

NABORS INDUSTRIES LTD

Form DEF 14A

April 29, 2011

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Nabors Industries Ltd.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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

Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

---

**Table of Contents**

**Crown House  
4 Par-la-Ville Road  
Second Floor  
Hamilton, HM 08 Bermuda**

Notice of 2011 Annual General Meeting of Shareholders  
Tuesday, June 7, 2011, 11:00 a.m. CDT  
Hilton Houston North  
12400 Greenspoint Drive  
Houston, Texas

April 29, 2011

Fellow shareholder:

We cordially invite you to attend Nabors Industries Ltd.'s 2011 annual general meeting of shareholders to:

1. Elect two directors, each for a three-year term;
2. Approve and appoint PricewaterhouseCoopers LLP as our independent auditor for the year ending December 31, 2011 and authorize the Audit Committee of the Board of Directors to set the auditor's remuneration;
3. Hold a nonbinding advisory vote regarding the compensation paid by the Company to its named executive officers, commonly referred to as a "Say-on-Pay" proposal;
4. Hold a nonbinding advisory vote to establish the frequency of submission to shareholders of future "Say-on-Pay" proposals;
5. Consider two shareholder proposals, if properly presented by the shareholder proponents; and
6. Transact such other business as may properly come before the meeting.

Further information regarding the meeting and the above proposals is set forth in the accompanying proxy statement. You are entitled to vote at the meeting if you were a shareholder at the close of business on April 8, 2011. Even if you plan to attend the meeting, please submit a proxy as soon as possible to ensure that your shares are voted at the meeting in accordance with your instructions.

The Company's financial statements will also be presented at the meeting. We hope you will read the proxy statement and submit your proxy. On behalf of the Board of Directors and the management of Nabors, I extend our appreciation for your continued support.

Sincerely yours,

Eugene M. Isenberg  
*Chairman of the Board & Chief Executive Officer*

**YOUR VOTE IS IMPORTANT**

**You may designate proxies to vote your shares by telephone, internet or mailing the enclosed proxy card. Your internet or telephone designation authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card. Please review the instructions in the proxy statement and on your proxy card regarding each of these options.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR  
THE ANNUAL GENERAL MEETING TO BE HELD ON JUNE 7, 2011:**

**Our Proxy Statement and our 2010 Annual Report are available at [www.edocumentview.com/NBR](http://www.edocumentview.com/NBR).**

---

**TABLE OF CONTENTS**

2011 ANNUAL GENERAL MEETING OF SHAREHOLDERS

ITEM 1 ELECTION OF DIRECTORS

OTHER EXECUTIVE OFFICERS

CORPORATE GOVERNANCE

NONEMPLOYEE DIRECTOR COMPENSATION

BENEFICIAL OWNERSHIP OF COMPANY COMMON STOCK

REPORT OF THE AUDIT COMMITTEE

COMPENSATION COMMITTEE REPORT

COMPENSATION DISCUSSION AND ANALYSIS

2010 SUMMARY COMPENSATION TABLE

2010 GRANTS OF PLAN-BASED AWARDS

OUTSTANDING EQUITY AWARDS AT 2010 FISCAL YEAR END

OPTION EXERCISES AND STOCK VESTED IN 2010

2010 NONQUALIFIED DEFERRED COMPENSATION

CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

ITEM 2 APPROVAL AND APPOINTMENT OF INDEPENDENT AUDITOR AND

AUTHORIZATION OF THE AUDIT COMMITTEE TO SET THE AUDITOR'S REMUNERATION

ITEM 3 ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

ITEM 4 ADVISORY VOTE ON THE FREQUENCY OF SHAREHOLDER SAY-ON-PAY VOTES

ITEM 5 SHAREHOLDER PROPOSAL REGARDING THE VOTE STANDARD FOR DIRECTOR

ELECTIONS

BOARD'S STATEMENT AGAINST SHAREHOLDER PROPOSAL IN ITEM 5

ITEM 6 SHAREHOLDER PROPOSAL TO REQUIRE ALL DIRECTORS TO STAND FOR

ELECTION ANNUALLY

BOARD'S STATEMENT AGAINST SHAREHOLDER PROPOSAL IN ITEM 6

CODE OF ETHICS

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

SHAREHOLDER MATTERS

SHAREHOLDER PROPOSALS

OTHER MATTERS

---

**Table of Contents**

**NABORS INDUSTRIES LTD.  
Crown House  
4 Par-la-Ville Road  
Second Floor  
Hamilton, HM 08 Bermuda**

**Proxy Statement**

**2011 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**JUNE 7, 2011**

We are sending you this proxy statement in connection with the solicitation of proxies by the Board of Directors of Nabors Industries Ltd. for the 2011 annual general meeting of shareholders (the meeting). We are mailing this proxy statement and the accompanying form of proxy to shareholders on or about April 29, 2011. In this proxy statement, Nabors, the Company, we, us and our refer to Nabors Industries Ltd. Where the context requires, these references include our subsidiaries and predecessors.

