

COMCAST CORP
Form DEF 14A
April 26, 2019
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

COMCAST CORPORATION

(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):

Table of Contents

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

Notice of 2019 Annual Meeting of Shareholders of Comcast Corporation

Date: June 5, 2019
Time: Online check-in begins: 8:45 a.m. Eastern Time
Meeting begins: 9:00 a.m. Eastern Time
Place: Meeting live via the Internet please visit: *comcast.onlineshareholdermeeting.com*
Purposes: Elect directors

Ratify the appointment of our independent auditors

Approve the Comcast Corporation 2019 Omnibus Sharesave Plan

Consider an advisory vote to approve our executive compensation

Vote on two shareholder proposals

Conduct other business if properly raised

All shareholders are cordially invited to attend a virtual annual meeting of shareholders, conducted via live webcast. Based on our prior experience, we believe that virtual meetings provide expanded shareholder access and participation, and improved communications. During the virtual meeting, you may ask questions and will be able to vote your shares electronically. To participate in the annual meeting, you will need the 16-digit control number included on your Notice of Internet Availability of Proxy Materials or on your proxy card. We encourage you to allow ample time for online check-in, which will begin at 8:45 a.m. Eastern Time. Please note that there is no in-person annual meeting for you to attend.

Only shareholders of record on April 5, 2019 may participate and vote at the meeting. If the meeting is adjourned because a quorum is not present, then, at the reconvened meeting, shareholders who participate in the meeting will constitute a quorum for the purpose of acting upon the matters presented at that meeting pursuant to the rules described in Voting Securities and Principal Holders Outstanding Shares and Voting Rights in the attached proxy statement.

As permitted by the Securities and Exchange Commission, we are making the attached proxy statement and our Annual Report on Form 10-K available to our shareholders electronically via the Internet. In accordance with this

e-proxy process, we have mailed to our shareholders of record and beneficial owners a Notice of Internet Availability of Proxy Materials containing instructions on how to access the proxy statement and our Annual Report on Form 10-K via the Internet and how to vote online. The Notice of Internet Availability of Proxy Materials and the proxy statement also contain instructions on how you can receive a paper copy of the proxy materials. If you elect to receive a paper copy of our proxy materials, our 2018 Annual Report on Form 10-K will be mailed to you along with the proxy statement.

The Notice of Internet Availability of Proxy Materials is being mailed, and the attached proxy statement is being made available, to our shareholders beginning on or about April 26, 2019.

Your vote is important. Please vote your shares promptly. To vote your shares, you can (i) use the Internet, as described in the Notice of Internet Availability of Proxy Materials and on your proxy card; (ii) call the toll-free telephone number set forth in the attached proxy statement and on your proxy card; or (iii) complete, sign and date your proxy card and return your proxy card by mail.

THOMAS J. REID

Secretary

April 26, 2019

Table of Contents

TABLE OF CONTENTS

	Page
<u>Proxy Statement Summary</u>	1
<u>General Information</u>	2
<u>Voting Securities and Principal Holders</u>	4
<u>Corporate Governance</u>	7
<u>Proposal 1: Election of Directors</u>	15
<u>Proposal 2: Ratification of the Appointment of Our Independent Auditors</u>	20
<u>Proposal 3: Approval of the Comcast Corporation 2019 Omnibus Sharesave Plan</u>	22
<u>Proposal 4: Advisory Vote on Executive Compensation</u>	24
<u>Shareholder Proposals</u>	27
<u>Executive Compensation</u>	32
<u>Compensation Discussion and Analysis</u>	32
<u>Compensation Committee Report</u>	50
<u>Summary Compensation Table</u>	51
<u>Grants of Plan-Based Awards</u>	53
<u>Outstanding Equity Awards at Fiscal Year-End</u>	54
<u>Option Exercises and Stock Vested</u>	57
<u>Nonqualified Deferred Compensation in and as of Fiscal Year-End</u>	57
<u>Agreements with Our Named Executive Officers</u>	59
<u>Potential Payments upon Termination or Change in Control</u>	61
<u>Other Compensation Information</u>	64
<u>Director Compensation</u>	66
<u>Related Party Transaction Policy and Certain Transactions</u>	67
<u>Shareholder Proposals for Next Year</u>	68
<u>Solicitation of Proxies</u>	69
<u>Electronic Access to Proxy Materials and Annual Report on Form 10-K</u>	69
<u>Important Notice Regarding Delivery of Shareholder Documents</u>	69
<u>Appendix A: Comcast Corporation 2019 Omnibus Sharesave Plan</u>	A-1
<u>Appendix B: Reconciliations of Non-GAAP Financial Measures</u>	B-1
* * *	

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on June 5, 2019: Our proxy statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 are available at www.proxyvote.com.

Table of Contents**PROXY STATEMENT****PROXY STATEMENT SUMMARY**

This summary is intended to provide a broad overview of some of the items elsewhere in this proxy statement. As this is only a summary, we encourage you to read the entire proxy statement for more information about these topics before voting.

ANNUAL MEETING INFORMATION

Date: June 5, 2019
Time: 9:00 a.m. Eastern Time
Place: Meeting live via the Internet *comcast.onlineshareholdermeeting.com*
Record Date: Shareholders as of April 5, 2019 are entitled to vote

ANNUAL MEETING AGENDA AND VOTING MATTERS

Proposal	Board's Voting Recommendation	Page Reference
No. 1 Election of Directors	FOR	<u>Page 15</u>
No. 2 Ratification of Appointment of Independent Auditors	FOR	<u>Page 20</u>
No. 3 Approval of Comcast Corporation 2019 Omnibus Share Save Plan	FOR	<u>Page 22</u>
No. 4 Advisory Vote to Approve Our Executive Compensation	FOR	<u>Page 24</u>
No. 5 Shareholder Proposal to Require an Independent Board Chair	AGAINST	<u>Page 27</u>
No. 6 Shareholder Proposal to Provide a Lobbying Report	AGAINST	<u>Page 28</u>

BOARD OF DIRECTORS: NOMINEES FOR ELECTION

Director	Age	Director Since	Board Committees	Diversity (Gender/Race)
Kenneth J. Bacon*	64	November 2002	Governance and Directors Nominating Committee	Ö
Madeline S. Bell*	57	February 2016	Audit and Governance and Directors Nominating Committees	Ö
Sheldon M. Bonovitz	81	March 1979	Finance Committee	
Edward D. Breen**	63	February 2014	Compensation Committee	
Gerald L. Hassell*	67	May 2008	Compensation and Finance Committees	
Jeffrey A. Honickman*	62	December 2005		

			Audit and Governance and Directors Nominating Committees	
Maritza G. Montiel*	67	June 2018	Audit Committee	Ö
Asuka Nakahara*	63	February 2017	Audit Committee	Ö
David C. Novak*	66	December 2016	Compensation Committee	
Brian L. Roberts	59	March 1988		

* *Independent Director*

** *Lead Independent Director*

Audit Committee Financial Expert



Table of Contents

GENERAL INFORMATION

Who May Vote

Holders of record of Class A and Class B common stock of Comcast Corporation (Comcast, the Company, our, we us) at the close of business on April 5, 2019 may vote at the annual meeting of shareholders. The Notice of Internet Availability of Proxy Materials (the Notice) is being mailed, and this proxy statement is being made available, to our shareholders beginning on or about April 26, 2019.

How to Vote

You may vote at the virtual meeting or by proxy. We recommend that you vote by proxy even if you plan to participate in the virtual meeting. You can always change your vote at the meeting if you participate in it.

How Proxies Work

Our Board of Directors (the Board) is asking for your proxy. Giving us your proxy means you authorize us to vote your shares at the meeting in the manner you direct. You may vote for all, some or none of our director candidates. You also may vote for or against the other proposals or abstain from voting.

You can vote by proxy in any of the following ways:

Internet: Go to www.proxyvote.com or scan the QR code on your Notice or proxy card with a smartphone or tablet, and then follow the instructions outlined on the secure website.

Telephone: Call toll free 1-800-690-6903 and follow the instructions provided on the recorded message. If you hold shares beneficially, through a broker, brokerage firm, bank or other nominee, please refer to the instructions your broker, brokerage firm, bank or other nominee provided to you regarding voting by telephone.

Mail: Complete, sign and date your proxy card and return your proxy card in the enclosed envelope. If you vote via the Internet or by telephone, your vote must be received by 11:59 p.m. Eastern Time on June 4, 2019.

If you give us your signed proxy but do not specify how to vote, we will vote your shares (i) in favor of (a) the director candidates, (b) the ratification of the appointment of our independent auditors, (c) the approval of the Comcast Corporation 2019 Omnibus Sharesave Plan and (d) the approval, on an advisory basis, of our executive compensation; and (ii) against each of the shareholder proposals.

Notice of Electronic Availability of Proxy Materials

Pursuant to the rules of the Securities and Exchange Commission (SEC), we are making this proxy statement and our Annual Report on Form 10-K available to our shareholders electronically via the Internet. In compliance with this e-proxy process, on or about April 26, 2019, we mailed to our shareholders of record and beneficial owners the Notice containing instructions on how to access this proxy statement and our Annual Report on Form 10-K via the Internet and how to vote online. As a result, you will not receive a paper copy of the proxy materials unless you request one. All shareholders are able to access the proxy materials on the website referred to in the Notice and in this proxy

statement and to request to receive a set of the proxy materials by mail or electronically, in either case, free of charge. If you would like to receive a paper or electronic copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice. By participating in the e-proxy process, we reduce the impact of our annual meeting of shareholders on the environment and save money on the cost of printing and mailing documents to you. See Electronic Access to Proxy Materials and Annual Report on Form 10-K below for further information on electing to receive proxy materials electronically.

Matters to Be Presented

We are not aware of any matters to be presented at the meeting other than those described in this proxy statement. If any matters not described in this proxy statement are properly presented at the meeting, the proxies will use their own judgment to determine how to vote your shares. If the meeting is postponed or adjourned, the proxies will vote your shares on the new meeting date in accordance with your previous instructions, unless you have revoked your proxy.

Table of Contents

Revoking a Proxy

You may revoke your proxy before it is voted by:

submitting a new proxy with a later date, including a proxy given via the Internet or by telephone;

notifying our Secretary in writing before the meeting at the address given on page 3; or

voting at the virtual meeting.

Attending and Voting at the Meeting

This year's annual meeting will be a virtual meeting of shareholders conducted via live webcast. All shareholders of record on April 5, 2019 are invited to attend and participate in the meeting. Based on our prior experience, we believe that a virtual meeting provides expanded shareholder access and participation and improved communications, while affording shareholders the same rights as if the meeting were held in person, including the ability to vote shares electronically during the meeting and ask questions in accordance with the rules of conduct for the meeting.

To attend, and submit your questions during, the virtual meeting, please visit *comcast.onlineshareholdermeeting.com*. To participate in the annual meeting, you will need the 16-digit control number included on your Notice or on your proxy card. Beneficial shareholders who do not have a control number may gain access to the meeting by logging into their broker, brokerage firm, bank or other nominee's website and selecting the shareholder communications mailbox to link through to the annual meeting; instructions should also be provided on the voting instruction card provided by your broker, bank, or other nominee.

If you have any technical difficulties or any questions regarding the virtual meeting website, we are ready to assist you. Please call 1-855-449-0991 (toll-free) or 1-720-378-5962 (toll line). If there are any technical issues in convening or hosting the meeting, we will promptly post information to our investor relations website, *cmcsa.com*, including information on when the meeting will be reconvened.

Conduct of the Meeting

The Chairman of our Board (or any other person designated by our Board) has broad authority to conduct the annual meeting of shareholders in an orderly manner. This authority includes establishing rules of conduct, which will be available at the virtual meeting, for shareholders who wish to participate in the meeting. To ensure the meeting is conducted in a manner that is fair to all shareholders, the Chairman (or such other person designated by our Board) may exercise broad discretion in recognizing shareholders who wish to participate, the order in which questions are asked and the amount of time devoted to any one question. However, consistent with our prior in-person annual meetings, all questions submitted in accordance with the rules of conduct generally will be addressed in the order received.

Additional Information on the Annual Meeting of Shareholders

If you have questions or would like more information about the annual meeting of shareholders, you can contact us in any of the following ways:

Via the Internet: Go to www.proxyvote.com or scan the QR code on your Notice or proxy card with a smartphone or tablet.

By telephone: Call toll free 1-866-281-2100.

By writing to the following address:

Thomas J. Reid, Secretary

Comcast Corporation

One Comcast Center

Philadelphia, PA 19103

Shareholder Engagement

We have always maintained a very active and broad-based investor relations outreach program to solicit input and to communicate with shareholders on a variety of topics related to our business and strategy. Over the course of a year, our investor relations team, some of our named executive officers (NEOs) and other key employees typically speak with several hundred investors through investor roadshows, conferences and phone conversations.

Table of Contents

In addition to our traditional investor relations outreach program, we hold in-person and telephonic governance roadshow presentations and discussions with our larger investors. Over the past year, we spoke with approximately 35 investors, including investors who sought to engage with us. We believe these investors represented approximately 40% of our outstanding shares of Class A common stock. We also spoke with two of the top proxy advisory firms. Many of these meetings included at least one of our NEOs.

This dialogue provides an opportunity to discuss governance matters generally, including our directors' skills and tenure, our Board's oversight roles and responsibilities, our various social and environmental initiatives, and our approach to compensation matters, including the linkage between pay and performance and our compensation program's alignment to our shareholders' interests. Through these discussions, some of our shareholders have suggested that we consider certain changes or additional disclosures. In response to feedback from some investors, we have included additional information on our company's culture and values in this year's proxy statement, as described in more detail on page 8 below.

Our Board has established a process for shareholders and other interested parties to communicate with its members. Correspondence may be addressed to the Board, the Lead Independent Director, any other particular director, any committee of the Board or any other group of directors, in care of Thomas J. Reid, Secretary, Comcast Corporation, at the mailing address provided above or the following e-mail address: audit_committee_chair@comcast.com. The Secretary, or his designee, promptly reviews all such correspondence, and, as appropriate, forwards it to the Board or other addressee based on the subject matter of the correspondence. Any such correspondence relating to accounting, internal accounting controls or auditing matters is handled in accordance with procedures established by the Audit Committee.

VOTING SECURITIES AND PRINCIPAL HOLDERS

OUTSTANDING SHARES AND VOTING RIGHTS

At the close of business on April 5, 2019, the record date, we had outstanding 4,529,346,634 shares of Class A common stock and 9,444,375 shares of Class B common stock.

On each matter to be voted on, the holders of Class A common stock and Class B common stock will vote together. As of the record date, each holder of Class A common stock is entitled to 0.0626 votes per share and each holder of Class B common stock is entitled to 15 votes per share.

We must have a quorum to carry on the business of the annual meeting of shareholders. This means that, for each matter presented, shareholders entitled to cast a majority of the votes that all shareholders are entitled to cast on that matter must be represented at the meeting, either by proxy or by attending the virtual meeting. If the meeting is adjourned for one or more periods aggregating at least five days due to the absence of a quorum, those shareholders who are entitled to vote and who attend the adjourned meeting, even though they do not constitute a quorum as described above, will constitute a quorum for the purpose of electing directors at such reconvened meeting. If the meeting is adjourned for one or more periods aggregating at least 15 days due to the absence of a quorum, shareholders who are entitled to vote and who attend the adjourned meeting, even though they do not constitute a quorum as described above, will constitute a quorum for the purpose of acting on any matter described in this proxy statement other than the election of directors.

The director candidates who receive the most votes will be elected to fill the available seats on our Board. Approval of the other proposals requires the favorable vote of a majority of the votes cast. Only votes for or against a proposal count for voting purposes. Withheld votes in regard to the election of directors, abstentions and broker nonvotes count

for quorum purposes. Broker nonvotes occur on a matter when a bank, brokerage firm or other nominee is not permitted by applicable regulatory requirements to vote on that matter without instruction from the owner of the shares and no instruction is given. Absent instructions from you, your broker may vote your shares on the ratification of the appointment of our independent auditors, but may not vote your shares on the election of directors or any of the other proposals.

