

CHESAPEAKE ENERGY CORP
Form PRE 14A
April 17, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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CHESAPEAKE ENERGY CORPORATION

(Name of Registrant as Specified In Its Charter)

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WELCOME TO THE CHESAPEAKE ANNUAL MEETING

Our Board of Directors is soliciting your proxy to vote your shares at our 2014 annual meeting of shareholders. In connection with this solicitation, we are providing you with a Notice of Internet Availability of Proxy Materials and access to these proxy materials, which include this 2014 proxy statement, the proxy card for the meeting and our 2013 annual report. For general information regarding the annual meeting,

including information related to Internet access to materials, voting and attending the annual meeting, see *Meeting Information* on page 64. Unless the context otherwise requires, the terms we, our, us, the Company or Chesapeake used in this proxy statement refer to Chesapeake Energy Corporation.

CORPORATE GOVERNANCE

The Company's Board of Directors has adopted Corporate Governance Principles, which include information regarding the Board's role and responsibilities, director qualifications and determination of director independence and other guidelines, and charters for each of the Board committees. The Board has also adopted a Code of Business Conduct applicable to all directors, officers and employees of the Company, including our principal executive officer, principal financial officer and principal accounting officer. These documents, along with the Company's Certificate of Incorporation and Bylaws, provide the framework for the functioning of the Board. The Corporate Governance Principles, as well

as the Code of Business Conduct and all committee charters, are available on the Company's website at www.chk.com in the Corporate Governance sub-section of the section entitled About. Waivers of provisions of the Code of Business Conduct as to any director or executive officer are typically evaluated by the Nominating, Governance and Social Responsibility Committee or the Board and amendments to the Code of Business Conduct must be approved by the Board. We will post required disclosure about any such waiver or amendment on our website within four business days of such approval.

Board of Directors

The Board is elected by the shareholders to oversee their interest in the long-term health and the overall success of the Company's business and its financial strength. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the shareholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

The Board is led by Archie W. Dunham, the independent, non-executive Chairman, and is comprised of seven other independent members and

the Company's Chief Executive Officer. The directors are skilled and experienced leaders in business, education, government and public policy. They currently serve or have served as chief executives and members of senior management of Fortune 1000 companies, investment banking firms and private for-profit and nonprofit organizations and are well-equipped to promote the long-term success of the Company and to provide effective oversight of, and advice and counsel to, the CEO and other members of senior management.

Board Culture and Focus

The Board has established a boardroom dynamic that results in informed decisions through meaningful and robust discussion, where views are readily challenged based on each director's diverse background and opinions. The directors are expected to, and do, ask hard questions of management. Each member of the Board is committed to maximizing shareholder value and promoting shareholder interests. The Board's key areas of focus are on the Company's strategy and vision, enhancing financial and management oversight, Board accountability and risk management. The Board has demonstrated its focus through the following actions: (i) redevelopment of a corporate strategy focused on financial discipline and profitable and efficient growth from captured resources; (ii) re-submission of proposals to implement leading corporate

governance practices related to Board accountability, including Board declassification, proxy access and removal of supermajority voting provisions (see *Voting Item 2: Proposal to Declassify our Board*, *Voting Item 4: Proposal to Implement Proxy Access* and *Voting Item 5: Proposal to Eliminate Supermajority Voting Requirements*); (iii) development of an executive compensation program that appropriately ties executive pay to Company performance (see *Executive Compensation Compensation Discussion and Analysis*); (iv) hiring of a Chief Compliance Officer who reports to the Chairman of the Audit Committee; and (v) full Board evaluation of significant Company risks at each regular meeting, including commodity price and environmental, health and safety risks (see *Board Role in Risk Oversight*).

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Board Leadership Structure and Oversight

The Company separated the Chairman and CEO roles in 2012 and the Board appointed Mr. Dunham as its independent, non-executive Chairman. The Chairman presides at all meetings of the Board, as well as executive sessions of non-employee directors and, in consultation with the CEO, non-employee directors and management, establishes the agenda for each Board meeting. The Board has also delegated certain matters to its three committees, each of which is chaired by an independent director. The Board believes that this leadership

structure provides an effective governance framework for the Company at this time.