***Annual General Meeting Information***

**Date and location of the annual general meeting.** We will hold the meeting at the Hilton Houston North, 12400 Greenspoint Drive, Houston, Texas at 11:00 a.m. Central Daylight Time on Tuesday, June 7, 2011, unless adjourned or postponed. Directions to the meeting can be found under the Investor Relations tab of our website at [www.nabors.com](http://www.nabors.com) or by calling our Investor Relations department at 281-775-8063.

**Admission to the annual general meeting.** Only record or beneficial owners of Nabors common shares may attend the meeting in person. If you are a shareholder of record, you may be asked to present proof of identification, such as a driver's license. Beneficial owners must also present evidence of share ownership, such as a recent brokerage account or bank statement. All attendees must comply with our standing rules, copies of which are available on our website and will be distributed upon entrance to the meeting.

***Voting Information***

**Record date and quorum.** The record date for the meeting is April 8, 2011. You may vote all common shares of Nabors that you owned as of the close of business on that date. Each common share entitles you to one vote on each matter voted on at the meeting. On the record date, 316,492,818 Nabors common shares were outstanding. A majority of the shares outstanding on the record date represented, in person or by proxy, will constitute a quorum to transact business at the meeting. Abstentions and withheld votes will be counted for purposes of establishing a quorum.

**Submitting voting instructions for shares held in your name.** You may direct your vote at the meeting by telephone or internet, or by completing, signing and returning the enclosed proxy card. A properly submitted proxy will be voted in accordance with your instructions, unless you subsequently revoke your instructions. If you submit a signed proxy without indicating your vote, the person voting the proxy will vote your shares according to the Board's

recommendation unless they lack the discretionary authority to do so as discussed below.

**Submitting voting instructions for shares held in street name.** If you hold your shares through a broker, follow the instructions you receive from your broker. If you want to vote in person, you must obtain a legal proxy from your broker and bring it to the meeting. If you do not submit voting instructions to your broker, your broker

---



## **Table of Contents**

may still be permitted to vote your shares. New York Stock Exchange ( NYSE ) member brokers may vote your shares under the following circumstances:

*Discretionary items.* The approval and appointment of Nabors independent auditor is a discretionary item. NYSE member brokers that do not receive instructions from beneficial owners may vote on this proposal in their discretion.

*Nondiscretionary items.* The election of directors, Say-on-Pay vote, vote on the frequency of future Say-on-Pay votes and consideration of shareholder proposals are nondiscretionary items. Absent specific voting instructions from the beneficial owners, NYSE member brokers may not vote on these proposals.

If you do not submit voting instructions and your broker does not have discretion to vote your shares on a matter, your shares will not be voted on that matter at the meeting ( broker nonvotes ). Accordingly, broker nonvotes will not be counted in determining the outcome of the vote on any nondiscretionary matter at the meeting. Broker nonvote shares will, however, be counted for purposes of establishing a quorum.

**Revoking your proxy.** You may revoke your proxy at any time before it is actually voted by (1) delivering a written revocation notice prior to the meeting to the Corporate Secretary in person or by courier at the address on the cover page of this proxy statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda; (2) submitting a later-dated proxy that we receive no later than the conclusion of voting at the meeting; or (3) actually voting in person at the meeting. Please note that merely attending the meeting will not, by itself, constitute a revocation of a proxy.

**Votes required to elect directors and to adopt other proposals.** Directors will be elected (Item 1) by a *plurality* of the votes cast. Each of the other matters to be considered at the meeting requires the affirmative vote of the holders of a *majority* of shares present in person or represented by proxy and entitled to vote thereon. The Say-on-Pay vote (Item 3) and the vote on the frequency of future Say-on-Pay votes (Item 4) are nonbinding, but the Board will consider the results of the votes in making future decisions.

**Withholding your vote or voting to abstain .** You may withhold your vote for any nominee for election for director. Withheld votes will be excluded from the vote and will have no effect on the outcome. On the other proposals, you may vote to abstain . If you vote to abstain , your shares will be counted as present at the meeting for purposes of that proposal, and your vote will have the effect of a vote *against* the proposal.