Table of Contents**PRINCIPAL SHAREHOLDERS**

This table sets forth information as of March 15, 2019 about persons we know to beneficially own more than 5% of any class of our voting common stock.

Title of Voting Class	Name and Address of Beneficial Owner	Amount Beneficially Owned	Percent of Class
Class A common stock	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	345,999,294 ⁽¹⁾	7.6%
Class A common stock	BlackRock, Inc. 55 East 52nd Street New York, NY 10055	320,375,109 ⁽²⁾	6.9%
Class B common stock	Brian L. Roberts One Comcast Center Philadelphia, PA 19103	9,444,375 ⁽³⁾	100%

(1) This information is based upon a Schedule 13G filing with the SEC on February 11, 2019 made by The Vanguard Group setting forth information as of December 31, 2018.

(2) This information is based upon a Schedule 13G filing with the SEC on February 4, 2019 made by BlackRock, Inc. setting forth information as of December 31, 2018.

(3) Includes 9,039,663 shares of Class B common stock owned by a limited liability company of which Mr. Brian L. Roberts is the managing member and 404,712 shares of Class B common stock owned by certain family trusts of which Mr. Roberts and/or his descendants are the beneficiaries. The shares of Class B common stock beneficially owned by Mr. Brian L. Roberts represent 33 $\frac{1}{3}$ % of the combined voting power of the two classes of our voting common stock, which percentage is generally non-dilutable under the terms of our articles of incorporation. Under our articles of incorporation, each share of Class B common stock is convertible at the shareholder's option into a share of Class A common stock. For information regarding Mr. Brian L. Roberts beneficial ownership of Class A common stock, see the table immediately below, Security Ownership of Directors, Nominees and Executive Officers, including footnote (10) to the table.

SECURITY OWNERSHIP OF DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS

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This table sets forth information as of March 15, 2019 about the amount of common stock beneficially owned by (i) our current directors (all of whom are also nominees for director), (ii) the NEOs listed in Executive Compensation Summary Compensation Table and (iii) our directors and executive officers as a group. No shares of common stock held by our directors or executive officers are held in margin accounts or have been hedged or pledged.

Beneficially Owned⁽¹⁾

Percent of Class

⁽²⁾ Class B

Class A⁽²⁾

03

*

38⁽³⁾

*

44⁽⁴⁾

*

97

*

34⁽⁵⁾

*

82

*

19⁽⁶⁾

*

92

*

52⁽⁷⁾

 of Regulation S-K promulgated by the SEC with management of the Company, and, based on such review and the Supervisory Board recommended that such Compensation Discussion and Analysis be included in this proxy statement and be incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Submitted by the Compensation Committee

Robert W. Drummond (Chairman)

William B. Berry

Alexander Vriesendorp

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS AND EXECUTIVE COMPENSATION

TABLE OF CONTENTS

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Executive Compensation and our Compensation Process

Program Highlights for 2017

Objectives of the Compensation Program

Components of the Company's Executive Compensation Program

Risk Assessment

Stock Ownership Guidelines

Accounting and Tax Considerations

EXECUTIVE COMPENSATION

Summary Compensation Table

Grants of Plan-Based Awards for 2017

Narrative Description to the Summary Compensation Table and the Grants of Plan-Based Awards Table for the 2017 Fiscal Year

Outstanding Equity Awards at 2017 Fiscal Year End

Option Exercises and Stock Vested in Fiscal Year 2017

Pension Benefits

Non-Qualified Deferred Compensation Table

Potential Payments Upon Termination or a Change in Control

Director Compensation

2017 Director Compensation

CEO Pay Ratio Disclosures

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (this CD&A) provides information regarding the executive compensation (a) all individuals serving as the Company's principal executive officer for the last completed year, (b) for all individuals serving as the Company's principal financial officer for the last completed fiscal year, (c) the two other highest compensated executive officers at the end of such year (our only two other executive officers at the end of such year), and (d) one other individual who served as an executive officer during the last completed fiscal year who would have been among our three highest compensated executive officers (the principal executive officer and the principal financial officer) for 2017 had he still been serving as executive officers at the end of the last completed fiscal year (collectively, the Named Executive Officers) and is intended to provide perspective regarding the Company's executive compensation program, including the philosophy, objectives, compensation processes, and key components of the program.

The following individuals were Named Executive Officers as of December 31, 2017:

Michael C. Kearney, Chairman, President and Chief Executive Officer (CEO) beginning September 26, 2017;

Douglas Stephens, President and CEO through September 26, 2017;

Kyle McClure, Senior Vice President and Chief Financial Officer (CFO) beginning March 2, 2017;

Jeffrey J. Bird, Executive Vice President and CFO through March 1, 2017;

Burney J. Latiolais, Jr., Executive Vice President, Global Operations;

Alejandro (Alex) Cestero, Senior Vice President, General Counsel, Secretary, and Chief Compliance Officer;

Daniel A. Allinger, Senior Vice President, Global Human Resources through January 27, 2017.

In 2017, several of our executive officers transitioned from their roles with the Company. Mr. Stephens stepped down from his role as our CEO and supervisory director effective at 5:00 pm CST on September 26, 2017, and Mr. Kearney became our President and Chief Executive Officer immediately thereafter. Mr. Bird stepped down from his role as our CFO effective March 1, 2017. Mr. McClure became our Chief Financial Officer at such time, and was appointed by the Board as Senior Vice President and CFO of the Company effective June 5, 2017. On January 27, 2017, Mr. Allinger terminated employment with the Company. On February 19, 2018, Mr. Latiolais, Jr. was appointed President, Tubular Running Services. However, for purposes of this CD&A, his former title of Executive Vice President, Global Operations is used.

Although this CD&A focuses on the Company's executive compensation program during the last fiscal year, it also discusses certain compensation actions taken before or after the 2017 fiscal year to the extent such discussion enhances the understanding of the Company's executive compensation disclosure.

Overview of Executive Compensation and our Compensation Process

As described above in Management Status as a Controlled Company, we are a controlled company within the corporate governance standards. As a controlled company, the Company is not required to have a compensation committee have elected to have such a committee composed entirely of independent directors in order to conform to best governance to help streamline administration of our executive compensation program. This compensation committee has responsibility other things, establish and oversee the compensation arrangements described below. Throughout 2017, the Compensation primary responsibility over our executive compensation program, including the decisions regarding the various levels compensation for each of the Named Executive Officers. Factors considered in making this determination included conditions, the goal of remaining competitive in the marketplace and incentivizing performance, and the particular Named Officer's role in contributing to the Company's results.

Table of Contents

We held our last advisory say-on-pay and say-on-frequency votes regarding executive compensation at our 2016 Annual meeting, more than 99% of the votes cast by our shareholders approved the compensation paid to our named executives described in the CD&A and the other related compensation tables and disclosures contained in our Proxy Statement filed on March 30, 2016. The Company’s Supervisory Board and the Compensation Committee reviewed the results of this vote and that this level of approval reflects strong shareholder support of our compensation strategy and programs. Nevertheless, the Compensation Committee implemented certain changes in 2016 to strengthen our pay-for-performance program and to align our compensation practices with shareholder value. We did not make any significant changes to our compensation program for our named executive officers in 2017. In accordance with the say-on-frequency preference expressed by our shareholders to conduct an advisory vote on executive compensation every three years, the next advisory vote will occur as part of the 2019 Annual Meeting.

The main components of our executive compensation program for 2017 consisted of the following items, which are described in detail in the sections below:

- base salary;

- annual cash incentive awards;

- deferred compensation and equity-based long-term incentive compensation (comprised of both time-based vesting awards and performance-based equity awards); and

- severance benefits for certain terminations of employment.

In 2017, none of our Named Executive Officers was subject to a traditional employment agreement providing for guaranteed compensation amounts or severance protection for terminations of employment. However, Mr. Kearney, our Chief Executive Officer, is a party to an Offer Letter that provides for an initial level of annual base salary, target bonus opportunities, equity based incentives and certain termination benefits upon a qualifying termination of employment. Mr. McClure, our Chief Financial Officer, is a party to an Offer Letter that provides for certain levels of annual base salary, target bonus opportunities, and equity based incentives. Mr. Latiolais is a party to a confidentiality and restrictive covenant agreement that provides for certain severance benefits.

The Change-in-Control Severance Plan (the “CIC Severance Plan”) also provides severance protection in connection with certain terminations following a change in control for our Named Executive Officers who participate in this plan. See “Potential Termination or a Change in Control,” for a more detailed discussion of all of our arrangements providing for payments upon a change in control. In addition, in order to facilitate alignment of our executives’ interests with those of our shareholders, the Compensation Committee maintains stock ownership guidelines for our executive officers and members of the Supervisory Board that require our executive officers and directors to maintain certain minimum levels of stock ownership in the Company (ranging from one to five times the individual’s annual base salary or annual base cash retainer, as applicable), to be achieved within five years of appointment to the applicable position covered by the guidelines.

Program Highlights for 2017

In 2017, the Compensation Committee continued to work with its compensation consultant, Meridian Compensation Partners (“Meridian”), to assist the Company in ensuring that (i) total executive compensation is within the market range compared to the Company’s peer group, and (ii) overall compensation aligns the executives’ interests with those of the Company’s stockholders by tying a meaningful portion of each executive’s cash and equity to the achievement of performance targets, including both time-based and performance-based vesting requirements in the long-term equity incentive compensation program.

Consistent with the above, the Company continues to maintain executive compensation programs that reflect positive governance features, including:

Table of Contents

A large portion of total compensation is provided under variable, at-risk performance-based elements to align performance;

Multiple performance metrics are utilized across our short- and long-term incentive plans;

Maximum payout is limited under our short- and long-term incentive plans;

We maintain stock ownership guidelines for officers and non-employee directors;

Anti-hedging and anti-pledging policies are included in our Insider Trading Policy;

The Compensation Committee engages an independent outside consultant to help the Committee evaluate and compensation program;

We utilize reasonable post-employment and change-in-control provisions that do not allow for single-trigger c (other than with respect to individual agreements with Messrs. Kearney and Latiolais described below) or exci gross-ups; and

We have clawback provisions in key agreements, such as our RSU award agreements and the CIC Severance I

Objectives of the Compensation Program

The Company is focused on establishing an executive compensation program that is intended to attract, motivate, and executives and to reward executives for creating and increasing the value of the Company. These objectives are taken into when creating the Company's compensation arrangements, when setting each element of compensation under those programs, determining the proper mix of the various compensation elements for each of the Named Executive Officers. We annually whether our compensation programs and the levels of pay awarded under each element of compensation achieve these

To ensure the Company continues to meet its compensation objectives as a public company, we have been working with using market data to develop an understanding of the current compensation practices among peers and to ensure that our compensation program will be benchmarked against peers within the industry. In furtherance of this goal, the Compensation determined, based on data provided by Meridian, to make certain changes to the peer group used for purposes of evaluating compensation practices for 2017. Accordingly, a peer group consisting of the following 15 companies was used for establishing our executive compensation program for 2017:

Core Laboratories N.V.;

Dril-Quip, Inc.;

Forum Energy Technologies, Inc.;

Helix Energy Solutions Group, Inc.;

Hornbeck Offshore Services, Inc.;

Matrix Service Co.;

McDermott International, Inc.;

Newpark Resources, Inc.;

Oceanering International, Inc.;

Oil States International, Inc.;

RPC, Inc.;

SEACOR Holdings Inc.;

Table of Contents

Tesco Corporation*; and

Tetra Technologies, Inc.

* Note that Tesco Corporation is being removed from our peer group with respect to the 2018 year due to the company's decision to exit the U.S. market in December 2017.

Meridian worked with our Compensation Committee to select this group of publicly traded companies from the same industries and within a certain range of our annual revenue to serve as the Company's peer group for purposes of obtaining information on the compensation practices of peers. The Compensation Committee evaluates this peer group from time to time. This peer group is used under the performance-based restricted stock unit awards that the Company granted in February 2017 for purposes of measuring the Company's total shareholder return performance relative to its peers. In order to ensure that the Company's total shareholder return program is competitive with its peers, the Compensation Committee approved the specific allocation of each Named Executive Officer's total targeted compensation for 2017 among the various compensation elements.

Components of the Company's Executive Compensation Program

For 2017, in addition to fixed annual base salaries, the Named Executive Officers received annual cash incentive opportunities. Some Named Executive Officers were awarded pursuant to specific formulas based on Company performance measures, subject to discretionary adjustments for individual executives based on individual performance. In addition, each of the Named Executive Officers was eligible to receive awards under our long-term incentive plan. The Company believes this mix of compensation aligns its executives' compensation with the Company's short-term and long-term goals, as well as with the interests of the Company's stockholders.

The Company offers change-in-control severance protection through its CIC Severance Plan. In light of this arrangement, the Named Executive Officers are a party to a traditional employment agreement. However, Mr. Kearney, who does not participate in the Company's CIC Severance Program, is subject to an Offer Letter that provides for accelerated vesting of equity awards upon certain terminations as well as termination benefits upon certain qualifying terminations following a change in control.

Below is a description of each of the principal elements of the Company's compensation programs in effect as of the end of the most recent fiscal year and the Company's view on these elements. The Company recognizes that in connection with the Company's Supervisory Board or Compensation Committee is undertaking with Meridian, the goals themselves and the methods of achieving those goals may change in the future.

Base Salary

Each Named Executive Officer's base salary is a fixed component of compensation for each year for performing his or her job responsibilities. It represents the minimum income a Named Executive Officer may receive in any year. Base salaries are reviewed by the Compensation Committee on an annual basis for each Named Executive Officer based on market and performance data provided by Meridian, the Company's performance, cost-of-living adjustments, and the individual's performance, job responsibilities. Base salaries are also re-evaluated at the time of any promotion or significant change in job responsibilities. In light of the Compensation Committee's evaluation of current industry conditions, market data provided by Meridian, and the Company's compensation philosophy and goals, no material changes in base salary were implemented in 2017 other than in connection with the Company's organizational changes, and the following base salaries from 2016 remained in place at the beginning of 2017:

\$650,000 for Mr. Stephens;

\$400,000 for Mr. Bird;

\$260,000 for Mr. McClure;

\$400,000 for Mr. Latiolais;

Table of Contents

\$425,000 for Mr. Cestero; and

\$275,000 for Mr. Allinger.

When Mr. Kearney was hired as our new CEO in September 2017 and pursuant to his Offer Letter, his initial base salary was \$750,000, subject to periodic review by the Supervisory Board or a committee thereof, which review is expected to occur more frequently from time to time in the discretion of the Supervisory Board or the Compensation Committee.

In connection with Mr. McClure's accepting the position of interim Chief Financial Officer, he received a salary conversion of \$40,000 for the period beginning on March 2, 2017 and ending on August 31, 2017, which was paid in installments in accordance with the Company's regular payroll practices. Subsequently, in connection with Mr. McClure's promotion to the role of Senior Vice President and Chief Financial Officer in June 2017, and pursuant to his Offer Letter, his annual base salary was increased to \$350,000 effective September 1, 2017.

In the future, the Company expects the Compensation Committee will continue to review base salaries on an annual basis based on the Company's financial and operating performance, as well as the executive officer's personal performance, the cost of living, market conditions, and any other factors that the Compensation Committee deems appropriate to consider, support any adjustment to an executive officer's base salary. The amounts set forth in the Summary Compensation Table below do not reflect the annual base salary that is set for the year, but what is considered earned for that year; thus they may differ slightly from these amounts due to the Company's payroll practices.

Annual Cash Incentives

Our annual incentive program in 2017 was designed to provide management, including our Named Executive Officers, with an incentive opportunity that was tied to certain metrics measuring the Company's performance (including an emphasis on safety in measuring such performance) while remaining competitive with our peers.