The chart below details the purpose of each level of hierarchy in the Company's leadership structure and provides additional detail on composition, meetings and 2013 activities of the Board. More detail with regard to the composition, meetings and 2013 activities of each of the committees can be found below under *Board Committees*.

In 2013, the Board also formed a Finance Subcommittee of the Audit Committee. The purpose of the Finance Subcommittee is to provide assistance to the Board in overseeing the financing strategy, financial policies and financial condition of the Company. In 2013, the Finance Subcommittee worked closely with management to develop the Company's 2014 budget, assisted with the enhancement of the Company's policies and procedures related to its commodity hedging program and evaluated with management certain opportunities to reduce the Company's leverage and financial complexity. The Finance Subcommittee is chaired by Vincent J. Intrieri and also consists of Louis A. Raspino, R. Brad Martin, Frederic M. Poses and Thomas L. Ryan as voting members and Domenic J. Dell'Osso, the Company's Chief Financial Officer, as a non-voting member.

Outside of formal Board and committee meetings, management frequently discusses matters with directors on an informal basis. Non-employee directors meet without management at each regularly scheduled Board meeting. Mr. Dunham presides over meetings of the non-employee directors.

Each director attended, either in person or by telephone conference, at least 75% of the Board and committee meetings held while serving as a director or committee member in 2013. The Company expects all serving directors to attend annual meetings of shareholders. All directors serving at the time of the 2013 annual meeting attended the meeting.

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Board Committees

The Board currently has three standing committees: an Audit Committee, a Compensation Committee and a Nominating, Governance and Social Responsibility Committee, or Nominating Committee. Each committee has a charter which can be found on our website at www.chk.com in the Corporate Governance sub-section of the section entitled About . A biographical overview of the members of our committees can be found beginning on page 6.

AUDIT COMMITTEE	Members: 3	
	Independent: 3	
	Audit Committee Financial Experts: 3	
	2013 Meetings: 4 in person, 6 telephonic	
	Responsibilities:	Significant 2013 Events:
Chairman:	Oversee the integrity of the Company's financial statements and financial disclosure	Established a Finance Subcommittee to provide assistance to the Board in overseeing the financing strategy, financial policies and financial condition of the Company
Louis A. Raspino		
Members:	Oversee the Company's compliance with legal and regulatory requirements	
Vincent J. Intrieri	Oversee the Company's internal audit function	Oversaw implementation of Chief Compliance Officer role, which reports directly to the Audit Committee
Thomas L. Ryan	Oversee the Company's Chief Compliance Officer	
	Appoint and oversee the independent audit firm	Oversaw management of high volume of legal matters and regulatory inquiries
	Oversee the Company's enterprise risk management program	
	Oversee the employee and vendor hotline for anonymous reporting of questionable activity	
COMPENSATION COMMITTEE	Members: 3	
	Independent: 3	
	2013 Meetings: 5 in person, 1 telephonic	
	Responsibilities:	Significant 2013 Events:
Chairman:	Establish compensation policies that effectively attract, retain and motivate executive officers	Negotiated new CEO target compensation slightly below the median

Merrill A. (Pete) Miller, Jr.	Establish goals and objectives relevant to CEO compensation, evaluate CEO performance and set CEO compensation levels	of our peer group
Members:		
Bob G. Alexander	Evaluate and recommend to the Board compensation of directors	Implemented a new Annual Incentive Plan and based annual incentive opportunities on the Company s performance relative to eleven pre-established, objective operational and financial goals
R. Brad Martin	Evaluate and approve compensation of named executive officers	Held named executive officer base salaries and target annual incentive opportunities substantially flat for 2013 and reduced target long-term incentive opportunities by an average of over 10% compared to 2012 levels
	Oversee and administer the Company s compensation plans	
	Establish and monitor compliance with stock ownership guidelines	

NOMINATING COMMITTEE	Members: 4
	Independent: 4
	2013 Meetings: 5 in person, 1 telephonic

Responsibilities:

Significant 2013 Events:

Chairman:	Establish criteria for Board and committee membership and selection of new directors	Successfully recruited two highly-regarded directors, Louis A. Raspino and Thomas L. Ryan, to the Board
R. Brad Martin	Evaluate and recommend nominees for Board service	Oversaw shareholder engagement program whereby the Company engaged with over 50% of its shareholder base on various topics
Members:		
Archie W. Dunham	Periodically assess and advise the Board on sufficiency of the size and diversity of the Board	Evaluated and recommended realignment of Committee membership
Vincent J. Intrieri	Oversee compliance with, and periodically evaluate, the Company s Corporate Governance Principles	Oversaw publication of the Company s second corporate responsibility report
Frederic M. Poses	Evaluate and make recommendations to the Board on corporate governance matters	
	Monitor the Company s charitable contributions, political spending and lobbying activities	
	Oversee policies, programs and practices with regard to corporate social responsibility	

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Board Independence

The Board, through its Nominating Committee, evaluates the independence of each director in accordance with the NYSE corporate governance standards. The Committee has considered transactions and relationships between the Company (and/or any of its executive officers) and each director or any member of his or her immediate family. Based on this review, the Committee affirmatively determined that all currently serving directors, other than the CEO, are independent.

In assessing director independence, the Committee considered the business the Company conducted in 2011, 2012 and 2013 with the companies below that had affiliations with our directors. The Committee determined that all transactions and relationships it considered during its review were not material transactions or relationships with the Company and did not impair the independence of any of the independent directors.

Director	Organization	Relationship	Transactions	Size for Each of Last Three Years
Mr. Dunham	Union Pacific Corporation	Director	Sales to CHK	<1% of UP revenues
Mr. Miller	National Oilwell Varco, Inc.	Executive Chairman and former CEO	Purchases from CHK	<1% of NOV revenues
			Sales to CHK	<1% of NOV revenues
Mr. Martin	FedEx Corporation	Director	Sales to CHK	<1% of FedEx revenues
	Pilot Travel Centers LLC	Member of Board of Managers	Sales to CHK	<1% of Pilot revenues

Board Role in Risk Oversight

The Board has primary responsibility for risk oversight. The Board believes it is appropriate for the full Board to determine the Company's risk profile and risk tolerance for significant risks, such as risks related to commodity price fluctuations and environmental, health and safety matters. This allows the full Board to analyze the Company's material risks and influence the Company's business strategies in light of such risks. Certain matters related to risks inherent in their respective areas of oversight are delegated to the various Board committees, with each committee reporting to the Board at each regular Board meeting. The Audit Committee, in addition to overseeing the integrity of our financial statements and compliance with legal and regulatory requirements and risks related thereto, is primarily responsible for overseeing the Company's enterprise risk management process, which oversight includes meetings with management, internal audit and independent auditors that focus on risks facing the Company, as well as monitoring the employee and vendor hotline for anonymous reporting of questionable activity. The Compensation Committee oversees risks related to our compensation programs and management retention and development. The Nominating Committee oversees risks related to Board composition and the

Company's leadership structure and corporate governance, reputational and social responsibility risks. A number of other processes at the Board level support our risk management efforts, including Board reviews of our long-term strategic plans, capital budget and certain capital projects, hedging policy and strategy, succession planning, significant acquisitions and divestitures and capital markets transactions, together with oversight of management in carrying out their risk management responsibilities. In 2013, the Board requested that the Finance Subcommittee review Company policies and procedures related to the Company's commodity hedging program, although the Board retained decision-making authority for any changes to such policies and procedures.

Fostering a culture of risk management is a Company priority. Management evaluates the enterprise risk process across the Company on a regular basis to ensure consistency of risk consideration in making business decisions. Internal risk committees, comprised of senior management and subject matter experts, have been formed and are meeting regularly to review and assess the Company's risk management processes and discuss significant risk exposures.

Communications to the Board

Shareholders and other interested parties may communicate with the Board, either individually or as a group, through one of the processes outlined on the Company's website at www.chk.com in the Corporate Governance sub-section of the section entitled "About".