## **ITEM 1** **ELECTION OF DIRECTORS**

Our Board of Directors currently has eight members and is divided into three classes. The members of each class are elected to serve a three-year term, with the term of office for each class ending in consecutive years. Anthony G. Petrello and Myron M. Sheinfeld are the current Class II directors who have been nominated by the Board, upon the recommendation of the Governance and Nominating Committee, for re-election to the Board to serve until the 2014 annual general meeting or until their successors are duly elected and qualified. Each of the nominees has agreed to serve as a director if elected. We do not anticipate that the nominees will be unable or unwilling to stand for election, but if that happens, your proxy will be voted for another person nominated by the Board. Martin J. Whitman is also a Class II director, but recently advised the Board that he plans to retire upon expiration of his term at the meeting rather than stand for re-election. Mr. Whitman also serves as Lead Director of the Board. The Board has decided to reduce the size of the full Board to seven upon Mr. Whitman s retirement and to appoint John Yearwood as Lead Director. Mr. Yearwood will also succeed Mr. Whitman on each of the Audit, Compensation and Executive Committees.

In identifying and recommending nominees for director, the Governance and Nominating Committee places primary emphasis on the following criteria:

Reputation, integrity and (for nonmanagement directors) independence;

Judgment, age and diversity of viewpoints, backgrounds and experiences;

Business or other relevant experience;

**Table of Contents**

The extent to which the interplay of the nominee's expertise, skills, knowledge and experience with that of the other members of the Board of Directors will result in an effective board that is responsive to the needs of the Company; and

For current directors, the director's history of attendance at Board and committee meetings, the director's preparation for and participation in and contributions to the effectiveness of those meetings.

These criteria include those set forth in our Board Guidelines on Significant Corporate Governance Issues ( Governance Guidelines ), which are available on our website at *www.nabors.com* and to any shareholder who requests them in writing. Requests should be addressed to the Corporate Secretary and delivered in person or by courier to the address on the cover page of this proxy statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda.

The Governance and Nominating Committee does not set specific, minimum qualifications that nominees must meet in order for the committee to recommend them to the Board of Directors, but rather believes that each nominee should be evaluated on his or her individual merits, taking into account the needs of the Company and the composition of the Board. Members of the Committee discuss and evaluate possible candidates in detail and suggest individuals to explore in more depth. The Committee has discretion to engage outside consultants to help it identify candidates. During the past year, the Committee recommended that the Board add Mr. Yearwood as a director. Mr. Isenberg had become acquainted with Mr. Yearwood's expertise and acumen during Mr. Yearwood's tenure at Schlumberger Limited and Smith International, Inc., as well as his service as a director of one of our joint-venture subsidiaries. Mr. Isenberg suggested Mr. Yearwood's name to the Committee. After a review of Mr. Yearwood's qualifications and a series of interviews, the Committee recommended, and the Board approved, his appointment as a Class III Director. When Mr. Whitman recently announced his retirement, Mr. Payne proposed, the Committee recommended and the Board approved Mr. Yearwood's appointment as Lead Director.

In the business descriptions that follow, except as noted, the companies for which directors have worked are not a parent, subsidiary or otherwise affiliated with the Company.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF MESSRS. PETRELLO AND SHEINFELD AS CLASS II DIRECTORS FOR A TERM ENDING AT THE 2014 ANNUAL GENERAL MEETING.**

**CLASS II**

**Nominees for election for three-year term ending in 2014**

| Name                | Age | Position with Nabors, Business Experience and Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Anthony G. Petrello | 56  | <p>Director, President and Chief Operating Officer of Nabors and its subsidiary, Nabors Industries, Inc., since 1991; Deputy Chairman of Nabors since 2003.</p> <p>From 1979 to 1991, Mr. Petrello was with the law firm Baker &amp; McKenzie, where his practice focused on international arbitration, taxation and general corporate law. He served as Managing Partner of the firm's New York office from 1986 until his resignation in 1991. Mr. Petrello holds a J.D. degree from Harvard Law School and B.S. and M.S. degrees in Mathematics from Yale University. Mr. Petrello also serves as a director of Stewart &amp; Stevenson LLC</p> |

and of Hilcorp Energy Company.

In addition to his operating functions, Mr. Petrello provides strategic planning initiative and direction enabling the Company to adapt and prosper in our rapidly changing competitive environment.

Myron M. Sheinfeld

81

Director since 1988. Counsel with the law firm of King & Spalding LLP since 2007.