The annual incentive program is a short-term cash incentive program, which has a one-year performance period and is intended to reward management, including executives for Company and individual performance. All executives are required to complete safety training to be eligible for annual cash incentives. In 2017, the Compensation Committee continued to evaluate and oversee the annual incentive program for our Named Executive Officers, in consultation with Meridian. Based on this evaluation and similar to the annual incentive program for 2016, the annual incentive program for 2017 provided for a target incentive opportunity expressed as a percentage of each executive officer's salary, depending on the Company's achievement of three corporate-wide quantitative performance goals, with each metric being weighted as follows in determining the potential payout for each Named Executive Officer:

(1) Free Cash Flow (weighted 50%);

(2) Revenue performance goals (weighted 35%); and

(3) Safety goals (Total Recordable Incident Rate) (weighted 15%).

These guidelines were approved to ensure that our goals and targets continue to ultimately reflect our true performance. Furthermore, the achievement of these goals could be modified up to 20% in a positive or negative direction based on individual performance.

If the Company achieved the target performance metrics for 2017, the cash incentive awards for the Named Executive Officers were expected to be paid at target levels, with no payout unless the threshold level of at least 75% of the target metrics was achieved. In addition, to create additional incentive for exceptional Company performance based on the metrics described above, annual incentive awards for 2017 for our Named Executive Officers could be paid at up to two times the target payout if maximum performance metrics were achieved.

but it is not expected that payment at this level will occur in most years.

Table of Contents

For 2017, the target award for each of these Named Executive Officers was set at a percentage of the annual rate of base salary at the end of 2017 (other than with respect to Mr. McClure, whose target percentage was set based on his base salary as of the date of his Offer Letter), as follows:

<u>Name</u>	Target Annual Incentive Award (% of Annual Base Salary)	Target Annual Incentive Award (\$)
Michael C. Kearney	100%	750,000
Douglas Stephens	100%	650,000
Kyle McClure	100%	350,000
Jeffrey J. Bird	87.5%	350,000
Burney J. Latiolais, Jr.	100%	400,000
Alejandro Cestero	75%	318,750
Daniel A. Allinger	50%	137,500

At the discretion of the Compensation Committee, payouts under these awards could range from 0x to 2x the target percentage in the table above, depending on performance relative to the specified performance metrics, as follows:

Level	Performance	Payout Opportunity
Below Threshold	Below 75% of Target Goals	0%
Threshold	75% of Target Goals	50% of Target %
Target	98% to 102% of Target Goals	100% of Target %
Maximum	125% of Target Goals	200% of Target %

For performance achievement between threshold, target, and maximum levels, payouts are interpolated on a sliding scale. The actual results we attained with respect to the performance metrics established for 2017 were above our target goals, with performance at 110% of target levels in the aggregate. However, the Compensation Committee exercised its discretion to reduce the amount of the payout actually provided to certain Named Executive Officers. Mr. Kearney's bonus was pro-rated to reflect the year during which he was employed as our CEO, and Mr. McClure's bonus was pro-rated based on the various positions he held during the 2017 year. Messrs. Stephens and Allinger each received a payment in connection with their terminations of employment that was based on the target bonus amounts provided above as part of their negotiated severance packages, but the amount was reduced pursuant to our annual incentive plan. Due to Mr. Bird's resignation in 2017, he was not eligible to receive a bonus for 2017.

Long-Term Incentives**Long-Term Incentive Plan (the "LTIP")**

We believe a formal long-term equity-based incentive program is important and consistent with the compensation programs of other companies in our peer group. We maintain the LTIP, which is an omnibus long-term incentive plan that provides for the award of a variety of awards to Named Executive Officers and other eligible employees of a variety of awards, such as stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalents, bonus stock, cash awards, substitute awards, and other stock-based awards, which may be designed as performance awards or made subject to other conditions. In connection with our initial public offering, our shareholders approved the reservation of 20,000,000 shares for issuance pursuant to awards granted under the LTIP.

Table of Contents

LTIP. We believe that long-term equity-based incentive compensation is an important component of our overall compensation program because it:

balances short and long-term objectives;

aligns our executives' interests with the long-term interests of our stockholders;

rewards long-term performance relative to industry peers;

makes our compensation program competitive from a total remuneration standpoint;

encourages executive retention; and

gives executives the opportunity to share in our long-term value creation.

Our Compensation Committee has the authority under the LTIP to award incentive equity compensation to our executive officers on such terms as the committee determines appropriate in its sole discretion. To date, our long-term equity-based compensation has consisted of grants of restricted stock unit (RSU) awards; however, our Compensation Committee may in the future that different and/or additional award types are appropriate. An RSU is a notional share of the Company's common stock that entitles the grantee to receive a share of common stock upon the vesting of the RSU or, in the discretion of the plan administrator, a cash equivalent to the value of a share of the Company's common stock. We believe RSUs effectively align our executive compensation with the interests of our stockholders on a long-term basis and have retentive attributes.

Mr. Latiolais was granted RSUs in connection with our initial public offering, which vested in 2017. In February of 2017, we began the practice of making annual grants of RSUs to our Named Executive Officers that generally provide for ratable vesting over a period of three years.

In 2016, the Compensation Committee implemented changes in the long-term incentive program for the Company's Executive Team. Starting in 2016, 50% of the annual RSU awards granted to Messrs. Bird, Cestero, and Allinger were provided in the form of performance-based RSUs (PRSUs), while the remaining 50% of annual RSUs (as well as 100% of the RSUs granted to other Executive Team members) continued to be provided in the form of time-based RSUs. The 2016 PRSUs vest at the end of a three-year performance period based on both the awardholder's continuous employment and the company's total shareholder return (TSR) performance as compared to the performance of its peer group, with payout determined as follows (payout percentage is applied to the target level, which is the number of PRSUs denominated in the award):

Level	TSR Percentile Rank vs. Peer Group	Payout Percentage
Maximum	75th Percentile and above	150%
Target	50th percentile	100%
Threshold	25th percentile	50%
	Below 25th percentile	0%

In 2017, we continued our practice of granting awards consisting of 50% performance-based RSUs and 50% time-based RSUs to our Named Executive Officers. The 2017 RSUs provide for ratable vesting over a period of three years. The 2017 PRSUs provide for vesting of a three-year performance period, subject to both the awardholder's continuous employment and the company's performance, with payout determined in the same manner as for the 2016 PRSUs (see the table above).

Special Off-Cycle and/or Retention Awards

In addition to the RSUs and PRSUs described above, our new Named Executive Officers have typically received one-time-based RSUs in connection with their appointments as executive officers of the Company. On June 9, 2017, in connection with his appointment as our Chief Financial Officer, Mr. McClure received a grant of 14,342 RSUs (vesting in three annual installments on the annual anniversary of June 5, 2017).

Table of Contents

and 14,342 PRSUs that vest on February 20, 2020, subject to the same achievement of relative TSR performance as the other Named Executive Officers. On August 3, 2017, each of Messrs. Cestero and Latiolais received a grant of 21,118 and 21,118 PRSUs, respectively, which vest in full on August 3, 2019. On September 26, 2017, in connection with his appointment as our CEO, Mr. Cestero received a grant of 166,773 RSUs (vesting in three annual installments on each annual anniversary of the date of grant) and 166,773 PRSUs that vest on September 26, 2020, subject to achievement of relative TSR performance similarly to the awards to our other Named Executive Officers.

It is expected that the Compensation Committee will continue to evaluate a grant policy for equity awards to determine the amount of awards to be granted to Named Executive Officers in the future, when the awards will be granted, the schedule on which the awards will become vested, any performance conditions upon which the grants or vesting will be based, and other terms and conditions of the awards.

Executive Deferred Compensation (EDC) Plan

The Company may provide long-term incentives through discretionary Company contributions under the EDC Plan for Named Executive Officers participating in the plan. Any such contributions are scheduled to vest in full after five years of service, previously served as a long-term retention tool. In prior years, discretionary Company contributions have generally been made on behalf of our executive officers. However, Company contributions to the EDC Plan were suspended indefinitely in 2015 and participation was closed for new employees following the 2015 year.

The EDC Plan also allows each Named Executive Officer to elect to defer a percentage of his compensation (defined as the Named Executive Officer's base salary, bonus, commission, and any other cash or equity-based compensation approved by the Compensation Committee or administrative committee) until the executive's termination of employment or until a future date specified by the executive in his deferral election.

In 2017, the Compensation Committee determined that it would not make any discretionary Company contributions under the EDC Plan for 2017 for any of the Named Executive Officers, in order to focus its long-term incentives on other elements of compensation, including awards granted under the company's long-term incentive plan and stock purchased under the ESPP (both plans, as described below) incentives that more closely align the Named Executive Officers' long-term incentive compensation with the interests of our shareholders.

To create additional incentives for the executive officers to continue to grow value for the Company, the Company established the International N.V. Long-Term Incentive Plan and an employee stock purchase plan intended to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the Code), and such plan, the ESPP. Both the ESPP and the LTIP were established by the Company's Board and approved by stockholders prior to the completion of the initial public offering. The Company's long-term incentive program, including an equity component to the Company's compensation program is vital to align the executive officers' interests with the interests of our shareholders through shared ownership.

Employee Stock Purchase Plan

As described above, prior to the completion of the Company's initial public offering, the Supervisory Board adopted, and the Board of Directors approved, an ESPP, in order to enable eligible employees (including the Named Executive Officers) to purchase shares of the Company's Common Stock at a discount following the effective date of the ESPP, which was January 1, 2015. This plan encourages and aligns the interests of the executives with our shareholders. Purchases under the ESPP are accomplished through periodic discrete offering periods. This ESPP is intended to qualify as an employee stock purchase under section 423 of the Code. A total of 3,000,000 shares of the Company's Common Stock has been reserved for issuance under the ESPP, subject to appropriate adjustments to reflect changes in the Common Stock caused by certain events like stock splits or a change in control. The number of shares that may be granted to any single participant in any single option period will be subject to certain limitations set forth in the ESPP.

Table of Contents*Severance Benefits*

Other than Mr. Kearney, who is party to an Offer Letter providing for certain payments and benefits upon certain qualifying termination of employment, and Mr. Latiolais, who is a party to a confidentiality and restrictive covenant agreement that provides for severance benefits, none of our Named Executive Officers is a party to an individual employment agreement providing for severance payments upon a termination of employment. However, in 2015, the Supervisory Board approved and adopted the CIC Severance Plan, which provides for severance payments in a double-trigger situation. Under this plan, the Named Executive Officers are entitled to receive severance payments equal to two times the sum of the executive's annual base salary and target incentive opportunity for the year of termination, which is defined as an involuntary termination with the 24-month period following a change in control. We do not provide any single-trigger change-of-control payments provided under this plan, nor do we provide any 280G parachute payments. However, we believe that competitive double-trigger payments provides financial protection to employees following a change of employment in connection with a change in control. We believe that these types of benefits enable our executives to make important business decisions in the event of any future acquisition of our business, without regard to how the transaction affects them personally. We believe that this structure provides executives with an appropriate incentive to cooperate in completing a control transaction if such transaction is in the best interest of the Company and its shareholders. Participation in the CIC Severance Plan is contingent upon the executive entering into a participation agreement in which the executive agrees to certain restrictive covenants during and following employment with the Company.

Mr. Kearney's Offer Letter provides that in lieu of participation in the Company's CIC Severance Plan, the following benefits shall be payable should Mr. Kearney's employment with the Company be terminated by the Company without cause or by him for good reason or within 24 months following a change in control: (1) a lump sum cash severance payment equal to (a) 1.0x his then-current annual base salary if such termination occurs prior to the first anniversary of the effective date of his Offer Letter, or (b) 0.5x his then-current annual base salary if such termination occurs on or after the first anniversary of the effective date but prior to the second anniversary of the effective date; (2) 18 months of continued coverage under the Company's group health plan on the same basis as similarly situated active employees; and (3) Mr. Kearney's employment is involuntarily terminated by the Company without cause or by him for good reason at any time, he shall be entitled to a pro-rated annual bonus payment for the year of his termination based on the target bonus amount, but not to exceed the amount of his period of service during the year.

Mr. Latiolais entered into an Employee Confidentiality and Restrictive Covenant Agreement with the Company on October 1, 2015. The agreement governs the confidentiality of all information provided to Mr. Latiolais in connection with his employment and the restrictive covenants Mr. Latiolais will be subject to during and following his termination of employment with the Company. If Mr. Latiolais is terminated without cause, as determined by the Company in its sole discretion, during the term of the agreement, Mr. Latiolais will be entitled to receive salary continuation for a period of nine months, and a lump sum cash payment equal to the short-term incentive bonus target for the year in which the termination occurs subject to his execution of a waiver and release of claims in favor of the Company and his continued compliance with all restrictive covenants set forth in the agreement.

In addition, the Named Executive Officers are entitled to accelerated vesting under the terms of certain outstanding Restricted Stock Units upon qualifying terminations of employment (subject to certain restrictive covenant obligations) and accelerated vesting of outstanding contributions under the Company's EDC Plan.

Finally, in connection with their termination of employment in 2017, we entered into a separation agreement with each of Mr. Stephens and Allinger.

See [Potential Payments upon Termination or a Change in Control](#), for a more detailed discussion of the payments and benefits under each of the arrangements noted above. We believe that these arrangements help to ensure the day-to-day stability and continuity of our management team and are consistent with competitive practices.

Table of Contents

Perquisites and Other Compensation Elements

The Company offers participation in broad-based retirement, health, and welfare plans to all employees. The Company maintains a plan intended to provide benefits under section 401(k) of the Code where employees are allowed to contribute their base compensation into a retirement account (the 401(k) Plan). In 2017, the Company's matching contribution is the first 3% of eligible compensation deferred by an employee and 50% on any employee contributions between 4% and 6% of compensation, up to the annual allowable U.S. Internal Revenue Service limits. The 401(k) Plan is designed to encourage employees, including the participating Named Executive Officers, to save for the future.

In 2016, the Company phased out the limited perquisites it previously provided for its Named Executive Officers in prior years. We did not provide any perquisites for any of our Named Executive Officers. However, in order to satisfy certain employment requirements applicable upon the vesting of Company contribution accounts under the EDC Plan, the Company elected to pay FICA taxes relating to these vesting events on behalf of Mr. Latiolais and to gross them up for these taxes. The Company determined it was appropriate to provide these FICA tax payments and related gross-ups due to the timing of this requirement; however, the Company has not made any determinations about the continued application of any such FICA tax payments and gross-ups to vesting events that may occur for Named Executive Officers under RSU awards or for other vesting tranches under EDC Plan contribution accounts.

Risk Assessment

The Company's Supervisory Board has reviewed the Company's compensation policies as generally applicable to employees and determined that these policies do not encourage excessive or unnecessary risk-taking and that the level of risk that they do encourage is reasonably likely to have a material adverse effect on the Company. In addition, the following specific factors, in particular, increase the likelihood of excessive risk-taking:

The Company's overall compensation levels are competitive with the market;

The Company's compensation mix is balanced among (i) fixed components, like salary and benefits, (ii) annual bonus that reward the Company's overall financial and business performance, business unit financial performance, operational performance, and individual performance, and (iii) long-term incentives that align executives' interests with those of our shareholders by encouraging them to preserve long-term shareholder value and avoid excessive risks

Multiple performance metrics are used across the short- and long-term incentive program;

Incentive programs have maximum payout limitations; and

We have clawback provisions in key agreements, such as our RSU award agreements and the CIC Severance Policy. In summary, although a portion of the compensation provided to the Named Executive Officers may be based on short-term performance and on the individual successes of the employee, the Company believes its compensation programs do not encourage excessive and unnecessary risk-taking by executive officers (or other employees) because these programs are designed to align employees to remain focused on both short- and long-term operational and financial goals of the Company. Additionally, the long-term equity-based compensation serves our compensation program's goal of aligning the interests of executives and shareholders.

thereby reducing the incentives for unnecessary risk-taking. Facets of compensation that incentivize these executives risk-taking have been and will continue to be one of the many factors considered by the Compensation Committee and the Board (as applicable) during its review of the Company's compensation programs and during the design of new programs to become, or may yet become, effective in connection with the Company's continued growth and development as a public company. In the future, the Compensation Committee or the Supervisory Board will seek to ensure that any changes to compensation programs do not encourage excessive or unnecessary risk-taking and that any level of risk that they do encourage is reasonably likely to have a material adverse effect on the Company.