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Director Criteria, Qualifications and Experience

The Nominating Committee periodically assesses the skills and experience needed for the Board to properly oversee the business and affairs of the Company. The Committee then compares those skills to the skills of the current directors and potential director candidates. The Committee conducts targeted efforts to identify and recruit individuals who have the qualifications identified through this process. The Committee looks for its current and potential directors collectively to have a diverse mix of skills, qualifications and experience, some of which are described below:

business leadership	government/public policy
corporate governance	international
energy exploration and production	legal
energy services	risk management
financial expertise	technology

The Nominating Committee seeks a mix of directors with the qualities that will achieve the ultimate goal of a well-rounded, diverse Board that thinks critically yet functions effectively by reaching informed decisions. Pursuant to its charter, the Committee ensures that diverse candidates are included in all director searches, taking into account race, gender, age, culture, thought, leadership and geography. The Committee and the Board believe that a boardroom with a wide array of talents and perspectives leads to innovation, critical thinking and enhanced

discussion. Additionally, the Committee expects each of the Company's directors to have proven leadership, sound judgment, integrity and a commitment to the success of the Company.

In evaluating director candidates and considering incumbent directors for nomination to the Board, the Nominating Committee considers a variety of factors. These include each nominee's independence, financial literacy, personal and professional accomplishments and experience in light of the needs of the Company. For incumbent directors, the factors also include past performance on the Board and contributions to their respective committees. Along with each director's biography, we have included below an assessment of the skills and experience of such director. The Committee has used third-party consultants to assist in identifying potential director nominees. The Committee considers and, in the past, has nominated appropriate candidates recommended by shareholders.

Bob A. Alexander will retire at the 2014 annual meeting. John J. Lipinski was nominated to the Board on March 7, 2014, to fill the resulting vacancy. Potential candidates were solicited from significant shareholders, directors and a third-party search firm. The Board interviewed several candidates who were evaluated based on the established criteria for persons to be nominated. The Board believes Mr. Lipinski meets the established criteria and is well qualified for election to the Board. Mr. Lipinski is a new nominee for election to the Board this year. His nomination was recommended by the Nominating Committee and approved by the Board.

Voting Item 1:

Election of Directors

Pursuant to provisions of the Company's Certificate of Incorporation and Bylaws, the Board has fixed the maximum number of directors at nine, subject to the rights of the holders of our preferred stock to nominate and elect two additional directors in circumstances that are not anticipated to apply. Our Certificate of Incorporation and Bylaws currently provide for three classes of directors serving staggered three-year terms, each to hold office until a successor is elected and qualified or until the director's earlier resignation or removal. Our Board is recommending that shareholders approve the declassification of our Board. See *Voting Item 2: Proposal to Declassify our Board*. The outcome of that vote will determine whether we declassify the Board and provide for annual elections of directors beginning with the 2015 annual meeting or continue to have a classified Board.

The terms of Vincent J. Intrieri, Robert D. Lawler and Frederic M. Poses, each a member of Class II, expire at the meeting. In addition, due to the Company's mandatory retirement policy, Bob A. Alexander's term will end at the 2014 annual meeting, and the Board is proposing the election of John J. Lipinski to fill the vacancy created by Mr. Alexander's retirement. The Board has nominated each of Messrs. Intrieri, Lawler, Lipinski and Poses to serve for a one-year term if shareholders approve declassification of the Board or, alternatively, for a three-year term expiring in 2017 if shareholders do not approve declassification of the Board.

The directors currently serving in Class III and Class I have indicated their support for the elimination of the Company's classified board structure and have agreed to allow shareholders to vote on their continued service on the Board. The Class III directors consist of Archie W. Dunham, R. Brad Martin and Louis A. Raspino, whose terms expire in 2015. Any

director serving in Class III who receives a majority of votes cast in favor of his continued service on the Board will continue to serve as a director for the remainder of his term, or one year. The Class I directors consist of Merrill A. Miller, Jr. and Thomas L. Ryan, whose terms expire in 2016. If declassification is approved by shareholders, any director serving in Class I who receives a majority of votes cast in favor of his continued service on the Board will serve for an additional year and his term will expire at the 2015 annual meeting, in accordance with the proposed amendment to our Certificate of Incorporation. If declassification is not approved by shareholders, any director serving in Class I who receives a majority of votes cast in favor of his continued service on the Board will serve the remainder of his term, or until 2016.