From 2001 until 2007, Mr. Sheinfeld was Senior Counsel to the law firm Akin, Gump, Strauss, Hauer & Feld, L.L.P. From 1970 until 2001 he held various positions in the law firm Sheinfeld, Maley & Kay P.C., where he earned a reputation as one of the country's preeminent bankruptcy practitioners and

**Table of Contents**

| Name                     | Age | Position with Nabors, Business Experience and Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Retiring Director</b> |     | <p data-bbox="571 327 1501 674">scholars. Mr. Sheinfeld was an adjunct professor of bankruptcy and reorganization law at the University of Texas School of Law from 1975 to 1991 and is a contributing author to numerous legal and business publications, and a contributor, member of the Board of Editors, co-editor and co-author of Collier on Bankruptcy, and a co-author of Collier on Bankruptcy Tax. He is former President, a current Director and a member of The Tri Cities Chapter of the National Association of Corporate Directors. He is a member of the National Bankruptcy Conference, former Chair of the ABA Standing Committee on Specialization and former Chair of the Texas Board of Legal Specialization.</p> <p data-bbox="571 711 1501 953">Mr. Sheinfeld brings decades of experience dealing with complex capital and debt structures, forensic accounting issues and risk management concerns to our Board. His extensive experience with the financial concerns of businesses in our industry provides valuable perspective to the Board and the Audit Committee as the Company has faced challenges presented by its growth, legislative and regulatory changes, an evolving governance climate and sometimes volatile market conditions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Martin J. Whitman        | 86  | <p data-bbox="571 1026 1477 1163">Director since 1991; Lead Director since 2003. Founder and Chairman of Third Avenue Management; Co-Portfolio Manager of Third Avenue Value Fund. Mr. Whitman has notified the Company of his intention to retire upon the expiration of his term at the meeting.</p> <p data-bbox="571 1201 1501 1793">Mr. Whitman was Chief Executive Officer until 2002 and a Director of Danielson Holding Corporation (a holding company for conversion of waste to energy and insurance businesses) until 2004 (Chairman of the Board until 1999); Chief Executive Officer of Third Avenue Trust from 1990 to 2003; Co-Chief Investment Officer of Third Avenue Management LLC and its predecessor (the adviser to Third Avenue Trust) from 2003 to 2009 and Chief Investment Officer of Third Avenue Management LLC and its predecessor from 1991 to 2003; Director of Tejon Ranch Co. (an agricultural and land management company) from 1997 to 2001; and Director of Stewart Information Services Corp. (a title insurance and real estate company) from 2000 until 2001. Mr. Whitman was an Adjunct Lecturer, Adjunct Professor and Distinguished Fellow in Finance, Yale University School of Management from 1972 to 1984 and 1992 to 2008 and is currently an Adjunct Professor in Finance at Syracuse University and the Columbia University Graduate School of Business. Mr. Whitman is co-author of The Aggressive Conservative Investor and of Distress Investing: Principles and Technique; and author of Value Investing: A Balanced Approach.</p> <p data-bbox="571 1831 1489 1932">Mr. Whitman has brought a wealth of experience in capital and investment management to the Board. His financial expertise and experience in the areas of risk management and strategic planning have provided the basis for the</p> |

extraordinary leadership and critical independent oversight Mr. Whitman has brought to the role of Lead Director.

**CLASS III**

**Directors Continuing in Office Terms Expiring 2012**

| <b>Name</b>        | <b>Age</b> | <b>Position with Nabors, Business Experience and Qualifications</b>                                                                                                                                                                                                                 |
|--------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eugene M. Isenberg | 81         | Chairman of the Board and Chief Executive Officer of Nabors and its subsidiary, Nabors Industries, Inc., since 1987.<br><br>Mr. Isenberg served as a Director of Danielson Holding Corporation (a holding company for conversion of waste to energy and insurance businesses) until |