Table of Contents**Stock Ownership Guidelines**

Our Named Executive Officers are subject to stock ownership guidelines that were established by our Supervisory Board. These guidelines reinforce the importance of aligning the interests of our executive officers with the interests of our stockholders. The guidelines are expressed in terms of the value of our executive officers' equity holdings as a multiple of each current executive officer's base salary, as follows:

Officer Level	Ownership Guideline
President/Chief Executive Officer	5x annualized base salary
Direct Reports to the CEO (SVP or higher)	3x annualized base salary
All other executive officers	2x annualized base salary

These stock ownership levels must be achieved by each individual within 5 years of the later of the date that the stock ownership guidelines became effective in 2015 or the date that the individual was first appointed as an executive officer or Direct Report to the CEO (with such 5-year period resetting upon an officer's promotion to a higher ownership guideline multiple). Messrs. Allinger, Latiolais and McClure served as Direct Reports to the CEO during 2017.

Equity interests that count toward the satisfaction of the ownership guidelines include stock owned outright by the employee, stock owned, stock owned indirectly by the employee (*e.g.*, by a spouse or in a trust for the benefit of the executive or his family), stock owned under the officer's account under any company-sponsored retirement plan or under the Company's employee stock ownership plan, unvested RSUs or restricted stock held by the officer, any non-restricted shares granted to the officer pursuant to the LTIP, or shares purchased by the officer in the open market. During the five-year grace period for compliance, an individual may not sell common stock, except for personally-held shares, until that individual's stock ownership level has been achieved. To the extent common stock have been sold from vested RSUs granted by the Company, the equivalent amount of personally-held shares of common stock may not be sold unless the individual has satisfied their applicable ownership level. Pursuant to our Stock Ownership Guidelines, ownership is calculated based on an individual's annual base salary and the average closing price of a share of the Company's common stock over the previous calendar year.

Additionally, we have stock ownership guidelines for our non-employee directors, requiring a minimum holding of 5x the annual cash retainer. For information regarding these guidelines, please see "Director Compensation" below.

Accounting and Tax Considerations

Section 162(m) of the Code limits the deductibility of certain compensation expenses in excess of \$1,000,000 to certain executive officers in any fiscal year. Compensation pursuant to certain grandfathered arrangements that is performance based is excluded from this limitation.

While the tax impact of any compensation arrangement is one factor to be considered, such impact is evaluated in light of the Company's overall compensation philosophy and objectives. The Company believes that maintaining the discretion to evaluate the compensation of executive officers is an important part of the Company's responsibilities and benefits public stockholders, and therefore the Company may award compensation to the Named Executive Officers that is not fully deductible if it is determined that such compensation is consistent with the Company's compensation philosophy and benefits stockholders. Regardless, section 162(m) of the Code limits certain compensation of corporations which are privately held and which become publicly held in an initial public offering to be subject to the deduction limitations of section 162(m) for a transition period following such initial public offering. It is a policy of the Company that the Company's annual incentive program and certain awards of equity compensation may satisfy the requirements of section 162(m) during the transition period, which encompassed part of the 2017 fiscal year.

Section 409A of the Code requires that nonqualified deferred compensation be deferred and paid under plans or arrangements that satisfy the requirements of the statute with respect to the timing of deferral elections, timing of payments, and certain other matters. Failure to satisfy these requirements can expose employees and other service

Table of Contents

providers to accelerated income tax liabilities and penalty taxes and interest on their vested compensation under such plan. As a general matter, it is the Company's intention to design and administer its compensation and benefits plans and arrangements for its employees and other service providers, including the executive officers, so that they are either exempt from, or satisfy the requirements of, section 409A of the Code.

Any equity awards granted to our employees, including executive officers, pursuant to the LTIP is reflected in the Company's consolidated financial statements, based upon the applicable accounting guidance, at fair market value on the grant date, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Topic 718, Compensation—Stock-Based Compensation.

Table of Contents**EXECUTIVE COMPENSATION****Summary Compensation Table**

The table below sets forth the annual compensation earned by or granted to the Named Executive Officers during the 2017 and 2016 fiscal years. For an explanation of the compensation mix and the relative amounts of each compensation element, see the "Components of the Company's Executive Compensation Program" section of our Compensation Discussion and Analysis.

Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)(2)	Stock Awards (\$)(3)	Non-Equity Nonqualified		All Other Compensation (\$)(5)
					Incentive Plan Compensation (\$)	Deferred Earnings (\$)(4)	
Michael C. Kearney <i>Chairman, President and Chief Executive Officer</i>	2017	199,039		2,785,229	219,247		553,477
Douglas Stephens <i>Former President and Chief Executive Officer</i>	2017	535,019		1,960,968			666,791
	2016	82,500		300,132			
Kyle McClure <i>Senior Vice President and Chief Financial Officer</i>	2017	329,769	130,000	326,266	342,283	9,805	12,150
Jeffrey J. Bird <i>Former Executive Vice President and Chief Financial Officer</i>	2017	67,692					3,080
	2016	400,000		887,454			11,920
	2015	400,000	227,500		360,500		3,000
Alejandro Cestero <i>Senior Vice President, General Counsel, Secretary and Chief Compliance Officer</i>	2017	425,000		478,097	350,625		12,150
	2016	425,000		445,684			11,920
Burney J. Latiolais, Jr. <i>Executive Vice President, Global Operations</i>	2017	400,000		550,522	396,000	156,325	121,875
	2016	372,391		277,346		47,116	13,400
	2015	363,000		243,288	252,376		16,375
Daniel A. Allinger <i>Former Senior Vice President, Global Human Resources</i>	2017	25,385				10,672	450,160
	2016	275,000		132,061		6,527	11,920

(1) The amounts reflected in this column include total annual salary earned for the fiscal year, regardless of whether any amounts were deferred under our deferred compensation arrangements or otherwise paid in another year. The salary

Messrs. Kearney, Stephens, Bird and Allinger represent a pro-rated portion of their annual rate of base pay to corresponding period of employment with the Company in 2017.

- (2) On March 1, 2017, Mr. McClure was granted a cash retention award of \$130,000 in connection with his appointment as CFO, the payment of which was conditioned upon his continued employment with the Company through August 31, 2017.
- (3) The amounts reflected in this column for 2017 reflect equity grants of RSUs and PRSUs granted in 2017, the details of which are reflected in the Components of the Company's Executive Compensation Program section of our Compensation Discussion and Analysis above. The amount in this column for Mr. Kearney includes stock awards granted in connection with his service as a non-employee director prior to his appointment as CEO, which are also reflected in the 2017 Director Compensation Discussion and Analysis. The amounts reflected in this column represent the aggregate grant date fair value of the awards granted to the Named Executive Officers calculated pursuant to FASB ASC Topic 718, disregarding any potential forfeitures. With respect to PRSUs, the amounts are also reflective of the probable outcome of vesting for accounting purposes. Please see Note 15 to our Consolidated Financial Statements for the 2017 fiscal year within our Form 10-K, filed with the SEC on February 27, 2018, for more details regarding the valuation assumptions for these equity awards.

Table of Contents

- (4) All amounts in this column relate to above-market or preferential earnings on compensation deferred under our EDC amounts reflected in this column for the 2017 fiscal year reflect the portion of the earnings that accrued under the EDC for 2017 that were determined to be above-market or preferential under the SEC's rules, using 120% of the applicable rate as the reference rate. See the section entitled, "Non-Qualified Deferred Compensation Table," below for more information on non-qualified deferred contribution earnings for our Named Executive Officers.
- (5) The amounts reflected in this column for the last completed fiscal year include the specific items reflected in the All Other Compensation table below.

All Other Compensation:

Name	Employer Matching Contributions	Tax Payments and Gross Up	Severance	Director Consulting Fees(3)
	Under 401(k) Plan (\$)	Amounts (\$)(1)	(\$)(2)	
Michael C. Kearney				553,4
Douglas Stephens	12,150		654,641	
Kyle McClure	12,150			
Jeffrey J. Bird	3,087			
Alejandro Cestero	12,150			
Burney J. Latiolais, Jr.	12,150	109,722		
Daniel A. Allinger	1,523		448,638	

- (1) This column reflects certain taxes and gross ups paid on behalf of certain of our Named Executive Officers in connection with their vesting in the Company's contributions to their EDC Plan accounts. For additional details, please see the discussion regarding "Components of the Company's Executive Compensation Plan - Perquisites and Other Compensation Elements."
- (2) This column reflects severance payments made to departing Named Executive Officers. In accordance with Mr. Stephens' separation agreement, he received a lump-sum cash payment of \$651,000, as well as a \$3,641 reimbursement of COBRA premiums. In accordance with Mr. Allinger's separation agreement, he received a lump-sum cash payment of \$412,000 and an additional lump sum payment of \$21,138 for future COBRA premiums and \$15,000 of outplacement assistance.
- (3) This column reflects payments to Mr. Kearney in connection with his services as a non-employee director of the Company prior to his appointment as CEO. He received payments of \$50,000 per month to take on expanded and additional supervisory director responsibilities beyond his regular responsibilities in order to help facilitate the transition in the Company's leadership, as well as to provide ongoing special support to the President and CEO at that time. Upon Mr. Kearney's appointment as the Company's President and Chief Executive Officer in September 2017, this additional retainer was terminated. These payments are also disclosed in the 2017 Director Compensation table.
- (4) This total does not reflect the value of any perquisites, as no Named Executive Officer received perquisites with an annual value of \$10,000 or more.

Grants of Plan-Based Awards for 2017

Type	Grant Date(1)	Estimated Possible Payouts Under Non-Equity Incentive	Estimated Future Payouts Under Equity Incentive	All Other Stock
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Name			Plan Awards(2)			Plan Awards(3)			Award Number of Share of Sto of Sto
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Michael C. Kearney	Director								
	Grant	2/20/2017							3,2
	Director								
	Grant	5/19/2017							18,2
	RSU	9/26/2017							166,7
	PRSU	9/26/2017				83,387	166,773	250,160	
	Cash	9/25/2017	375,000	750,000	1,500,000				
Douglas Stephens	RSU	2/20/2017							78,3
	PRSU	2/20/2017				39,188	78,376	117,564	
	Cash	2/20/2017	325,000	650,000	1,300,000				
Kyle McClure	RSU	4/11/2017							10,3
	RSU	6/9/2017							14,3
	PRSU	6/9/2017				7,171	14,342	21,513	
	Cash	2/20/2017	175,000	350,000	700,000				

Table of Contents

Name	Type	Grant Date(1)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Equity Incentive Plan Awards(3)			All Other Stock Awards(4) Number of Shares of Stock (#)(5)
			Threshold	Target	Maximum	Threshold	Target	Maximum	
			(\$)	(\$)	(\$)	(#)	(#)	(#)	
Jeffrey J. Bird	Cash	2/20/2017	175,000	350,000	700,000				
Alejandro Cestero	RSU	2/20/2017						12,218	
	RSU	8/3/2017							
	PRSU	2/20/2017				6,406	12,812	19,218	
Burney J. Latiolais, Jr	Cash	2/20/2017	159,375	318,750	637,500				
	RSU	2/20/2017						16,192	
	RSU	8/3/2017							
Daniel A. Allinger	PRSU	2/20/2017				8,039	16,077	24,116	
	Cash	2/19/2018	200,000	400,000	800,000				
	Cash	1/25/2017	68,750	137,500	275,000				

- (1) The dates included in this column reflect the dates that the cash or equity awards disclosed in the table were granted.
- (2) Represents cash awards under the Company's annual incentive program. The Target column represents the potential opportunity set as a percentage of each executive officer's salary. Amounts reported in the Threshold column represent the target amount for each Named Executive Officer and amounts in the Maximum column reflect 200% of the target amount for each Named Executive Officer. If less than minimum levels of performance are attained with respect to the applicable performance goals, then no amount will be earned. Performance targets and target awards for the cash awards reported above are described under Compensation Discussion and Analysis Components of the Company's Executive Compensation Program Annual Incentive Program. The amounts actually paid to each Named Executive Officer are reflected in the Summary Compensation Table above.
- (3) Represents the potential number of shares payable under the performance-based restricted stock units (or PRSUs) granted under the LTIP. Amounts reported (a) in the Threshold column reflect 50% of the target number of shares denominated under the Executive Officer's PRSU award, which, in accordance with SEC rules, is the minimum amount payable for a certain level of performance under the PRSUs, (b) in the Target column reflect 100% of the target number of shares denominated under the Named Executive Officer's PRSU award, which is the target amount payable under the PRSU awards for performance at target levels, and (c) in the Maximum column reflect 150% of the target number of shares denominated under the PRSU award, which is the maximum amount payable for performance at maximum levels. If less than minimum levels of performance are attained with respect to the total shareholder return (TSR) performance metrics applicable to the PRSUs, then 0% of the target number of shares awarded will be earned. The number of shares actually delivered at the end of the performance period may vary from the target number of PRSUs, based on our achievement of the specific performance measures. Performance targets and target awards reported above are described under Compensation Discussion and Analysis Components of the Company's Executive Compensation Program Long Term Incentives Long-Term Incentive Plan.
- (4) Represents shares of restricted stock units subject to time-based vesting conditions granted under the LTIP. The terms and conditions of the grants are described under Compensation Discussion and Analysis Components of the Company's Executive Compensation Program Long Term Incentives Long-Term Incentive Plan.
- (5) See Note 3 in the Summary Compensation Table above for information on the value of the RSUs (the 2017 RSUs and the 2017 PRSUs) granted in 2017.

Narrative Description to the Summary Compensation Table and the Grants of Plan-Based Awards Table for the Year

Summary Compensation Table. None of our Named Executives Officers was a party to a traditional employment agreement with the Company during the 2017 fiscal year. However, as disclosed in our Compensation Discussion and Analysis, Mr. Kearney and Mr. McClure are each party to an Offer Letter that provides for certain levels of annual base salary, target bonus opportunity and equity based incentive awards. Although Mr. Latiolais' Employee Confidentiality and Restrictive Covenant Agreement provides for limited severance benefits, it does not contain provisions governing his compensation during the term of his employment.

Mr. Kearney's Offer Letter provides for an initial annual base salary of \$750,000, an annual incentive bonus opportunity and a prorated bonus in 2017, based on performance criteria determined by the Supervisory Board or a committee thereof, with a target bonus opportunity equal to 100% of his base salary (prior to any pro-ration). Also pursuant to his Offer Letter, Mr. Kearney is eligible to receive, pursuant to our LTIP, annual grants of equity-based incentive awards with an expected aggregate grant value equal to 350% of his annual base salary. In addition, pursuant to his Offer Letter, Mr. Kearney received, upon his date of hire, a grant of restricted stock units valued at \$2,625,000, (calculated based upon the closing price per share of our common stock on the date of grant).

Table of Contents

common stock on the immediately preceding day), one half of which consisted of RSUs that are scheduled to vest 1/3 per the first, second, and third anniversaries of the date of grant and one half of which are PRSUs which will vest at the end of the performance period, subject to the company's relative TSR performance.

Mr. McClure's Offer Letter provides for an initial annual base salary of \$350,000, an annual incentive bonus opportunity based on performance criteria determined by the Supervisory Board or a committee thereof, with an expected target bonus opportunity of 100% of his base salary. Also pursuant to his Offer Letter, Mr. McClure will be eligible to receive, pursuant to our LTIP, a grant of equity-based incentive awards with an expected aggregate grant date value equal to 100% of his annual base salary. Pursuant to his Offer Letter, Mr. McClure received, upon his date of hire, an initial grant of 14,342 RSUs that are scheduled to vest 1/3 per year on each of the first, second, and third anniversaries of the date of grant and 14,342 PRSUs which will vest at the end of a three-year performance period, subject to the company's relative TSR performance.