Whether or not declassification of our Board is approved by shareholders, the Company's Bylaws provide that any incumbent director, which includes all nominees, who does not receive a majority of votes cast in favor of his election, or a Majority Against Vote, will, following the certification of the shareholder vote by the inspector of elections, promptly comply with the resignation procedures established under the Company's Corporate Governance Principles. The Class III and Class I directors have agreed that they will comply with these procedures if their continued service on the Board is not approved by a majority of the votes cast with respect to such director.

It is the intention of the persons named in the enclosed form of proxy to vote such proxies for the election of the nominees. The Board expects that all of the nominees will be available for election but, if any of the nominees is not available, proxies received will be voted for substitute nominees to be designated by the Board or, if no such designation is made, proxies will be voted for a lesser number of nominees.

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Director Nominees

Vincent J. Intrieri

Independent Director Nominee

Age: 57

Director since: 2012

Board Committee: Audit, Nominating

Other current public directorships: CVR Energy, Inc., CVR Refining, LP, Forest Laboratories, Inc. and Navistar International Corporation

Vincent J. Intrieri has been a member of our Board of Directors since June 2012. Mr. Intrieri has been employed by Icahn related entities since October 1998 in various investment related capacities. Since January 2008, Mr. Intrieri has served as Senior Managing Director of Icahn Capital LP, the entity through which Carl C. Icahn manages private investment funds. In addition, since November 2004, Mr. Intrieri has been a Senior Managing Director of Icahn Onshore LP, the general partner of Icahn Partners LP, and Icahn Offshore LP, the general partner of Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP and Icahn Partners Master Fund III LP, entities through which Mr. Icahn invests in securities. Mr. Intrieri has been a director of Forest Laboratories, Inc. (NYSE:FRX), a supplier of pharmaceutical products, since June 2013; CVR Refining GP, LLC, the general partner of CVR Refining, LP (NYSE:CVRR), an independent downstream energy limited partnership, since January 2013; Navistar International Corporation (NYSE:NAV), a truck and engine manufacturer, since October 2012; and CVR Energy, Inc. (NYSE:CVI), a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing industries, since May 2012. Mr. Intrieri was previously a director of Federal Mogul Corporation (NYSE:FDML), a supplier of automotive powertrain and safety components, from December 2007 to June 2013; a director of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P. (NASDAQ:IEP), a diversified holding company engaged in a variety of businesses, including investment, automotive, energy, gaming, railcar, food packaging, metals, real estate and home fashion, from July 2006 to September 2012, and was Senior Vice President of Icahn Enterprises G.P. Inc. from October 2011 to September 2012; a director of Dynegy Inc. (NYSE:DYN), a company primarily engaged in the production and sale of electric energy, capacity and ancillary services, from March 2011 to September 2012; Chairman of the Board and a director of PSC Metals Inc., a metal recycling company, from December 2007 to April 2012; a director of Motorola Solutions, Inc. (NYSE:MSI), a provider of communication products and services, from January 2011 to March 2012; a director of XO Holdings, a competitive provider of telecom services, from February 2006 to August 2011; a director of National Energy Group, Inc., a company that was engaged in the business of managing the exploration, production and operations of natural gas and oil properties, from December 2006 to June 2011; a director of American Railcar Industries, Inc. (NASDAQ:AEII), a railcar manufacturing company, from August 2005 until March 2011, and was a Senior Vice President, the Treasurer and the Secretary of