**Table of Contents**

| Name               | Age | Position with Nabors, Business Experience and Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    |     | <p>2004. He served as a Governor of the National Association of Securities Dealers (NASD) from 1998 to 2006 and the American Stock Exchange (AMEX) until 2005. He has served as a member of the National Petroleum Council since 2000. From 1969 to 1982, Mr. Isenberg was Chairman of the Board and principal shareholder of Genimar, Inc. (a steel trading and building products manufacturing company), which was sold in 1982. From 1955 to 1968, Mr. Isenberg was employed in various management capacities with Exxon Corporation. Mr. Isenberg also serves as President of the University of Massachusetts Amherst Foundation.</p> <p>Mr. Isenberg's decades of executive experience in the energy and manufacturing industries, and particularly his knowledge of the capital markets, has enabled him to guide the Company through the challenging economic and industry conditions of the past few years. Mr. Isenberg's strategic combination of debt and equity financing has enabled the Company to execute well-timed acquisitions, technological development and organic growth to become the industry leader that it is today.</p> |
| William T. Comfort | 73  | <p>Director since 2008. Mr. Comfort has been Chairman of Citigroup Venture Capital since 1979. Mr. Comfort is also Managing Partner &amp; Chairman of the Investment Committee of Court Square Capital Partners, Chairman of Oracle Financial Services Software (OFSS-India) and a Director of Deutsche Annington (DAIG-Germany). He also serves on the boards of The John A. Hartford Foundation and NYU Law School Foundation.</p> <p>Mr. Comfort's decades of financial experience and successful capital management provide the basis for strong guidance and oversight of the Company's approaches to financial analysis, risk management, strategic planning and all areas of operations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| John Yearwood      | 51  | <p>Director since 2010. Mr. Yearwood currently serves on the Board of Directors of NFR Energy LLC (a joint-venture subsidiary of the Company), Sheridan Production Partners and Barra Energia. Until August 2010, he served as the Chief Executive Officer, President and Chief Operating Officer of Smith International, Inc. He was first elected to Smith's Board of Directors in 2006 and remained on the board until he successfully negotiated and completed the sale of Smith to Schlumberger Limited in August 2010. Before joining Smith, Mr. Yearwood spent 27 years with Schlumberger in numerous operations management and staff positions throughout Latin America, Europe, North Africa and North America, including as President and in financial director positions. Mr. Yearwood received a Bachelor of Science Honors Degree in Geology and the Environment from Oxford Brookes University in England.</p> <p>Mr. Yearwood brings extraordinary executive management experience in the oilfield services industry to the Board. His extensive knowledge of the</p>                                                               |

industry, combined with his keen insight into strategic development initiatives, operations and our competitive environment, were the primary factors considered by the Board in appointing him to the Board and as Mr. Whitman's successor as Lead Director.

**CLASS I**

**Directors Continuing in Office Terms Expiring 2013**

| <b>Name</b>      | <b>Age</b> | <b>Position with Nabors, Business Experience and Qualifications</b>                                                                                                                       |
|------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| John V. Lombardi | 68         | Director since 2009. President and Professor of History of Louisiana State University System since 2007.<br><br>Dr. Lombardi was Chancellor and Professor of History of the University of |

---



**Table of Contents**

| Name           | Age | Position with Nabors, Business Experience and Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |     | <p>Massachusetts Amherst from 2002 until 2007. Prior to that, he served in various capacities, including President, Director of The Center for Measuring University Performance, and Professor of History, at the University of Florida from 1990 to 2002; as Provost, Vice President for Academic Affairs, and Professor of History at The Johns Hopkins University from 1987 to 1990; and in various capacities, including Dean of the College of Arts and Sciences, Dean of International Programs, Director of the Latin American Studies Program, and Professor of History, at Indiana University from 1967 to 1987, where in addition he taught a course on international business. Dr. Lombardi serves on the Advisory Board of the Jay I. Kislak Foundation, Inc. He previously served on the Board of Directors of the Economic Development Council of Western Massachusetts, where he also served on the Executive Committee, and on the Executive Strategic Council of IMS Global Learning Consortium. Dr. Lombardi has authored or co-authored numerous books and articles on a wide variety of topics, including measuring university performance, Latin American history and international business.</p> <p>Dr. Lombardi's experience in the functional role of chief executive officer and other leadership positions in four of the most prominent public institutions in the United States over a period of four decades, combined with his Latin American expertise, uniquely qualify him for service on the Board. Dr. Lombardi's financial expertise in such diverse areas as budgeting, forecasting, risk management and executive compensation provide valuable insight both to the Board and to the Audit and Compensation Committees, on which he serves.</p> |
| James L. Payne | 74  | <p>Director since 1999. Chairman and Chief Executive Officer of Shona Energy Company, Inc. since 2005.</p> <p>Mr. Payne was Chairman, Chief Executive Officer and President of Nuevo Energy Company (a company engaged in the acquisition, production and exploration of oil and natural gas properties) from 2001 until 2004 when the company merged with Plains Exploration and Production Company. He retired as Vice Chairman of Devon Corp. (a leading independent natural gas and oil exploration and production company) in 2001. Prior to the merger between Devon Corp. and Santa Fe Snyder Company (an independent natural gas and oil exploration and production company) in 2000, he had served as Chairman and Chief Executive Officer of Santa Fe Snyder Company. He was Chairman and Chief Executive Officer of Santa Fe Energy Company from 1990 to 1999 when it merged with Snyder Oil Company. Mr. Payne also serves as a Director of Global Industries, Ltd., although he has elected not to stand for re-election at its 2011 annual meeting of shareholders. He was a Director of Pool Energy Services Co. from 1993 until its acquisition by Nabors in 1999, of BJ Services Company from 1999 until its merger with Baker Hughes Incorporated in 2010, and of Baker Hughes from 2010 until his retirement in 2011. Mr. Payne is a graduate of the Colorado School of Mines,</p>                                                                                                                                                                                                                                                                                                                                                                                 |

where he was named a Distinguished Achievement Medalist in 1993. He holds an MBA degree from Golden Gate University and has completed the Stanford Executive Program.

