mr. Dunlap	\$ 141,050	\$ 1,680	\$ 1,131	\$ 18,000
Mr. Taylor	\$ 218,160	\$ 1,680	\$ 6,518	\$ 14,691
Mr. Moore	\$ 10,000	\$ 1,540	\$ 0	\$ 8,800
Mr. Bernard	\$ 138,118	\$ 1,680	\$ 5,744	\$ 19,573
Mr. Masters	\$ 71,905	\$ 1,680	\$ 11,065	\$ 10,165

- (5) Mr. Moore became an executive officer upon our acquisition of Complete on February 7, 2012.

The following table presents additional information regarding stock and option awards, as well as non-equity incentive plan awards granted to our named executive officers during the year ended December 31, 2012.

Grants of Plan-Based Awards**During 2012**

Name	Grant Date	No. of Units Granted Under Non-Equity Incentive Plan Awards(2)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Units(3)	All Other Option Awards: Number of Securities Underlying Options(3)	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
			Threshold	Target	Maximum				
David D. Dunlap									
Annual Bonus(1)			\$ 555,000	\$ 1,110,000	\$ 2,220,000				
PSUs	2/10/12	9,750	487,500	975,000	1,950,000				
Restricted Stock	2/10/12					17,063			\$ 487,490
Stock Options	2/10/12						36,960	\$ 28.57	487,502
Robert S. Taylor									
Annual Bonus(1)			200,000	400,000	800,000				
PSUs	2/10/12	3,540	177,000	354,000	708,000				
Restricted Stock	2/10/12					6,195			176,991
Stock Options	2/10/12						13,419	28.57	176,997
Brian K. Moore									
Annual Bonus(1)			204,750	409,500	819,000				
Restricted Stock	12/12/12(4)					116,675			2,400,005
A. Patrick Bernard									
Annual Bonus(1)			139,510	279,020	558,040				
PSUs	2/10/12	1,495	74,750	149,500	299,000				

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Restricted Stock	2/10/12			2,616			74,739
Stock Options	2/10/12				5,666	28.57	74,735
William B. Masters							
Annual Bonus(1)			138,125	276,250			552,500
PSUs	2/10/12	1,968	98,400	196,800			393,600
Restricted Stock	2/10/12					3,445	98,424
Stock Options	2/10/12					7,461	28.57
							98,411

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- (1) The amounts shown reflect possible payments under our annual incentive bonus program for fiscal year 2012, under which the named executive officers were eligible to receive a cash bonus based on a target percentage of base salary upon the Company's achievement of certain pre-established performance measures. The named executive officers did not receive any payout pursuant to this program for 2012. Please see "Executive Compensation" "Compensation Discussion and Analysis" for more information regarding our annual incentive program.
- (2) The amounts shown reflect grants of PSUs under our stock incentive plans. The PSUs have a three-year performance period. The PSUs granted on February 10, 2012 represent an incremental award under our 2012 LTI program as a result of the Compensation Committee's increase in base salaries and LTI percentages following our acquisition of Complete. The original grants under our 2012 LTI program were made in December 2011. The performance period for the PSUs granted on February 10, 2012 is January 1, 2012 through December 31, 2014. Please see "Executive Compensation" "Compensation Discussion and Analysis" for more information regarding the PSUs and the incremental LTI awards made by the Compensation Committee following our acquisition of Complete.
- (3) As discussed above, the stock options and restricted stock grants in February 2012 represent incremental grants under our 2012 LTI program. The stock options and shares of restricted stock were granted under our stock incentive plans, and vest ratably over a three-year period. Please see "Executive Compensation" "Compensation Discussion and Analysis" for more information regarding the incremental LTI awards made by the Compensation Committee following our acquisition of Complete.
- (4) The Compensation Committee approved a special grant of restricted stock to Mr. Moore on December 12, 2012 as a retention award, which became effective upon Mr. Moore's acceptance of his compensation package on December 20, 2012. The shares of restricted stock vest in equal installments on June 15, 2014 and December 12, 2015, provided Mr. Moore remains employed with the Company.

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The following table sets forth the outstanding equity awards held by our named executive officers as of December 31, 2012.