We entered into a retention agreement with Mr. McClure, effective March 1, 2017, which provided Mr. McClure with a cash payment of \$130,000, subject to his continued employment with the Company through August 31, 2017. The retention agreement also provided for a salary conversion payment to reflect his increased duties as interim chief financial officer, which was paid to Mr. McClure pursuant to our regular payroll practices, with each payment subject to continued employment through such payment date. The salary conversion payment is included in the Bonus column of the Summary Compensation Table and the salary conversion payment is included in the Salary column.

Each Named Executive Officer's salary and bonus payments for 2017, as a percentage of total compensation varied, depending on position. For Mr. Kearney, salary and bonus represented approximately 5.3% of total compensation; for Mr. McClure, total compensation was approximately 40%; for our other Named Executive Officers employed with us for the entire year, other than our chief executive officer and our chief financial officer, this percentage ranged from 25% to 35%.

Mr. Stephens entered into a separation agreement with the Company effective as of 5:00 pm CDT, September 26, 2017 which provided for (a) a lump sum cash severance payment, (b) continued COBRA coverage under the Company's medical benefit plan for eighteen months, (c) outplacement assistance, (d) accelerated vesting of one third of the outstanding shares under his 2016 RSU award agreements, and (e) accelerated vesting of one third of the outstanding shares under his 2017 PRSU award agreements (the number of shares determined based on the target level of performance).

Mr. Allinger entered into a separation agreement with the Company effective February 2, 2017 which provided for (a) a cash severance payment, (b) a cash payment of an amount equal to eighteen months of medical premium costs, (c) outplacement assistance, (d) accelerated vesting of one third of the outstanding shares under his 2016 and 2017 RSU award agreements, and (e) continued vesting of the shares as if he were still employed of the shares under each of his 2016 RSU and 2016 PRSU award agreements.

For more discussion of Messrs. Stephens' and Allinger's separation agreements, see Potential Payments Upon Termination or a Change in Control.

Grants of Plan Based Awards Table. The RSUs granted to Messrs. Stephens, Cestero and Latiolais on February 20, 2017 are scheduled to vest ratably in three equal annual installments beginning on February 20, 2018. The RSUs granted to Messrs. Cestero and Latiolais on August 3, 2017 are scheduled to vest in full on August 3, 2019. The RSUs granted to Mr. McClure on June 9, 2017 in connection with his appointment as chief financial officer are scheduled to vest ratably in three equal annual installments beginning on June 9, 2018. The RSUs granted to Mr. Kearney on September 26, 2017 in connection with his appointment as chief executive officer are scheduled to vest ratably in three equal annual installments beginning on September 26, 2018. Upon certain terminations of employment or a change in control, these RSUs may be allowed to continue vesting pursuant to the original vesting schedule (subject to certain non-competition covenants), as described in more detail below in Potential Payments Upon Termination or a Change in Control.

Table of Contents

The PRSUs granted to Messrs. Stephens, McClure, Cestero and Latiolais in 2017 under our LTIP are scheduled to vest with the applicable payout percentage as determined by the performance criteria on February 20, 2020, and the PRSU Mr. Kearney in 2017 under our LTIP are scheduled to vest in accordance with the applicable payout percentage as determined by the performance criteria on September 26, 2020. The vesting of these PRSUs is described in more detail in Compensation Analysis Components of the Company's Executive Compensation Program Long Term Incentives Long-Term

Outstanding Equity Awards at 2017 Fiscal Year End

The table below reflects each equity-based compensation award held by our Named Executive Officers as of December 31, 2017. We have not granted any stock option awards to our Named Executive Officers.

Name	Number of Shares or Units of Stock That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)	Stock Awards
			Equity Incentive Plan Awards: Number of Unearned Shares, or Other Rights That Have Not Vested (#)(3)
Michael C. Kearney	188,192	1,251,477	83,387
Douglas Stephens			
Kyle McClure	43,825	291,436	7,171
Jeffrey J. Bird			
Alejandro Cestero	55,618	369,860	12,703
Burney J. Latiolais, Jr	54,874	364,912	8,039
Daniel A. Allinger	4,968	33,037	2,547

- (1) This column reflects the number of shares of unvested restricted stock units (RSUs) held by each Named Executive Officer as of December 31, 2017. These include the following grants of restricted stock unit awards:

In February 2015 to Mr. Latiolais (16,361 RSUs) of which one third vested on February 23, 2016, one third vested on February 23, 2017, and one third vests on February 23, 2018.

In April 2015 to Mr. McClure (14,108 RSUs) of which one third vested on April 1, 2016, one third vested on April 1, 2017, and one third vests on April 1, 2018.

In May 2015 to Mr. Allinger (4,715 RSUs) of which one third vested on June 1, 2016, one third vested on June 1, 2017, and one third vests on June 1, 2018.

In August 2015 to Mr. Cestero (10,087 RSUs) of which one third vested on September 1, 2016, one third September 1, 2017, and one third vests on September 1, 2018.

In February 2016 to Mr. Cestero (12,593 RSUs) and Mr. Allinger (5,093 RSUs), of which one third vests on February 23, 2017, one third vests on February 23, 2018, and one third vests on February 23, 2019.

In May 2016 to Mr. Latiolais (20,200 RSUs) and Mr. McClure (9,700 RSUs), of which one third vested on February 23, 2017, one third vests on February 23, 2018, and one third vests on February 23, 2019.

In December 2016 to Mr. Cestero (9,929 RSUs) and Mr. McClure (7,943 RSUs), all of which vests on February 23, 2018.

In February 2017 to Mr. Cestero (12,812 RSUs) and Mr. Latiolais (16,077 RSUs), of which one third vests on February 20, 2018, one third vests on February 20, 2019 and one third vests on February 20, 2020.

In February 2017 to Mr. Kearney (3,215 RSUs) in connection with his services as a non-employee director upon his appointment as chief executive officer, all of which vests on January 2, 2018.

In April 2017 to Mr. McClure (10,370 RSUs), of which one third vests on February 23, 2018, one third vests on February 23, 2019, and one third vests on February 23, 2020.

In May 2017 to Mr. Kearney (18,204 RSUs) in connection with his services as a non-employee director upon his appointment as chief executive officer, all of which vests on May 1, 2018.

In June 2017 to Mr. McClure (14,342 RSUs) in connection with his appointment as chief financial officer, of which one third vests on June 5, 2018, one third vests on June 5, 2019, and one third vests on June 5, 2020.

In August 2017 to Mr. Cestero (21,118 RSUs) and Mr. Latiolais (19,876 RSUs), all of which vests on August 1, 2018.

In September 2017 to Mr. Kearney (166,773 RSUs) in connection with his appointment as chief executive officer, of which one third vests on September 26, 2018, one third vests on September 26, 2019, and one third vests on September 26, 2020.

Table of Contents

- (2) This column reflects the aggregate market value of all shares of unvested restricted stock units held by each Named Officer on December 31, 2017 and is calculated by multiplying the number of RSUs outstanding on December 31, 2017 by the closing price of our common stock on December 29, 2017, the last day of trading on the NYSE for the 2017 fiscal year, which was \$6.65 per share.
- (3) This column reflects the number of shares of unvested performance restricted stock units (PRSUs) held by each Named Officer on December 31, 2017 and is based on the threshold number of performance restricted stock units subject to the 2017 performance plan. These include the following grants of restricted stock unit awards (with numbers specified at the threshold level of performance):

In February 2016 to Mr. Cestero (6,297 PRSUs) and Mr. Allinger (2,547 PRSUs), in each case with a performance period ending on February 23, 2019.

In February 2017 to Mr. Cestero (6,406 PRSUs) and Mr. Latiolais (8,039 PRSUs), in each case with a performance period ending on February 20, 2020.

In June 2017 to Mr. McClure (7,171 PRSUs) with a performance period ending on February 20, 2020.

In September 2017 to Mr. Kearney (83,387 PRSUs) with a performance period ending on September 20, 2019.

- (4) This column reflects the aggregate market value of all shares of unvested performance restricted stock units held by each Executive Officer on December 31, 2017 and is calculated by multiplying the number of unvested PRSUs, determined in Note (3) to this table, by the closing price of our common stock on December 29, 2017, the last day of trading on the NYSE for the 2017 fiscal year, which was \$6.65 per share.

Option Exercises and Stock Vested in Fiscal Year 2017

The following table provides information concerning equity awards that vested or were exercised by our Named Executive Officers during the 2017 fiscal year. None of our Named Executive Officers hold any stock option awards.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting (\$)(2)
Michael C. Kearney		
Douglas Stephens	61,673	485,367
Kyle McClure	7,936	90,188
Jeffrey J. Bird	9,876	123,648
Alejandro Cestero	7,559	73,660
Burney J. Latiolais, Jr.	57,642	623,040
Daniel A. Allinger	3,269	33,005

(1)

The equity awards that vested during the 2017 fiscal year consist of RSUs and PRSUs previously granted under the outstanding on January 1, 2017.

- (2) The amounts reflected in this column represent the aggregate market value realized by each Named Executive Officer of the RSUs or PRSUs held by such Named Executive Officer, computed based on the closing price of our common last trading day prior to the applicable vesting date.

Pension Benefits

The Company maintains the 401(k) Plan for its employees, including the Named Executive Officers, as well as the EDC time, the Company does not sponsor or maintain a pension plan for any of its employees.

Non-Qualified Deferred Compensation Table

Name (1)	Plan Name	Registrant		Aggregate Earnings in Last FY (\$)(4)	Aggregate Withdrawals Distribution (\$)(5)
		Executive Contributions in Last FY (\$)(2)	Contributions in Last FY (\$)(3)		
Kyle McClure	EDC Plan	28,735		12,450	
Burney J. Latiolais Jr.	EDC Plan			190,617	
Daniel Allinger	EDC Plan	1,538		13,334	92,08

- (1) As of the end of 2017, no contributions to the EDC Plan had been made by Messrs. Stephens, Kearney, Bird, or Ces Company on their behalf), nor did they hold any vested but deferred restricted stock units. Consequently, these Nam Officers are not included in this table.
- (2) The amounts reflected in this column were deferred under the EDC Plan and are included in the Summary Compens part of the executive officer s base salary for the 2017 year. Under the EDC Plan, participants may elect to defer up base salary and up to 100% of annual incentive payments, commissions, or any such other cash or equity-based com may be approved for deferral by the plan s administrative committee.

Table of Contents

- (3) Company contributions to the EDC Plan are credited to participant accounts from year to year at the sole discretion and vest in full (along with related earnings on these contributions) after five years of credited service. The Company provide any contributions to any Named Executive Officer's account in the last fiscal year.
- (4) This column represents the aggregate earnings for 2017 for each Named Executive Officer's account under the EDC Plan.
- (5) This column reflects the aggregate withdrawals or distributions from the EDC Plan for each Named Executive Officer's account under the EDC Plan for 2017.
- (6) This column reflects the dollar amount of the total balance under each Named Executive Officer's account under the EDC Plan at the end of 2017. Some of these EDC Plan amounts are attributable to Company contributions and therefore remain subject to the vesting requirements described in Note 3 to this table above. The EDC Plan amounts in this column that were previously reported in the Summary Compensation Table for each executive are as follows: Mr. Latiolais, \$246,941 for 2016, \$136,125 for 2015, \$84,948 for 2014; and Mr. Allinger, \$67,208 for 2016.

Executive Deferred Compensation (EDC) Plan

The EDC Plan became effective January 1, 2009. However, Company contributions to the EDC Plan were suspended in 2015. Further, participation was closed for new employees following the 2015 year. The EDC Plan allows participants to defer up to 75% of their base salary and up to 100% of annual incentive payments, commissions, or any such other cash or non-cash compensation as may be approved for deferral by the plan's administrative committee into the plan until a specified future date at the termination of employment. Amounts that a participant defers into the EDC Plan will be 100% vested at all times. We (the Company) may also provide contributions to the EDC Plan on a participant's behalf, which will be accompanied by a vesting restriction for a period of five years. However, vesting will be accelerated in the event of a participant's death, his disability, our change of control, or an involuntary termination from service without cause (each term as defined below in the section entitled, "Potential Termination or a Change in Control"). If the participant's employment is terminated for cause, or we determine that a participant violated an agreement with us that contained non-competition or non-solicitation restrictions, the participant shall forfeit all contributions (as well as earnings thereon) that we contributed to the EDC Plan on his behalf.

If a participant chooses to receive his account balance on a specified future date, the participant may choose to receive a single lump sum payment on that date or a series of two to five installment payments that begin on that date. If a participant elects to receive a single lump sum payment on that date, all amounts other than company contributions will be paid in a single lump sum payment. If a participant's account balance upon a termination from service, all amounts other than company contributions will be paid in a single lump sum payment. Amounts credited to his account by us will be paid in five annual installments; however, in the event that the separation from service occurs within twenty-four months of a change in control, the amount will be paid in a single lump sum. A participant may also choose to receive a single lump sum payment upon his retirement, where he can choose from a single lump sum or from a series of two to ten installment payments. Amounts from the EDC Plan upon a participant's death or disability will be paid in a single lump sum payment. The EDC Plan also allows for earlier payments, however, in the event that a participant incurs an unforeseen emergency that may not be covered by insurance, the liquidation of the participant's assets (to the extent such a liquidation would not cause a substantial hardship in itself), or the participant's compliance with a domestic relations order.

While the participant has an account in the EDC Plan, the participant may choose to deem his account invested in one or more investment options the EDC Plan's administrator has chosen for the plan, which may include our common stock. The deemed investment options are selected by the plan's administrative committee, which can add or remove deemed investment options from the EDC Plan from time to time. Participants can select and change their deemed investment allocations at any time.

In 2017, the Compensation Committee determined that it would not make any discretionary Company contributions under the EDC Plan for any of the Named Executive Officers, in order to focus its long-term incentives on other elements of compensation, including amounts granted under the company's long-term incentive plan, stock purchased under the ESPP (both plans, as described below), and other long-term incentives that more closely align the Named Executive Officers' long-term incentive compensation with the interests of

Table of Contents***Restricted Stock Units***

Restricted stock units have been granted to certain Named Executive Officers pursuant to our long-term incentive plan. The RSUs granted to our Named Executive Officers in 2015 include a termination vesting provision that becomes effective upon an executive's involuntary termination or retirement. In an executive is terminated pursuant to this provision, then the award will vest pursuant to the time-based and/or performance-based vesting schedule of the award, assuming that the executive complies with certain restrictive covenants. Under the RSUs and PRSUs granted to our Named Executive Officers in 2016 and 2017, such continued vesting upon termination of employment (and subject to applicable restrictive covenants) applies only if the Company, in its sole discretion, enters into a special vesting agreement with the executive at the time of termination. Mr. Allinger entered into such an agreement in connection with his termination of employment in 2017. Such provisions within these RSU awards resulted in them being treated as deferred compensation.

Potential Payments Upon Termination or a Change in Control***Executive Deferred Compensation (EDC) Plan***

Each of the Named Executive Officers is entitled to accelerated vesting of the amount of any unvested Company discretionary contributions that have been credited to the executive officer's account under the EDC Plan upon the occurrence of the death of the executive while actively employed, the disability of the executive, a change in control, or an involuntary termination of employment other than for cause. For purposes of this accelerated vesting provision, the following definitions apply:

Disability means that the participant is, by reason of any medically determinable physical or mental impairment that is expected to result in death or last for a continuous period of not less than 12 months: (a) unable to engage in any substantial gainful activity, or (b) receiving income replacement benefits for a period of not less than three months under an accident or health plan.

Change in control for purposes of the EDC Plan means a change in the ownership of the employer, a change in the control of the employer, or a change in the ownership of a substantial portion of the assets of the employer, all as defined under section 409A of the Code.

Cause means the participant's conviction of a felony or other crime; the participant's commission of any act by the Company constituting willful misconduct, dishonesty, fraud, theft, or embezzlement; the participant's failure to perform material services, duties, or responsibilities required of him or her by the Company or to materially comply with the policies or procedures established by the Company (for any reason other than illness or physical or mental incapacity); breach of any agreement entered into with the Company prior to or within one year following a termination of employment of the participant's dependence on any addictive substance; the destruction of or material change to the Company's property caused by willful or grossly negligent conduct; or the willful engaging by the participant in any other conduct that is demonstrably injurious to the Company.