American Railcar Industries from March 2005 to December 2005; a director of WestPoint Home LLC, a home textiles manufacturer, from November 2005 to March 2011; Chairman of the Board and a director of Viskase Companies, Inc., a meat casing company, from April 2003 to March 2011; a director of WCI Communities, Inc., a homebuilding company, from August 2008 to September 2009; a director of Lear Corporation (NYSE:LEA), a global supplier of automotive seating and electrical power management systems and components, from November 2006 to November 2008; and President and Chief Executive Officer of Philip Services Corporation, an industrial services company, from April 2005 to September 2008. CVR Refining, CVR Energy, Federal Mogul, Icahn Enterprises, PSC Metals, XO Holdings, National Energy Group, American Railcar Industries, WestPoint Home, Viskase Companies and Philip Services each are or previously were indirectly controlled by Carl C. Icahn. Mr. Icahn also has or previously had a non controlling interest in Forest Laboratories, Navistar, Chesapeake, Dynegy, Motorola Solutions, WCI Communities and Lear through the ownership of securities. Mr. Intriери was a certified public accountant. The Board believes Mr. Intriери s vast executive experience and service on multiple public company boards qualifies him to serve on the Board.

Robert D. (Doug) Lawler

Director Nominee

Age: 47

Director since: 2013

Board Committees: None

Other current public directorships: None

Robert D. (Doug) Lawler has been a member of our Board of Directors and served as President and Chief Executive Officer since June 2013. Before joining Chesapeake, Mr. Lawler served in multiple engineering and leadership positions at Anadarko Petroleum Corporation. His positions at Anadarko included Senior Vice President, International and Deepwater Operations and member of Anadarko s Executive Committee from July 2012 to May 2013; Vice President, International Operations from December 2011 to July 2012; Vice President, Operations for the Southern and Appalachia Region from March 2009 to July 2012; and Vice President, Corporate Planning from August 2008 to March 2009. Mr. Lawler began his career with Kerr-McGee Corporation in 1988 and joined Anadarko following its acquisition of Kerr-McGee in 2006. With over 25 years experience in the oil and gas industry, including serving as Chief Executive Officer of the Company and in various leadership positions at Anadarko, the Board believes Mr. Lawler is well qualified to serve on the Board.

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John J. (Jack) Lipinski

Independent Director Nominee

Age: 63

Nominated: March 2014

Board Committees: None

Other current public directorships: CVR Energy, Inc. and CVR Refining, LP

John J. (Jack) Lipinski has served as Chief Executive Officer, President and a member of the Board of Directors of CVR Energy, Inc. (NYSE:CVI) since September 2006 and served as Chairman of the Board of CVI from October 2007 until May 2012. In addition, Mr. Lipinski has served as Executive Chairman of the general partner of CVR Partners, LP since June 2011. He has been a director of the general partner of CVR Partners, LP since October 2007 and was Chief Executive Officer and President from October 2007 to June 2011. In addition, Mr. Lipinski has served as the Chief Executive Officer, President, and a member of the Board of the general partner of CVR Refining, LP (NYSE:CVRR) since its inception in September 2012. Mr. Lipinski has over 40 years of experience in the petroleum refining and nitrogen fertilizer industries. With more than 40 years experience in the energy industry, including serving as Chief Executive Officer and a director of the CVR entities, the Board believes Mr. Lipinski is well qualified to serve on the Board.

Frederic M. Poses

Independent Director Nominee

Age: 71

Director since: 2012

Board Committee: Nominating

Other current public directorships: TE Connectivity Ltd.

Frederic M. Poses has been a member of our Board of Directors since June 2012. Mr. Poses is the Chief Executive Officer of Ascend Performance Materials, a private company. Previously, he was Chairman and Chief Executive Officer of Trane Inc. (formerly American Standard Companies, Inc.) from 2000 until its acquisition by Ingersoll-Rand plc (NYSE:IR) in 2008. He previously spent 30 years at AlliedSignal, Inc. and predecessor companies from 1969 to 1999, most recently as President and Chief Operating Officer. He currently serves as lead independent director of the Board of Directors of TE Connectivity Ltd. (NYSE:TEL). He is a former director of Raytheon Company (NYSE:RTN), Centex Corporation (now a part of PulteGroup, Inc. (NYSE:PHM)) and WABCO Holdings Inc. (NYSE:WBC). The Board believes Mr. Poses' experience as Chief Executive Officer of publicly traded and private companies and service on multiple public company boards qualifies him to serve on the Board.