Outstanding Equity Awards at 2012 Year-End

Name	Number of Securities Underlying Unexercised Options (#)	Option Awards			Stock Awards	
		Number of Securities Underlying Unexercised Options (#)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(1)	Market Value of Shares or Units of Stock That Have Not Vested(2)
David D. Dunlap	96,246	48,124(3)	\$ 25.49	04/28/2020	65,931	\$ 1,366,090
	40,141	20,070(5)	\$ 34.60	12/10/2020		
	22,239	44,477(6)	\$ 28.59	12/08/2021		
	12,320	24,640(6)	\$ 28.57	02/10/2022		
Robert S. Taylor	136,200		\$ 10.66	08/10/2014	15,065	\$ 312,147
	60,000		\$ 17.46	06/24/2015		
	24,000		\$ 24.99	02/23/2016		
	14,591		\$ 35.69	12/14/2016		
	15,908		\$ 35.84	12/06/2017		
	41,186		\$ 12.86	12/04/2018		
	27,655		\$ 20.30	12/10/2019		
	27,150	13,575(4)	\$ 21.93	04/01/2020		
	12,164	6,082(5)	\$ 34.60	12/10/2020		
6,746	13,491(6)	\$ 28.59	12/08/2021			
4,473	8,946(6)	\$ 28.57	02/10/2022			
Brian K. Moore	19,918		\$ 20.01	04/20/2016	139,873	\$ 2,898,169
	20,998		\$ 16.56	01/31/2017		
	31,437		\$ 16.29	03/20/2017		
	44,276		\$ 23.29	01/31/2021		
		40,077(7)	\$ 28.09	01/31/2022		
A. Patrick Bernard	50,483		\$ 10.66	08/10/2014	9,901	\$ 205,149
	37,500		\$ 17.46	06/24/2015		
	15,000		\$ 24.99	02/23/2016		
	9,120		\$ 35.69	12/14/2016		
	13,729		\$ 35.84	12/06/2017		
	33,824		\$ 12.86	12/04/2018		
	22,712		\$ 20.30	12/10/2019		
	27,150	13,575(4)	\$ 21.93	04/01/2020		
	9,990	4,994(5)	\$ 34.60	12/10/2020		
	5,540	11,081(6)	\$ 28.59	12/08/2021		
	1,889	3,777(6)	\$ 28.57	02/10/2022		
William B. Masters	8,413		\$ 40.69	02/28/2018	8,879	\$ 183,973
	25,227		\$ 12.86	12/04/2018		
	16,939		\$ 20.30	12/10/2019		
	21,333	10,667(4)	\$ 21.93	04/01/2020		
	7,450	3,725(5)	\$ 34.60	12/10/2020		
	4,132	8,263(6)	\$ 28.59	12/08/2021		
	2,487	4,974(6)	\$ 28.57	02/10/2022		

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(1) The shares of restricted stock held by our named executive officers as of December 31, 2012 vest as follows:

Name	Total Unvested Restricted Stock	Vesting Schedule
Mr. Dunlap	65,931	5,688 shares vesting on 2/10/13 19,615 shares vesting on 4/28/13 18,759 shares vesting on 1/1/14 5,687 shares vesting on 2/10/14 10,494 shares vesting on 1/1/15 5,688 shares vesting on 2/10/15
Mr. Taylor	15,065	2,065 shares vesting on 2/10/13 5,687 shares vesting on 1/1/14 2,065 shares vesting on 2/10/14 3,183 shares vesting on 1/1/15 2,065 shares vesting on 2/10/15
Mr. Moore	139,873	11,599 shares vesting on 1/31/2014 58,338 shares vesting on 6/15/2014 11,599 shares vesting on 1/31/2015 58,337 shares vesting on 12/12/2015
Mr. Bernard	9,901	872 shares vesting on 2/10/13 4,671 shares vesting on 1/1/14 872 shares vesting on 2/10/14 2,614 shares vesting on 1/1/15 872 shares vesting on 2/10/15
Mr. Masters	8,879	1,149 shares vesting on 2/10/13 3,485 shares vesting on 1/1/14 1,148 shares vesting on 2/10/14 1,949 shares vesting on 1/1/15 1,148 shares vesting on 2/10/15

(2) Based on the closing price of our common stock on December 31, 2012 of \$20.72, as reported on the NYSE.

(3) The unvested options will vest on April 28, 2013.

(4) The unvested options will vest on April 1, 2013.

(5) The unvested options will vest on December 31, 2013.

(6) The unvested options will vest in equal increments on December 31, 2013 and 2014.

(7) The unvested options will vest in three equal increments on January 31, 2013, 2014 and 2015.

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The following table sets forth certain information regarding the exercise of stock options and the vesting of restricted stock during 2012 for each of the named executive officers.

Option Exercises and Stock Vested in 2012

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise(1)	Number of Shares Acquired on Vesting	Value Realized on Vesting(2)
David D. Dunlap	0	\$ 0	46,641	\$ 1,128,229
Robert S. Taylor	0	\$ 0	22,883	\$ 569,217
Brian K. Moore(3)	310,777	\$ 6,579,919	11,600	\$ 233,276
A. Patrick Bernard	0	\$ 0	18,792	\$ 467,446
William B. Masters	0	\$ 0	14,016	\$ 348,643

(1) The amount realized on exercise is based on the difference between the closing sale price on the applicable date of exercise and the exercise price of each option exercised.