Long Term Incentive Plan**2015 RSU Awards**

The RSUs that were granted to the Named Executive Officers during 2015 will receive accelerated vesting upon a termination of employment due to death or disability. The awards will also accelerate in the event that the Company incurs a change in control.

involuntary termination or retirement, the RSUs will continue to vest according to the vesting schedule as if the executive were continuing in the employment of the Company throughout the period during which the executive continuously satisfies the non-competition and non-solicitation obligations. As defined in the RSU award agreements, each of the terms have the following meanings:

Unless otherwise defined in any applicable employment agreement between the executive and us, Disability means the executive's inability to perform his duties or fulfill his obligations under the terms of his employment by reason of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than three months as determined by the Company and certified in writing by a qualified medical physician selected by the Company.

Table of Contents

A **Change in Control** is generally defined in our LTIP as one of the following events: (i) the consummation of an acquisition, or a tender offer for beneficial ownership of, 50% or more of either the then outstanding shares of common stock or the combined voting securities that are entitled to vote in the election of directors; (ii) individuals who are on the board of directors on the effective date of our LTIP or any individuals whose election or appointment was approved by the board of directors as of that date (the **Incumbent Board**) cease to constitute a majority of the members of the board of directors as a result of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of our assets, whether or not such transaction, (a) our outstanding common stock or voting securities are converted into or exchanged for securities of another entity that represent more than 50% of the then outstanding shares of securities of the entity resulting from the transaction, or (b) an individual beneficially owns 20% or more of the then outstanding securities of the entity resulting from the transaction, or (iii) a majority of the members of the board of directors or similar governing body of the entity resulting from the transaction are not members of the Incumbent Board at the time of the execution of the agreement leading to the transaction; or (iv) our stockholders approve our complete liquidation or dissolution.

An **Involuntary Termination** means a termination of employment without cause, or by the executive for good cause. **Cause** and **Good Reason** shall have the same meaning as given in any applicable employment agreement. **Cause** shall generally mean that the executive (i) has engaged in gross negligence, gross incompetence, or material breach of performance of his duties; (ii) has failed without proper legal reason to perform his duties and responsibilities; (iii) has breached any material provision of the award agreement or any written agreement or corporate policy or code of conduct established by the Company; (iv) has engaged in conduct that is, or could reasonably be expected to be, materially and adversely reflective on the Company; (v) has committed an act of theft, fraud, embezzlement, misappropriation, or breach of a fiduciary duty to the Company; or (vi) has been convicted of, pleaded no contest to, or received adjudicated probation or deferred prosecution in connection with a crime involving fraud, dishonesty, or moral turpitude or any felony (or a crime of similar import in any foreign jurisdiction). **Good Reason** (if not defined in an applicable employment agreement) will generally be deemed to exist if the executive's base salary is materially decreased, there is a material diminution in his authority or responsibilities, or the Company requires an involuntary relocation of his place of employment by more than 75 miles.

Retirement is defined as a termination of employment (other than an involuntary termination or a termination for cause) that occurs after the executive has reached the age of 59 ½ and provided at least two years of service to the Company as of the grant date.

2016 and 2017 RSU Awards

The RSUs that were granted to the Named Executive Officers during 2016 and 2017 will receive accelerated vesting upon a change in control or death or disability of employment due to death or disability. The awards will also accelerate in the event that the Company incurs a change in control and the executive is involuntarily terminated within 24 months following the change in control, in accordance with the terms of the Severance Plan as described below. Upon an involuntary termination without a change in control, the Company may elect, at its discretion, to enter into a special vesting agreement, contingent upon the executive's execution thereof, under which the awards will continue to vest according to the vesting schedule as if the executive were continuing in the employment of the Company for a period during which the executive continuously satisfies certain non-competition and non-solicitation obligations. As defined in the award agreements, each of the terms have the following meaning:

Unless otherwise defined in any applicable employment agreement between the executive and us, **Disability** means the executive's inability to perform his duties or fulfill his obligations under the terms of his employment by reason of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to result in a continuous period of not less than six months as determined by the Company and certified in writing by a competent medical professional.

physician selected by the Company.

A Change in Control has the same meaning described above with respect to the 2015 RSU Awards.

Table of Contents

An **Involuntary Termination** means a termination of employment by the Company or an affiliate without **Cause**. **Cause** shall have the same meaning as given in any applicable employment agreement. Otherwise, **Cause** shall mean that the executive (i) has engaged in gross negligence, gross incompetence, or misconduct in the performance of his duties; (ii) has failed without proper legal reason to perform his duties and responsibilities; (iii) has breached any material term of the award agreement or any written agreement or corporate policy or code of conduct established by the Company; (iv) has engaged in conduct that is, or could reasonably be expected to be, materially injurious to the Company; (v) has committed theft, fraud, embezzlement, misappropriation, or breach of a fiduciary duty to the Company; or (vi) has been convicted of a crime, pleaded no contest to, or received adjudicated probation or deferred adjudication in connection with a crime involving dishonesty, or moral turpitude or any felony (or a crime of similar import in a foreign jurisdiction).

2016 and 2017 PRSU Awards

The PRSUs that were granted to the Named Executive Officers during 2016 and 2017 will receive accelerated vesting at the time of a termination upon a termination of employment due to death or disability. In the event that the Company incurs a change in control and the executive's employment is terminated within the 24-month period following the change in control, the PRSUs will vest as determined by the provisions of the CIC Severance Plan as described below. Upon an involuntary termination without a change in control, the PRSUs will vest as determined by the Compensation Committee, in its sole discretion, the Company and the executive will enter into a special vesting agreement under which the PRSUs will continue to vest as if the executive were continuing in the employment of the Company throughout the period during which the executive continuously satisfies certain non-competition and non-solicitation obligations defined in the RSU award agreements, each of the terms have the same meaning described above with respect to the 2016 and 2017 PRSU Awards.

Executive Change-In-Control Severance Plan

In 2015, the Supervisory Board, upon the recommendation of the Compensation Committee (and based on consultation with legal counsel) approved and adopted the CIC Severance Plan. Each of the Named Executive Officers entered into Participation Agreements with the Company under this plan. The CIC Severance Plan provides for the following severance benefits in the case of an involuntary termination on or within 24 months following a change in control (as such terms are defined in the plan), subject to the executive's release by the covered executive:

Two times the sum of the annual base salary and target bonus amount, (as such terms are defined in the plan) to be paid in equal monthly installments over 10 months;

Reimbursement for the difference between the full COBRA premium and the active employee premium rates for the terminated and situated active employees, for a period up to 18 months;

A lump sum cash amount equal to the executive's target annual incentive opportunity for the year of termination through and including the date of termination;

Accelerated vesting of any outstanding equity-based awards granted pursuant to the LTIP, with vesting of PRSUs based on target performance; and

Outplacement assistance benefits, as provided in each individual Participation Agreement.

The following definitions apply to the CIC Severance Plan:

Cause means a determination by the Company or the employing affiliate (the Employer) that the executive (i) has committed gross negligence, incompetence, or misconduct in the performance of his duties with respect to the Employer or any of its affiliates; (ii) has failed to materially perform the executive's duties and responsibilities to the Employer or any of its affiliates; (iii) has breached any material provision of the CIC Severance Plan or the accompanying Participation Agreement; or (iv) has violated any written agreement or corporate policy or code of conduct established by the Employer or any of its affiliates; (

Table of Contents

has engaged in conduct that is, or could reasonably be expected to be, materially injurious to the Employer or any of its affiliates; or (v) has committed an act of theft, fraud, embezzlement, misappropriation, or breach of a fiduciary duty to the Employer or any of its affiliates; or (vi) has been convicted of, pleaded no contest to, or received adjudicated probation or deferred prosecution for, any crime involving fraud, dishonesty, or moral turpitude or any felony (or a crime of similar nature under the laws of any foreign jurisdiction).

Change in Control or CIC has the meaning given such term under the LTIP (as discussed under 2015 R

Good Reason means the occurrence, on or within 24 months after the date upon which a CIC occurs, of any one or more of the following: (i) a material reduction in the authority, duties, or responsibilities of a covered executive from those in effect to him immediately prior to the date on which the CIC occurs; (ii) a material reduction in a covered executive's base salary or target annual bonus opportunity in effect immediately prior to the CIC; (iii) a change in the location of a covered executive's principal place of employment by more than 50 miles from the location where he was principally employed immediately prior to the date on which the CIC occurs unless such relocation is agreed to in writing by the covered executive; provided, however, that a relocation scheduled prior to the date of the CIC shall not constitute Good Reason; (iv) any material breach by the Company or the Employer of their obligations under the CIC Severance Plan; or (v) any successor or assigns of the Company and/or the Employer to assume the obligations of the Company and the Employer under the CIC Severance Plan; or (vi) the receipt of a written notice, within the 24 month period following a termination of the CIC Severance Plan or of any amendment that would adversely reduce the covered executive's severance payments or benefits or his coverage under the CIC Severance Plan.

Involuntary Termination means any termination of the covered executive's employment with the Employer by the Employer other than for Cause or a termination by the covered executive for Good Reason; provided, however, that it shall not include any termination occurring as a result of the covered executive's death or a disability in circumstances entitling him to disability benefits under the standard long-term disability plan of the Employer.

Offer Letter with Mr. Kearney

In connection with Mr. Kearney's appointment as chief executive officer, we entered into an Offer Letter with Mr. Kearney on September 25, 2017 (the Offer Letter). The Offer Letter provides for accelerated vesting of 100% of Mr. Kearney's outstanding PRSUs upon a complete separation from service without cause or for good reason (as such terms are defined below) on actual performance through the date of such termination. In addition, the Offer Letter provides for continued vesting of outstanding LTIP awards that were granted to him in his capacity as the CEO following an involuntary or mutually agreed termination of employment other than that described in the previous sentence, provided that Mr. Kearney continue to be available to provide services to us or our subsidiaries in another capacity, such as director services. If Mr. Kearney's employment is terminated without cause or for good reason, in each case within 24 months following a change in control, Mr. Kearney will be eligible to receive the following: (A) a lump sum cash payment equal to (A) Mr. Kearney's annualized base salary if such termination occurs prior to September 26, 2019; (B) one-half of Mr. Kearney's annualized base salary if such termination occurs on or following September 26, 2019; (ii) 18 months of continued coverage under our group health plan on the same basis as similarly situated employees; and (iii) continued or accelerated vesting of LTIP awards as provided above.

The following definitions apply to the Mr. Kearney's Offer Letter:

Cause means a determination by the Board that Mr. Kearney (i) has engaged in gross negligence, incompetence or misconduct in the performance of his duties with respect to the Company, the Employer or any of their affiliates; (ii) has failed to materially perform his duties and responsibilities to the Company, the Employer or any of their affiliates; (iii) has breached any material provision of any written agreement or corporate policy or code of conduct established by the Company, the Employer or any of their affiliates; (iv) has engaged in conduct that is, or could reasonably be expected to be, injurious to the Company, the Employer or any of their affiliates; (v) has committed an act of theft, fraud, embezzlement or

Table of Contents

misappropriation, or breach of a fiduciary duty to the Company, the Employer or any of their affiliates; or (vi) convicted of, pleaded no contest to, or received adjudicated probation or deferred adjudication in connection with involving fraud, dishonesty, or moral turpitude or any felony (or a crime of similar import in a foreign jurisdiction).

Good Reason means the occurrence, without Mr. Kearney's express written consent, of: (i) a material reduction in authority, duties, or responsibilities (including a change in his duty to report solely and directly to the Board); (ii) a reduction in his annual rate of base salary or target annual bonus opportunity; (iii) a relocation of his principal employment to a location more than 50 miles from the Company's existing offices in Houston, Texas; (iv) any material change by the Company or the Employer of their obligations under the Offer Letter; or (v) the failure of any successor to the Company or the Employer, as applicable, to assume the obligations of the Company or the Employer under the Offer Letter; provided, however, that Good Reason will not exist unless (A) Mr. Kearney has provided the Employer written notice of the condition giving rise to the Good Reason within 45 days of the initial existence of the condition, and the condition specified in the notice remains uncorrected for 30 days after the Employer's receipt of the notice, and (B) Mr. Kearney's termination of employment occurs within 90 days following the date on which you first learn of the condition.

Change in Control has the meaning given such term under the LTIP (as discussed under "2015 RSU Award") and the ***Retention Agreement with Mr. Cestero***.

Mr. Cestero entered into a Retention Agreement with the Company effective March 2, 2017. Subject to his continued employment through February 28, 2018, the agreement entitled Mr. Cestero to receive a lump sum cash payment of \$175,000. In the event the Company terminated Mr. Cestero without cause (defined below) prior to February 28, 2018, and subject to Mr. Cestero's waiver and release in favor of the Company and all related persons, he would have received the retention payment on the scheduled payment date as if he had not been terminated. For purposes of this Retention Agreement, Cause shall have the meaning given such term within the CIC Severance Plan, as modified to apply to the Retention Agreement as applicable.

Confidentiality and Restrictive Covenant Agreement with Mr. Latiolais

Mr. Latiolais entered into an Employee Confidentiality and Restrictive Covenant Agreement with the Company on October 1, 2017. The agreement governs the confidentiality of all information provided to Mr. Latiolais in connection with his employment and restrictive covenants Mr. Latiolais will be subject to during and following his termination of employment with the Company. If that Mr. Latiolais is terminated without cause, as determined by the Company in its sole discretion, during the term of the agreement, Mr. Latiolais will be entitled to receive salary continuation for a period of nine months, and a lump sum cash payment equal to his short-term incentive bonus target for the year in which the termination occurs subject to his execution of a waiver and release in favor of the Company and his continued compliance with all restrictive covenants set forth in the agreement.

Separation Agreement with Mr. Stephens

Mr. Stephens entered into a Separation Agreement with the Company effective as of September 26, 2017 (the "Separation Date" or the date of Mr. Stephens' termination of employment). The agreement provided that so long as Mr. Stephens abides by the Separation Agreement, the Company would provide Mr. Stephens the following benefits: (a) a lump sum severance payment of \$600,000, which represents an amount equal to (i) six months of his annual base salary (\$325,000), plus (ii) a prorated portion (through September 26, 2017) of his short-term incentive award for 2017, calculated at approximately 67% of target (\$326,000); (b) accelerated vesting of one-third of his outstanding RSUs and PRSUs (based on the target level of performance for the PRSUs), with the remainder being forfeited; (c) outplacement assistance not to exceed \$15,000; and (d) for up to 18 months following his separation, continuation of health coverage and reimbursement of premium costs under the Company's group health plan to effectuate the same premium rates as if he were a senior executive employee of the Company.

Table of Contents***Separation Agreement with Mr. Allinger***

Mr. Allinger entered into a Confidential Separation Agreement and Release with the Company effective as of February 2017 in connection with Mr. Allinger's termination of employment (the "Separation and Release"). The Separation and Release provided that, in connection with Mr. Allinger abiding by the terms of the Separation and Release, the Company would provide Mr. Allinger the following: (a) a lump sum cash severance payment of \$275,000, which is equal to one year of base salary; (b) a lump sum cash payment of \$1,000,000, which is equal to 100% of Mr. Allinger's short term incentive target amount for 2017; (c) a lump sum cash payment of \$1,000,000, which is equal to 18 months of the Company's employer portion of the group health plan premium cost for the 18 months elected by Mr. Allinger; (d) outplacement assistance with a total value up to \$15,000; (e) continued vesting as if Mr. Allinger were still employed of Mr. Allinger's RSUs under each of his 2015 RSU award agreement, his 2016 RSU award agreement and his 2017 RSU award agreement (subject, in all cases of continued RSU and PRSU vesting treatment, to Mr. Allinger's continued satisfaction of the restrictive covenants).