Mr. Payne's decades of experience in the oil and gas industry, particularly in executive management and director roles, provide valuable insight in areas such as corporate governance, executive and director compensation, risk oversight and safety initiatives. His industry knowledge and relationships, as well as his operational and financial acumen, derived from his experiences with both startup and well established companies, provide valuable resources to the Board.

**Table of Contents****OTHER EXECUTIVE OFFICERS**

| <b>Name</b>     | <b>Age</b> | <b>Position with Nabors, Business Experience and Qualifications</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R. Clark Wood   | 38         | Principal Accounting Officer and Principal Financial Officer of Nabors Industries Ltd. since March 2009; Controller of Nabors Corporate Services, Inc. (a subsidiary of the Company) since 2007; Assistant Controller of Nabors Corporate Services, Inc. from 2003 through 2007. Prior to joining Nabors, Mr. Wood worked for seven years at Arthur Andersen LLP and KPMG LLP and rose to the rank of Senior Audit Manager. Mr. Wood obtained a Masters in Professional Accounting from the University of Texas at Austin.          |
| Mark D. Andrews | 38         | Corporate Secretary of Nabors since 2007. Prior to joining Nabors, Mr. Andrews served in various treasury and financial management positions with General Electric Company beginning in 2000. Mr. Andrews was employed by PricewaterhouseCoopers LLP from 1996 to 2000 in a number of capacities, including Tax Manager, within the firm's Mining and Resource Practice. Mr. Andrews holds a Bachelor of Business Administration degree from Wilfrid Laurier University and is also a Chartered Accountant and a CFA charterholder. |

**CORPORATE GOVERNANCE**

The Board of Directors met four times during 2010. The Board has six committees: Audit, Compensation, Governance and Nominating, Risk Oversight, Technical and Safety, and Executive. Appointments to and chairmanships of the committees are recommended by the Governance and Nominating Committee and approved by the Board. All committees report their activities to the Board. Each of our incumbent directors other than Dr. Lombardi attended over 75% of the aggregate meetings of the Board and committees on which he served during 2010. Although Dr. Lombardi missed only the April 2010 meetings, a reduced number of committee meetings held in February 2010 resulted in his having only 73% aggregate attendance for the full year. The charters of the Audit Committee, Compensation Committee, Governance and Nominating Committee, and Risk Oversight Committee are available on our website at [www.nabors.com](http://www.nabors.com). Copies of the respective charters are available in print without charge to any shareholder who requests a copy; please direct any requests to the Corporate Secretary and deliver them in person or by courier to the address on the cover page of this proxy statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda.

| <b>Committee</b> | <b>Current Members</b>                                                 | <b>Primary Responsibilities</b>                                                                                                                                                                                                            | <b>No. of Meetings</b> |
|------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Audit            | Myron M. Sheinfeld<br>(Chair)<br>John V. Lombardi<br>Martin J. Whitman | Oversees the integrity of our consolidated financial statements, system of internal controls, financial risk management, and compliance with legal and regulatory requirements.<br>Selects, determines the compensation of, evaluates and, | 4 <sup>(2)</sup>       |

when appropriate, replaces the independent auditor, and preapproves audit and permitted nonaudit services.

Determines the qualifications and independence of our independent auditor and evaluates the performance of our internal auditors and independent auditor.

**Table of Contents**

| <b>Committee</b>                         | <b>Current Members</b>                                                                                                          | <b>Primary Responsibilities</b>                                                                                                                                                                                                                                                                                                                                               | <b>No. of Meetings</b> |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Compensation                             | John V. Lombardi<br>(Chair)<br>William T. Comfort<br>James L. Payne<br>Martin J. Whitman                                        | <p>After review, recommends to the Board the acceptance and inclusion of the annual audited consolidated financial statements in our annual report on Form 10-K.</p> <p>Reviews and approves the compensation of our executive officers and other senior leaders.</p> <p>Oversees the administration of our equity-based compensation plans.</p>                              | 4                      |
| Executive                                | Eugene M. Isenberg<br>(Chair)<br>Anthony G. Petrello<br>Martin J. Whitman                                                       | As necessary between meetings of the Board, exercises all power and authority of the Board in overseeing the management of the business and affairs of the Company.                                                                                                                                                                                                           | 0 <sup>(3)</sup>       |
| Governance and Nominating <sup>(1)</sup> | James L. Payne<br>(Chair)<br>Myron M. Sheinfeld<br>John Yearwood                                                                | <p>Identifies and recommends candidates for election to the Board.</p> <p>Establishes procedures for the committee's oversight of the evaluation of the Board.</p> <p>Recommends director compensation.</p> <p>Reviews annually our corporate governance policies.</p> <p>Reviews and approves any related-party transactions involving directors and executive officers.</p> | 4                      |
| Risk Oversight <sup>(1)(4)</sup>         | John Yearwood<br>(Chair)<br>William T. Comfort<br>John V. Lombardi<br>James L. Payne<br>Myron M. Sheinfeld<br>Martin J. Whitman | <p>Monitors management's identification and evaluation of major strategic, operational, regulatory, information and external risks inherent in the Company's business.</p> <p>Reviews the integrity of the Company's systems of operational controls regarding legal and regulatory</p>                                                                                       | 3                      |