Archie W. Dunham

Independent Director Nominee

Age: 75

Director since: 2012

Board Committee: Nominating

Other current public directorships: Union Pacific Corporation and Louisiana-Pacific Corporation

Archie W. Dunham has been the non-executive Chairman of our Board of Directors since June 2012 and served as a member of the Company's three-person Office of the Chairman from March 2013 to June 2013. Mr. Dunham served as Chairman of ConocoPhillips (NYSE:COP) from 2002 until his retirement in 2004. Prior to that, he served as Chairman, President and Chief Executive Officer of Conoco Inc. from 1999 to 2002, after being elected President and Chief Executive Officer in 1996. Mr. Dunham currently serves on the Board of Directors of Union Pacific Corporation (NYSE:UNP) and Louisiana-Pacific Corporation (NYSE:L PX). Mr. Dunham was a director of Phelps Dodge Corporation from 1998 to 2007 and Pride International, Inc. from 2005 until May 2011. Mr. Dunham is currently a member of DeutscheBank's Americas Advisory Board and is the past Chairman of the National Association of Manufacturers, the United States Energy Association and the National Petroleum Council. The Board believes Mr. Dunham's experience as Chief Executive Officer of Conoco Inc. and Chairman of ConocoPhillips, in addition to his service on multiple public company boards, qualifies him to serve on the Board.

R. Brad Martin

Independent Director Nominee

Age: 62

Director since: 2012

Board Committee: Nominating (Chair), Compensation

Other current public directorships: FedEx Corporation and First Horizon National Corporation

R. Brad Martin has been a member of our Board of Directors since June 2012. Mr. Martin is the Chairman of RBM Venture Company, a private investment company, and has been interim president of the University of Memphis since July 2013. He was Chairman and Chief Executive Officer of Saks Incorporated (NYSE:SKS) from 1989 to 2006, and remained Chairman until his retirement in 2007. Mr. Martin currently serves as a director of FedEx Corporation (NYSE:FDX) and First Horizon National Corporation (NYSE:FHN). He was previously a director of Dillard's Inc. (NYSE:DDS), Caesars Entertainment Corporation (NASDAQ:CZR) (formerly Harrah's Entertainment, Inc.), lululemon athletica inc. (NASDAQ:LULU), Gaylord Entertainment Company (now Ryman Hospitality Properties, Inc. (NYSE:RHP)) and Ruby Tuesday, Inc. (NYSE:RT). The Board believes Mr. Martin's experience as Chief Executive Officer of a publicly traded company for nearly 20 years and service on multiple public company boards qualifies him to serve on the Board.

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Louis A. Raspino

Independent Director Nominee

Age: 61

Director since: 2013

Board Committee: Audit (Chair)

Other current public directorships: Dresser-Rand Group, Inc. and Forum Energy Technologies

Louis A. Raspino has been a member of our Board of Directors since March 2013. Mr. Raspino was President and Chief Executive Officer of Pride International Inc., an international provider of contract drilling and related services to oil and natural gas companies, from 2005 until the sale of the company in May 2011. He was the Executive Vice President and Chief Financial Officer of Pride International Inc. from 2003 until 2005. Before joining Pride International in 2003, he was Senior Vice President and Chief Financial Officer of Grant Prideco, Inc., a manufacturer of drilling and completion products supplying the energy industry, from 2001 until 2003. Previously, he was Vice President of Finance for Halliburton Company (NYSE:HAL), Senior Vice President and Chief Financial Officer of The Louisiana Land & Exploration Company and began his career with Ernst & Young. He has been a director of Dresser-Rand Group, Inc. (NYSE:DRC) since 2005 and a director of Forum Energy Technologies, Inc. (NYSE:FET) since 2012. Mr. Raspino is a certified public accountant. The Board believes Mr. Raspino's over 35 years experience in the oil and gas industry, including serving as Chief Executive Officer of Pride International, Inc., Chief Financial Officer of three public companies and 20 years experience in the exploration and production industry, and service on multiple public company boards qualifies him to serve on the Board.

Merrill A. (Pete) Miller, Jr.

Independent Director Nominee

Age: 63

Director since: 2007

Board Committee: Compensation (Chair)