Payments Upon Termination of Employment for Departing Named Executive Officers

The following table quantifies the actual payments and benefits that the Company provided to Messrs. Stephens and Allinger in connection with their termination of employment, pursuant to the terms of their respective Separation Agreements, the LTIP, and the RSU and PRSU award agreements issued under the LTIP.

Executive	Cash Payments (\$)	Reimbursement of COBRA Premiums (\$)(1)	Accelerated Equity (\$)(2)	Other Reimbursements (\$)(3)
Douglas Stephens	651,000	22,638	485,367	
Daniel A. Allinger	412,500	21,138		15,000
Jeffrey J. Bird(4)				

- (1) Mr. Allinger received a lump sum cash payment equal to the value of the employer portion of his group health plan for 18 months. For Mr. Stephens, the COBRA reimbursement amount shown is based on 2018 premiums and the required employee contribution percentage, which is assumed for purposes of this table to remain the same for 18 months.
- (2) One-third of Mr. Stephens' unvested 2016 RSUs and 2017 RSUs and PRSUs (based on target performance) accelerated in full upon Mr. Stephens' termination of employment (calculated for purposes of this column by multiplying the number of shares by the closing price per share of the Company's common stock on September 25, 2017, the last trading day prior to Mr. Stephens' vesting date, which was \$7.87 per share).

The following outstanding and unvested awards held by Mr. Allinger will continue to vest according to their normal vesting schedule as long as he complies with certain non-competition and non-solicitation obligations (the numbers in parenthesis indicate (i) the number of time-based RSUs or (ii) the number of PRSUs based on target performance, as applicable): 2015 RSUs (1,572); 2016 RSUs (1,572); 2016 PRSUs (5,093). The table above does not include amounts that would be realized from this continued vesting.

- (3) This amount represents outplacement assistance provided to Mr. Allinger following his separation.
- (4) We did not enter into a separation agreement with Mr. Bird and he received no payments in connection with his termination.

Potential Payments Upon Termination or Change in Control for Remaining Named Executive Officers

The following table quantifies the potential payments and benefits that the Company would provide to its other Named Officers in connection with a termination of employment and/or change in control, pursuant to the terms of the EDC Plan, PRSU award agreements granted pursuant to the LTIP, the CIC Severance Plan, and, in the case of Mr. Kearney, his Officer's Agreement. The value below represents the Company's best estimate of the amount that could be paid upon the applicable scenario, but if a termination of employment or a change in control occurs, the Company cannot know with any certainty what value the officers will receive. Stock prices were calculated based upon the closing price of the Company's common stock on December 29, 2011, per share.

Table of Contents

	Involuntary Termination of Employment (\$)	Termination of Employment for Death or Disability (\$)	Termination of Employment by Retirement (\$)	Change in Control or Liquidity Event (Without a Termination of Employment) (\$)
Executive				
Michael C. Kearney				
Cash Payments				
Accelerated Equity(1)	\$ 1,251,477			
Reimbursement of COBRA Premiums(2)				
Outplacement Assistance(3)				
Total	\$ 1,251,477			
Kyle McClure				
Cash Payments				
Accelerated Equity(1)		\$ 386,811		
Reimbursement of COBRA Premiums(2)				
Outplacement Assistance(3)				
Total		\$ 386,811		
Alejandro Cestero				
Cash Payments(4)	\$ 175,000			
Accelerated Equity(1)		\$ 538,803		
Reimbursement of COBRA Premiums(2)				
Outplacement Assistance(3)				
Total	\$ 175,000	\$ 538,803		
Burney J. Latiolais, Jr.				
Cash Payments(5)	\$ 700,000			
Accelerated Equity(1)		\$ 471,824		
Accelerated Deferred Compensation(6)	\$ 208,011	\$ 208,011		
Reimbursement of COBRA Premiums(2)				
Outplacement Assistance(3)				
Total	\$ 908,011	\$ 679,835		

- (1) Mr. Kearney's equity awards will accelerate upon an involuntary termination that results in his ceasing to provide services to the Company in any capacity, which scenario is reflected in the Involuntary Termination of Employment column for other Named Executive Officers' 2015 RSUs, and 2016 and 2017 RSUs and PRSUs will continue to vest according to their normal schedule upon an involuntary termination or retirement so long as the executive complies with non-competition and non-solicitation obligations and assuming any required special vesting agreements are entered into between the executive and the company. The table above does not include amounts that would be realized from this continued vesting of awards but rather reflects only the awards that become accelerated in full.
- (2) The COBRA reimbursement amount is based on 2018 premiums and the required employee contribution percentage is assumed for purposes of this table to remain the same for 18 months. Mr. Kearney is not currently enrolled in the Company's health plan.
- (3)

Represents the maximum aggregate value of outplacement assistance to be provided to each Named Executive Officer under each executive's Participation Agreement under the CIC Severance Plan.

- (4) Represents the retention payment Mr. Cestero would have been entitled to receive if the Company terminated him on December 31, 2017. The payment would not have been made until February 28, 2018.
- (5) Represents the severance payments that could become payable to Mr. Latiolais pursuant to the Employee Confidentiality and Restrictive Covenant Agreement if the Company determines that Mr. Latiolais was terminated without cause on December 31, 2017. The amount represents \$300,000 of continued salary payments and \$400,000, which is Mr. Latiolais' target salary, of an incentive opportunity for 2017.
- (6) Represents unvested amounts deferred under the Executive EDC Plan that will be accelerated upon termination.

Director Compensation

The Company's Supervisory Board believes that attracting and retaining qualified non-employee directors is critical to the Company's future value, growth, and governance. The Supervisory Board also believes that the compensation package for the Company's non-employee directors should require a portion of the total compensation to be equity-based to align the interests of the Company's stockholders. The Company, along with Meridian, has determined that the compensation program for the Company's non-employee directors should be comparable with the packages identified at the Company's peer group. Based on the Company's director compensation program for 2017 consisted of an annual retainer compensation package for the non-employee

Table of Contents

directors valued at approximately \$200,000, of which \$50,000 is paid in the form of an annual cash retainer, and the remainder is paid in a grant of restricted stock units under the LTIP. In addition, for 2017, the Company paid (i) the Audit Committee each Audit Committee member an annual amount of \$20,000 and \$10,000, respectively, (ii) the Lead Supervisory Director an annual amount of \$20,000, (iii) the non-executive Chairman an annual retainer valued at approximately \$120,000, of which \$80,000 is to be paid in the form of an annual cash retainer, and the remaining \$40,000 is to be paid in a grant of restricted stock units under the LTIP; (iv) the Compensation Committee Chairman an annual amount of \$15,000; and (v) the Nominating and Governance Committee Chairman an annual amount of \$10,000. We granted the 2017 RSU awards to our directors in May 2017.

Further, effective December 1, 2016, the compensation committee and Supervisory Board approved payments of \$50,000 per period of six months for the Chairman of the Supervisory Board to take on expanded and additional supervisory director responsibilities beyond his regular responsibilities in order to help facilitate the transition in the Company's leadership, as well as to provide special support to the President and CEO. Effective as of June 1, 2017, the Supervisory Board approved the extension of the additional monthly retainer until December 31, 2017. Upon Mr. Kearney's appointment as the Company's President and Chief Operating Officer in September 2017, this additional retainer was terminated.

In February 2018, we amended the LTIP to include annual grant limitations for all non-employee director members of the Board. This amendment imposes maximum limits on the aggregate grant date value of equity-based awards that may be granted to a non-employee director in any calendar year under the LTIP to \$1,000,000. Such an amendment to the LTIP did not require Board approval and thus became effective immediately upon adoption.

Our directors are subject to Stock Ownership Guidelines, which require our non-employee directors to hold shares of our common stock with a value equal to five times the amount of annual cash retainer (which does not include any extra fees for chairmanship or committee fees) paid to such directors. Our non-employee directors are required to achieve this stock ownership guideline within 12 months following the later of the date the guidelines became effective in 2015 or the date that the director was elected to our Supervisory Board. Holdings that count towards satisfaction of this guideline, and the valuation measures used to determine such satisfaction, are the same that apply to our Named Executive Officers, as described in the section of our CD&A entitled, "Stock Ownership Guidelines."

The following table reflects information concerning the compensation that the Company's non-employee directors earned during the completed fiscal year ended December 31, 2017. Directors who are also employees of the Company will not receive a separate retainer or compensation for their service on the Supervisory Board.

2017 Director Compensation

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	Nonqualified Deferred Compensation Earnings (\$)
William B. Berry	\$ 65,217	\$ 144,540	
Robert W. Drummond	\$ 46,335	\$ 144,540	
Sheldon R. Erikson	\$ 28,561		
Michael C. Kearney	\$ 553,478	\$ 183,570	
Gary P. Luquette (3)			
Michael E. McMahon	\$ 70,000	\$ 144,540	
D. Keith Mosing	\$ 50,000	\$ 144,540	
Kirkland D. Mosing	\$ 50,000	\$ 144,540	
S. Brent Mosing	\$ 50,000	\$ 144,540	\$ 30,688

Douglas Stephens (3)

Alexander Vriesendorp	\$	52,609	\$ 144,540
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- (1) Includes an annual cash retainer fee, and if applicable, committee, chairman, or fees for special enhanced duties, all above and prorated for periods of partial service in such capacities during 2017. Dollar amounts are comprised as fo

Table of Contents

Name	Annual Cash Retainer Fee (\$)	Committee Membership or Chair Fee (\$)	Additional Board Chair / Lead Director Fees (\$)
William B. Berry	\$ 50,000	\$ 10,000	\$ 5,217
Robert W. Drummond	\$ 30,890	\$ 15,445	
Sheldon R. Erikson	\$ 19,041	\$ 9,520	
Michael C. Kearney	\$ 36,957	\$ 7,391	\$ 59,130
Gary P. Luquette (3)			
Michael E. McMahon	\$ 50,000	\$ 20,000	
D. Keith Mosing	\$ 50,000		
Kirkland D. Mosing	\$ 50,000		
S. Brent Mosing	\$ 50,000		
Douglas Stephens (3)			
Alexander Vriesendorp	\$ 50,000	\$ 2,609	

- (2) The amounts reflected in this column are the aggregate grant date fair value of the RSUs granted to the non-employees during 2017 and calculated pursuant to ASC FASB Topic 718, disregarding any potential forfeitures. Please see Note 10 to our Consolidated Financial Statements for the 2017 fiscal year within our Form 10-K, filed with the SEC on February 2, 2018, for more details on the valuation assumptions for these equity awards. These grants were as follows:

Name	Grant Date	Number of Restricted Stock Units	Grant Date Fair Value
William B. Berry	5/19/2017	18,204	\$ 144,000
Robert W. Drummond	5/19/2017	18,204	\$ 144,000
Michael C. Kearney	5/19/2017	18,204	\$ 144,000
	2/20/2017	3,215	\$ 39,000
Michael E. McMahon	5/19/2017	18,204	\$ 144,000
D. Keith Mosing	5/19/2017	18,204	\$ 144,000
Kirkland D. Mosing	5/19/2017	18,204	\$ 144,000
S. Brent Mosing	5/19/2017	18,204	\$ 144,000
Alexander Vriesendorp	5/19/2017	18,204	\$ 144,000

The aggregate number of RSUs held by each director as of December 31, 2017 is as follows: William B. Berry 18,204; Robert W. Drummond 18,204; Michael C. Kearney 21,419; Michael E. McMahon 18,204; D. Keith Mosing 18,204, plus a certain number of RSUs received in 2015 in his capacity as Chief Executive Officer of the Company, which are continuing to vest, subject to certain restrictive covenants; Kirkland D. Mosing 18,204; S. Brent Mosing 18,204; and Alexander Vriesendorp 18,204. For a description of Mr. Kearney's outstanding equity awards, see the Outstanding Equity Awards at 2017 Fiscal Year

- (3) Messrs. Luquette and Stephens did not receive any additional compensation for their service on the Supervisory Board. The amounts listed for Mr. Kearney reflect compensation for services as a non-employee director prior to his appointment as chief executive officer, which amounts are also included in the Summary Compensation Table above.

CEO Pay Ratio Disclosures

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As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of the SEC's Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Michael C. Kearney, our current Chief Executive Officer (our CEO).

For 2017, our last completed fiscal year:

The median of the annual total compensation of all employees of our company (other than the CEO) was \$41,600; and

The annual total compensation of our CEO, using annualized 2017 compensation data from the Summary Compensation Table, was \$4,125,000.

Based on this information, for 2017 the ratio of the annual total compensation of our CEO to the median annual total compensation of all employees was reasonably estimated to be 99.16 to 1.

Table of Contents

To identify the median of the annual total compensation of all our employees, as well as to determine the annual total compensation of our median employee and our CEO, we took the following steps:

We determined that, as of October 12, 2017, our employee population world-wide consisted of approximately 2,903 individuals. As of October 12, 2017, we had 1,327 employees in the United States, and 1,576 employees in non-United States jurisdictions. To calculate our median employee, we excluded all employees that were employed in Venezuela (6 employees), Ivory Coast (23 employees), Senegal (6 employees), Congo (9 employees), Equatorial Guinea (13 employees), Mauritania (13 employees), and India (70 employees). Collectively, the excluded employees totaled 140 employees or 4.8% of our total employee population, leaving us with a population of 2,763 employees in the identified population used to determine our median employee.

We used a consistently applied compensation measure to identify our median employee of compensation consisting of salary or wages, bonuses and any other cash compensation reflected in our payroll records as reported to the Internal Revenue Service on Form W-2 for 2017 (or the equivalent of a Form W-2 reported to an appropriate governmental entity for any employees in a non-US jurisdiction).

We identified our median employee by consistently applying this compensation measure to all of the compensation items included in our assumptions, adjustments (including any cost-of-living adjustments), or estimates used in this calculation.

After we identified our median employee, we combined all of the elements of such employee's compensation for the 2017 year in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in an annualized total compensation of \$41,600.

Due to the fact that our current CEO was not employed in his position for the entirety of the 2017 year, we annualized applicable compensation items that he received for his services as CEO during the 2017 year. Therefore, the total compensation amount provided above for purposes of our ratio calculation will differ from the Total compensation amount reflected within the Summary Compensation Table or described in our proxy. The table below reflects the amounts shown within the Summary Compensation Table as well as the annualized value, if any, that was used solely for the pay ratio calculations:

	Amount in Summary Compensation Table	Annualized Amount
Base Salary	\$ 199,039	\$ 750,000
Non-Equity Incentive Compensation Plan Award	\$ 219,247	\$ 750,000
Stock Award	\$ 2,785,229	\$ 2,785,229
All Other Compensation	\$ 553,478	\$ 553,478
Total	\$ 3,756,993	\$ 4,838,707

Table of Contents**Equity Compensation Plan Information**

The following table sets forth information as of December 31, 2017 with respect to equity compensation plans under which stock is authorized for issuance:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights(2)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans(3)
Equity compensation plans approved by our shareholders	2,249,545	\$	16,763,533
Equity compensation plans not approved by our shareholders			
Total	2,249,545	\$	16,763,533

- (1) Represents securities to be issued upon exercise of outstanding RSUs and PRSUs. As of December 31, 2017, 1,865,333 were subject to outstanding RSUs, and 384,245 were subject to outstanding PRSUs. The number of shares subject to outstanding RSUs is based on the target number of shares subject to each award and payments could occur at larger amounts if maximum performance metrics are met.
- (2) The weighted-average exercise price excludes RSU and PRSU awards that do not have an exercise price. The weighted-average grant date fair value of all RSUs and PRSUs is \$10.29, assuming a target performance payout.
- (3) The 16,763,533 shares remaining available for issuance as of December 31, 2017 consist of the following: 2,748,066 shares available under our existing employee stock purchase plan (approximately 99,225 of which are estimated to be issued during the purchase period) and 14,015,471 shares available under the LTIP, assuming the target number of shares subject to outstanding PRSUs is no longer available for issuance.

Table of Contents

AUDIT COMMITTEE REPORT

The information contained in this Audit Committee Report and references in this proxy statement to the independence of the Audit Committee members shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended (the "Act"), or the Exchange Act, except to the extent that the Company specifically incorporates such information by reference in such filing.