compliance.

Reviews the Company's processes for managing and mitigating operational risk.

Monitors the Company's compliance with health, safety and environmental standards.

Reviews the Company's safety performance.

Reviews the Company's strategic technology position.

Technical and Safety<sup>(1)</sup>

William T. Comfort  
(Chair)  
Anthony G. Petrello  
John Yearwood

3

**Table of Contents**

- (1) Mr. Yearwood joined each of the Governance and Nominating, Risk Oversight and Technical and Safety Committees upon his appointment to the Board in October 2010.
- (2) In addition to its formal meetings, the Audit Committee conducted telephonic information sessions in connection with the Company's quarterly earnings releases and other matters.
- (3) The Executive Committee did not meet during 2010, but took action on one occasion by written consent.
- (4) The Risk Oversight Committee was established in February 2010.

Mr. Whitman has served as our Lead Director since 2003. Effective upon his retirement at the annual general meeting, the Board has appointed Mr. Yearwood to serve in that role. The Lead Director's primary responsibility is to preside over executive sessions of the nonemployee directors and to call meetings of the nonemployee directors as desirable. He also:

chairs certain portions of Board meetings,

serves as liaison between the Chairman of the Board and the nonemployee directors,

develops and approves, together with the Chairman, the agenda for Board meetings, and

performs other duties delegated by the Board from time to time.

The Board believes that combining the offices of Chairman of the Board and Chief Executive Officer, coupled with an experienced, independent Lead Director, creates the most effective leadership structure for the Company at this time. Mr. Isenberg brought the Company out of bankruptcy in 1987, and his employment agreement stipulates that he hold the offices of Chairman of the Board and Chief Executive Officer. He has held these positions for the past 24 years, during which time the Company has delivered strong shareholder value by regularly outperforming the S&P 500. In light of the current global economic turmoil and challenges facing our industry, the Board believes that Mr. Isenberg's decades of executive experience, specifically in the energy and manufacturing industries, make him the appropriate leader for both management and the Board and has not requested that he agree to amend his employment agreement. The Company's corporate governance structure, including the composition of the Board, its committees, and the presence of a strong Lead Director, provides effective independent oversight of management and of the Board itself. The Board believes that the extensive management experience of the directors appointed to serve in this role qualifies them to provide that oversight and that an independent Chairman is not necessary.

***Director Independence***

The Governance and Nominating Committee conducts a review at least annually of the independence of the members of the Board and its committees and reports its findings to the full Board. Six of our eight directors are nonemployee directors (all except Messrs. Isenberg and Petrello). As permitted by the rules of the NYSE, the Board has adopted categorical standards to assist it in making determinations of director independence. These standards incorporate and are consistent with the definition of "independent" contained in the NYSE listing rules. Those standards are set forth in our Governance Guidelines available on our website at [www.nabors.com](http://www.nabors.com).

The Board has affirmatively determined that each of our nonemployee directors meets these standards and is independent. Other than the transactions, relationships and arrangements described in the section entitled "Certain Relationships and Related-Party Transactions", there were no other transactions, relationships, or arrangements

considered by the Board in determining that a director was independent.

The Board has determined that Messrs. Whitman and Yearwood qualify as audit committee financial experts as defined under the current rules of the Securities and Exchange Commission ( SEC ). The Board has appointed Mr. Yearwood to succeed Mr. Whitman on the Audit Committee upon his retirement from the Board effective at the meeting. In addition, several of our directors hold a Certificate of Director Education from the National Association of Corporate Directors.