(2) The amount realized is based on the closing sale price on the applicable date of vesting of the restricted stock award, or, if there were no reported sales on such date, on the last preceding date on which any reported sale occurred.

(3) This table does not reflect stock options or restricted stock awards granted by Complete that were exercised or vested, respectively, prior to or on February 7, 2012, the date of our acquisition of Complete.

Retirement Benefit Programs*Supplemental Executive Retirement Plan*

In December 2008, the Compensation Committee adopted the Supplemental Executive Retirement Plan (the "SERP"), which provides retirement benefits to the Company's executive officers and certain other designated key employees. The SERP is an unfunded, non-qualified defined contribution retirement plan, and all contributions under the SERP will be in the form of credits to a notional account maintained for each participant. Under the SERP, the Company will generally make annual contributions ranging from 2.5% to 25% of salary and annual cash bonus to a retirement account based on the participant's age and years of service. Current executives who had combined age and years of service of at least 55 as of December 31, 2008, receive higher annual contributions under the SERP, ranging from 10% to 35% of base salary and annual cash bonus. The highest annual contribution made during 2012 was 35%. The 2012 annual contributions are reflected in the "Non-Qualified Deferred Compensation for Fiscal Year 2012" table below. The Compensation Committee, in its sole discretion and if it deems appropriate for any reason, may also make discretionary contributions to a participant's retirement account. See "Executive Compensation" Compensation Discussion and Analysis for more information.

A participant will vest in his SERP retirement account upon the earliest to occur of: (i) attaining six years of service (including service prior to the adoption of the SERP), upon which amounts in the SERP account will vest in 20% annual increments provided the participant remains employed; (ii) attaining age 65; (iii) a change of control; (iv) becoming disabled; or (v) termination of the participant's employment without cause by the Company. Participants may also forfeit the vested amounts in their retirement accounts if they are terminated for cause or, if within 36 months of a termination without cause, engage in any activity in competition with any activity of the Company or inimical, contrary or harmful to the interests of the Company. Following the end of each plan year, retirement accounts will be adjusted to reflect earnings on the average daily balance of the accounts during the year. The accounts will be adjusted to

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reflect earnings at a rate of interest that will be determined annually and will be equal to the Company's after-tax long-term borrowing rate. Upon a separation from service, participants will be paid the vested amount of their SERP retirement accounts in a lump sum or installments, as elected by the participant, commencing on the first business day of the seventh month following separation from service.

Nonqualified Deferred Compensation Plan

The Nonqualified Deferred Compensation Plan (the "NQDC Plan") provides an income deferral opportunity for executive officers and certain senior managers of the Company who qualify for participation. The plan is administered by the NQDC Administrative Committee, which is comprised of senior managers in the Company appointed under the direction of the Compensation Committee. Eligible participants are recommended by senior managers in the Company and approved by the NQDC Administrative Committee. Participants in the plan may make an advance election each year to defer up to a maximum of 75% of base salary, 100% of their annual bonus and 50% of the payout value of any performance share units (i.e., the cash portion of such awards). Participants are immediately 100% vested in their benefits under the plan, and earn a return on their deferred compensation that is based on hypothetical investments in certain specified mutual funds from which the participants may select. The plan is unfunded, but the Company may make contributions to a rabbi trust, in which funds are set aside to pay benefits and invested in a manner designed to provide returns that are similar to those produced by the participants' hypothetical investments. The amounts set aside in the rabbi trust are subject to the claims of the Company's creditors. The plan provides that benefits are paid out in either a lump-sum payment or in equal annual payments over a 2 to 15 year period, as elected by the participant. In addition, regardless of a participant's election as to payment, a lump-sum payment of benefits will be made following a participant's termination of employment (unless the participant is at least age 55 with at least five years of service at termination, in which case the participant's payments shall commence but installment elections will be honored) or following a participant's death or disability. Although the plan provides that upon approval by the Board, the Company may provide a match of up to 100% of the deferrals, the Company has not elected to provide a match.

Non-Qualified Deferred Compensation for 2012

Name	Executive	Registrant	Aggregate	Aggregate	Aggregate
	Contributions in		Earnings in	Withdrawals/	Balance at
	Last FY(1)	Contributions in Last FY(2)	Last FY	Distributions	12/31/12
David D. Dunlap					
NQDC Plan			\$24,433(3)		\$196,117(5)
SERP		\$132,050	\$5,769(4)		\$266,055(6)
Robert S. Taylor					
NQDC Plan			28,460(3)	\$ (871,408)	\$251,346(5)
SERP		\$208,160	\$26,062(4)		\$813,458(6)
Brian K. Moore					
NQDC Plan	n/a	n/a	n/a	n/a	n/a
SERP	n/a	n/a	n/a		