## **Table of Contents**

### ***Nominations for Directors***

The Governance and Nominating Committee recommends director candidates to the full Board after receiving input from all directors. The Governance and Nominating Committee will consider director candidates recommended by shareholders. The Governance and Nominating Committee considers the entirety of each candidate's credentials and does not have specific, minimum qualifications or requirements that nominees must meet. The Committee is guided by the following basic selection criteria for all nominees: independence, highest character and integrity, experience, reputation and sufficient time to devote to Board matters. The Committee also gives consideration to diversity of viewpoints, backgrounds and experience, age, international background and experience, and specialized expertise in the context of the needs of the Board as a whole. From a diversity standpoint, the Committee places particular emphasis on identifying candidates whose experiences and talents complement and augment those of other Board members with respect to current and anticipated matters of importance to the Company. The Committee attempts to balance the composition of the Board to promote comprehensive consideration of issues. For example, the widely varying levels of industry experience among Board members reflect the Committee's strategy of balancing extensive industry knowledge with relevant experience in other forms of business. The Committee has the authority to engage consultants, including retained search firms to help identify new director candidates. The policy adopted by the Committee provides that candidates recommended by shareholders are given appropriate consideration in the same manner as other candidates. Shareholders who wish to submit a candidate for director for consideration by the Governance and Nominating Committee for election at our 2012 annual general meeting of shareholders may do so by submitting in writing the candidate's name, together with the information described on our website at [www.nabors.com](http://www.nabors.com). Submissions to the Board of Directors should be delivered in person or by courier to the address on the cover page of this proxy statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda, prior to April 8, but no earlier than March 9, 2012.

### ***Shareholder and Interested Parties Communications with the Board***

Shareholders and other interested parties may contact any of the Company's directors, a committee of the Board of Directors, the Board's independent directors as a group or the Board generally, by writing to them at Nabors Industries Ltd., c/o Corporate Secretary. Communications should be delivered in person or by courier to the address shown on the cover of this proxy statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda. Shareholder communications received in this manner will be handled in accordance with procedures approved by the Board's independent directors. The Board's Policy Regarding Shareholder Communications with the Board of Directors is available at [www.nabors.com](http://www.nabors.com). The Company encourages directors to attend the annual general meeting of shareholders. Five of the seven directors then comprising the full Board attended the 2010 annual general meeting of shareholders.

### ***Executive Sessions of Nonemployee Directors***

Our nonemployee directors, each of whom is independent, meet in executive session at each regular meeting of the Board without the Chief Executive Officer or any other member of management present. The Lead Director presides over these executive sessions.

## **NONEMPLOYEE DIRECTOR COMPENSATION**

We believe that it is important to attract and retain outstanding nonemployee directors. One way we achieve this goal is through a competitive compensation program. Nabors compensates its nonemployee directors through a combination of an annual retainer and equity incentive awards. Directors typically also receive an equity incentive grant upon initial appointment or election to the Board. In February 2010, the Board approved for each director an annual retainer of \$50,000; for the Chairman of each committee, an additional retainer of \$50,000 (except in the case

of the Chairman of the Audit Committee, whose additional retainer was \$100,000); and for the Lead Director, an annual retainer of \$50,000 for service in this capacity. In October 2010, the annual retainer for the Lead Director was increased to \$100,000. No additional amounts are paid for attendance at Board or committee meetings. The cash component of director compensation is paid on a pro rata basis at the end of each quarter. From July 2009 through June 2010, commensurate with salary reductions made throughout the Company, the Board reduced by

**Table of Contents**

10% the cash component of its compensation. Each director is also entitled to receive, in lieu of any quarterly cash payment, immediately vested stock options valued at the amount of the payment. Mr. Comfort agreed to forego all cash compensation, or equity in lieu thereof, during 2010.

Nabors issues equity incentives to its nonemployee directors to align their interests with those of its other shareholders. Awards are made pursuant to equity incentive plans adopted from time to time. During 2009, the Governance and Nominating Committee retained Towers Watson to conduct a competitive assessment of our nonemployee director compensation program. As a result of similar reviews, the Board reduced the number of restricted shares awarded to nonemployee directors by 25% in 2006 and another 20% in 2007. The number of shares awarded annually has remained constant since 2007. The Board believes that its practice of awarding directors a predetermined number of shares, rather than a predetermined equity value, better aligns directors' interests with those of our other shareholders. The result is fluctuating compensation values, which rise when our stock price is higher and decline when our stock price is lower, as evidenced in the following table. Each director received an award of 12,000 restricted shares in February 2010, except Mr. Yearwood who received a grant of 24,000 restricted shares upon his appointment to the Board in October 2010. Overall director compensation relative to a peer group also fluctuates to the extent other directors in that peer group receive equity of a predetermined value. The Board considers those fluctuations in deciding whether to follow past practice with respect to equity grants.

The following table sets forth information concerning total director compensation in 2010 for each nonemployee director.

***2010 Director Compensation Table***

**Change in**