During the last fiscal year, and earlier this year in preparation for the filing with the SEC of the Company's Annual Report on Form 10-K for the year ended December 31, 2017, the Audit Committee:

reviewed and discussed the Company's audited consolidated financial statements as of and for the year ended December 31, 2017 with management and with the independent registered public accountants;

considered the adequacy of the Company's internal controls and the quality of its financial reporting, and discussed such matters with management and with the independent registered public accountants;

reviewed and discussed with the independent registered public accountants (1) their judgments as to the quality of the Company's accounting policies, (2) the written disclosures and letter from the independent registered public accountants required by Public Company Accounting Oversight Board Independence Rules, and the independent registered public accountants' independence, and (3) the matters required to be discussed by the Public Company Accounting Oversight Board's AU Section 380, Communication with Audit Committees, and by the Auditing Standards Board of the American Institute of Certified Public Accountants;

discussed with management and with the independent registered public accountants the process by which the Company's executive officer, chief financial officer and chief accounting officer make the certifications required by the Sarbanes-Oxley Act of 2002 in connection with the filing with the SEC of the Company's periodic reports, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q; and

based on the reviews and discussions referred to above, recommended to the Supervisory Board that the consolidated financial statements referred to above be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

The Audit Committee also met to review and discuss the Company's audited Dutch statutory annual accounts for the financial year ended December 31, 2017 with management and PricewaterhouseCoopers Accountants N.V. The discussion included the observations of the independent registered public accountants during the audit as well as regulatory and financial reporting developments that may affect the Company's financial statements for the next two years. The Audit Committee recommended that the Company's audited Dutch statutory annual accounts for the financial year ended December 31, 2017 be approved by the Supervisory Board.

As recommended by the NYSE's corporate governance rules, the Audit Committee also regularly considers whether, to maintain auditor independence, it would be advisable to regularly rotate the audit firm itself.

Notwithstanding the foregoing actions and the responsibilities set forth in the Audit Committee's charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's consolidated financial statements are complete and accurate.

in accordance with generally accepted accounting principles.

Management is responsible for the Company's financial reporting process, including its system of internal controls and the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States. Independent registered public accountants are responsible for expressing an opinion on those financial statements. Committee members are not employees of the Company or accountants or auditors by profession. Therefore, the Committee has relied, without independent verification, on management's representation that the consolidated financial statements have been prepared with integrity and in conformity with accounting principles generally accepted in the United States and on the representations of the independent registered public accountants included in their report on the Company's consolidated financial statements.

Table of Contents

The Committee meets regularly with management and the independent registered public accountants, including private accountants, periodically with the independent registered public accountants, and receives the communications described above. However, the oversight does not provide us with an independent basis to determine that management has maintained appropriate accounting financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with applicable standards and applicable laws and regulations. Furthermore, our considerations and discussions with management and the independent registered public accountants do not assure that the Company's consolidated financial statements are presented in accordance with generally accepted accounting principles or that the audit of the Company's consolidated financial statements has been conducted in accordance with generally accepted auditing standards.

Audit Committee of the Supervisory Board of Directors

Michael E. McMahon (Chairman)

Robert W. Drummond

Alexander Vriesendorp

Table of Contents**INFORMATION ABOUT OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

On March 5, 2018, the Audit Committee of the Board of Supervisory Directors dismissed PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm.

The reports of PwC on the Company's consolidated financial statements for the fiscal years ended December 31, 2017 and 2016 contain an adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principle. During the fiscal years ended December 31, 2017 and 2016 and the subsequent interim period through March 31, 2018, there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing procedure which, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the matter in the Company's consolidated financial statements for such periods.

On March 5, 2018, the Audit Committee of the Board of Supervisory Directors of the Company appointed KPMG LLP as the Company's independent registered public accountants, which is being submitted for ratification by the Company at the 2018 annual meeting.

Fees for professional services provided by our former independent registered public accounting firm in each of the last two fiscal years in each of the following categories, were as follows:

	2017	2016
Audit Fees	\$ 3,996,035	\$ 2,841,318
Audit-Related Fees		
Tax Fees	37,562	105,089
All Other Fees	28,860	10,999
Total	\$ 4,062,457	\$ 2,957,406

Audit fees consist of the aggregate fees and expenses billed or expected to be billed for professional services rendered by PricewaterhouseCoopers Accountants N.V. for the audit of our consolidated financial statements, the review of financial statements included in our Quarterly Reports on Form 10-Qs and for services that are normally provided by the independent auditor with statutory and regulatory filings or engagements for those fiscal years, including comfort letters, statutory audits, attestations and consents.

Audit-related fees consist of the aggregate fees billed or expected to be billed for assurance and related services by PricewaterhouseCoopers that are reasonably related to the performance of the audit or review of the financial statements and are not reported as audit fees. The audit-related fee category includes fees related to: the performance of audits of benefit plans; agreed-upon or expanded audit procedures; the review of accounting records required to respond to or comply with financial, accounting or regulatory reporting matters; and consulting on the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed accounting or interpretations by regulatory or standard setting bodies.

Tax fees consist of international tax compliance and corporate tax consulting.

All other fees are the aggregate fees billed for products and services other than Audit Fees. The amounts in 2017 and 2016 represent various services provided to certain subsidiaries.

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The Audit Committee has adopted procedures for the approval of KPMG LLP's and KPMG Accountants N.V.'s services. At the beginning of each year, all audit and audit-related services, tax fees and other fees for the upcoming audit are presented to the Audit Committee for approval.

The Audit Committee is updated on the status of all services and related fees at every regular meeting.

As set forth in the Audit Committee Report on page 47 of this proxy statement, the Audit Committee has considered the provision of these non-audit services is compatible with maintaining auditor independence and has determined that

Table of Contents

Policy for Pre-Approval of Audit and Non-Audit Fees

The Audit Committee has an Audit and Non-Audit Services Pre-Approval Policy. The policy requires the Audit Committee to pre-approve the audit and non-audit services performed by our independent registered public accounting firm. Under this policy, the Audit Committee establishes the audit, audit-related, tax and all other services that have the approval of the Audit Committee. The term of any such pre-approval is twelve months from the date of pre-approval, unless the Audit Committee adopts a shorter term. The Audit Committee will periodically review the list of pre-approved services and will add to or subtract from the list of pre-approved services from time to time. The Audit Committee will also establish annually pre-approval fee levels or budgets for all services to be provided by the independent registered public accounting firm. Any proposed services exceeding such amounts will require specific pre-approval by the Audit Committee.

The Audit Committee has delegated to any financial officer of the Company the authority to engage the Company's independent registered public accounting firm in any of the pre-approved services listed in the pre-approval policy up to \$50,000. The Audit Committee has delegated to its Chairman the authority to pre-approve any one or more individual audit or permitted non-audit services for which estimated fees do not exceed \$100,000. Any services that would exceed such limits should be pre-approved by the Audit Committee. The chair will report any such pre-approval to the Audit Committee at its next scheduled meeting.

Table of Contents**TRANSACTIONS WITH RELATED PERSONS****Tax Receivable Agreement**

Mosing Holdings and its permitted transferees converted all of their 52,976,000 shares of Series A convertible preferred stock (the Preferred Stock) into shares of our common stock on a one-for-one basis on August 26, 2016, subject to conversion rate adjustments for stock splits, stock dividends and reclassifications and other similar transactions, by deeming an equivalent portion of their interests in Frank's International C.V. (FICV) to us (the Conversion). FICV made an election under Section 754 of the Internal Revenue Code. Pursuant to the Section 754 election, the Conversion resulted in an adjustment to the tax basis of the tangible and intangible assets of FICV with respect to the portion of FICV now held by the Company. These adjustments were allocated to the Company. The adjustments to the tax basis of the tangible and intangible assets of FICV described above would not have been available absent this Conversion. The basis adjustments may reduce the amount of tax that the Company would be required to pay in the future. These basis adjustments may also decrease gains (or increase losses) on future dispositions of capital assets to the extent tax basis is allocated to those capital assets.

The tax receivable agreement (the TRA) that we entered into with FICV and Mosing Holdings in connection with our initial public offering (IPO) generally provides for the payment by the Company of 85% of the amount of the actual reductions, if any, in our U.S. federal, state and local income tax or franchise tax (which reductions we refer to as cash savings) in periods after the date of (i) the tax basis increases resulting from the Conversion and (ii) imputed interest deemed to be paid by us as a result of the Conversion. In addition, the TRA provides for payment by us of interest earned from the investments (without extensions) of the corresponding tax return to the date of payment specified by the TRA. The payments under the TRA will be conditioned upon a holder of rights under the TRA having a continued ownership interest in either FICV or the Company. The Company will retain the remaining 15% of cash savings, if any.

The estimation of the liability under the TRA is by its nature imprecise and subject to significant assumptions regarding the timing of future taxable income. As of December 31, 2017, the Company had a cumulative loss over the prior 36-month period. In light of this history of losses, as well as uncertainty regarding the timing and amount of future taxable income, we are no longer able to estimate that there will be future cash savings that will lead to additional payouts under the TRA beyond the estimated \$2.1 million as of December 31, 2017. Additional TRA liability may be recognized in the future based on changes in expectations regarding the timing and likelihood of future cash savings.

The payment obligations under the TRA are our obligations and are not obligations of FICV. The term of the TRA will continue until such tax benefits have been utilized or expired, unless the Company elects to exercise its sole right to terminate the TRA. If the Company elects to terminate the TRA early, which it may do so in its sole discretion, it would be required to make an early termination payment equal to the present value of the anticipated future tax benefits subject to the TRA (based upon certain assumptions set forth in the TRA, including the assumption that it has sufficient taxable income to fully utilize such benefits and that the interests that Mosing Holdings or its transferees own on the termination date are deemed to be exchanged on the termination date). An early termination payment may be made significantly in advance of the actual realization, if any, of such future benefits. The payments due under the TRA will be similarly accelerated following certain mergers or other changes of control. In these circumstances, the Company's obligations under the TRA could have a substantial negative impact on our liquidity and could have the effect of deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. Following the TRA's termination on December 31, 2017, the estimated termination payment would be approximately \$60.7 million (based on using a discount rate of 5.58%). The foregoing number is merely an estimate and the actual payment could differ materially from this estimate.

Because the Company is a holding company with no operations of its own, its ability to make payments under the TRA is dependent on the ability of FICV to make distributions to it in an amount sufficient to cover the Company's obligations under such a TRA. The ability, in turn, may depend on the ability of FICV's subsidiaries to provide payments to it. The ability of FICV and its subsidiaries to make such distributions will be subject to, among other things, the applicable provisions of Dutch law that may limit the amount of distributions that can be made to the Company.

available for distribution and restrictions in our debt instruments. To the extent that the Company is unable to make

Table of Contents

under the TRA for any reason, except in the case of an acceleration of payments thereunder occurring in connection with the termination of the TRA or certain mergers or change of control, such payments will be deferred and will accrue interest until paid. The Company will be prohibited from paying dividends on its common stock.

Transactions with Directors, Executive Officers and Affiliates

In connection with the Company's IPO, Mosing Holdings caused the Company's U.S. operating subsidiaries to distribute revenue that generated a *de minimis* amount of revenue, including aircraft, real estate and life insurance policies. Accordingly, the revenue was not contributed to FICV in connection with the IPO. As a result, the Company entered into real estate lease agreements with Mosing Properties, LLC for continued use of the real estate. In addition, the Company entered into various aviation services agreements with Mosing Holdings for continued use of the aircraft.

As stated above, the Company has entered into various operating leases with Mosing Land & Cattle Company of Texas, Mosing Properties LP, 4-M Ranch, LLC, Mosing Holdings (through its wholly owned subsidiary, Mosing Ventures, LLC) and Mosing Queen Properties, LLC, each of which are entities owned by certain members of the Mosing family to lease operating facilities and office space from such entities. Rent expense related to lease operating facilities was \$7.6 million, \$8.0 million and \$6.9 million for the years ended December 31, 2015, 2016 and 2017, respectively. The expiration date of the operating leases currently in place ranges from 2018 to 2027, unless otherwise extended, and the Company expects to incur approximately \$14.5 million during the remaining terms of these leases. In December 2014, the Company entered into a property lease amendment for the Company's U.S. operating subsidiaries with Mosing Properties, L.P. Further, in 2015, the Company entered into four property lease amendments for the Company's U.S. operating subsidiaries with Mosing Properties, L.P. The Audit Committee and the Supervisory Board approved and ratified these lease amendments in November 2015. In 2017, the Company entered into an agreement with Mosing Queen Properties, LLC to lease certain operating facilities in Lafayette, Louisiana. The Supervisory Board also approved this lease in May 2017. Please see Note 13 to our Consolidated Financial Statements for the 2017 fiscal year within our Form 10-K, filed with the SEC on February 27, 2018, for more details on the Company's property leases.

We were a party to certain agreements relating to the rental of aircraft to Kinetic Motion, Inc. (through its wholly owned subsidiary, Western Airways, Inc. ("WA")), an entity controlled by the Mosing family. Prior to our IPO, we had entered into agreements with WA whereby we leased the aircraft as needed for a rental fee per hour and reimbursed WA for a management fee and hangar rental. The net revenue exceeded the reimbursement costs and we recorded net charter income. Subsequent to the IPO in 2013, we entered into new agreements with WA for the aircraft that was retained by us whereby we are paid a flat monthly fee for dry lease rental and charged a fee for wet lease monthly. In 2015, we amended the agreements to reflect both dry lease and wet lease rental, whereby we are charged a fee for wet lease primarily for crew, hangar, maintenance and administration costs in addition to other variable costs for fuel and maintenance. The Company also earned charter income from third party usage through a revenue sharing agreement. We recorded net charter income of \$1.1 million for the year ended December 31, 2017. In November 2015, the Audit Committee and Supervisory Board approved and ratified the aircraft leases entered into in 2015. Further, the Supervisory Board approved the engagement of WA for its assistance in the sale of the Company's three airplanes in January 2017. We incurred \$0.2 million in brokerage fees to WA for the sale of the Company's three airplanes on December 31, 2017 for the sale of one of the three airplanes. In December 2017, the Supervisory Board approved the engagement of WA for the Company's remaining third aircraft to Mosing Aviation, LLC, a company owned by Mr. D. Keith Mosing, for \$0.7 million. As a result, we no longer own any aircrafts and therefore, the aviation services agreements as well as charter rental expense and revenue were terminated with WA effective December 29, 2017.

Registration Rights Agreement

Mosing Holdings and FWW B.V. and certain of their transferees entered into a registration rights agreement with the Company. The registration rights agreement covers all 172,000,000 shares of Common Stock owned by Mosing Holdings and various holders of the Company's Common Stock as of December 31, 2017, respectively. Pursuant to this agreement, the parties to the agreement have agreed to require the Company to register their shares of Common Stock under the Act and to maintain a shelf registration statement effective

to such shares.

Table of Contents

Voting Agreement

In connection with the IPO, Mosing Holdings and certain members of the Mosing family and their holding companies entered into a voting agreement pursuant to which each shareholder agreed to vote all of their shares of Common Stock and Preferred Stock in the election of directors in the manner specified by a designated shareholder representative, which is currently D. Keith Mosing.

Procedures for Approval of Related Person Transactions

A **Related Party Transaction** is a transaction, arrangement or relationship in which the Company or any of its subsidiaries is a participant, the amount of which involved exceeds \$120,000, and in which any related person had, has or will have an indirect material interest. A **Related Person** means:

any person who is, or at any time during the applicable period was, one of the Company's executive officers or directors;

any person who is known by the Company to be the beneficial owner of more than 5% of any class of the Company's securities;

any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, step-parent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5% of any class of the Company's voting securities, and any person (including a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5% of any class of the Company's common stock; and

any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar capacity in which such person has a 10% or greater beneficial ownership interest.

The Company's Supervisory Board adopted a written Related Party Transactions Policy and has approved, along with the Audit Committee, the applicable related party transactions at this time. Pursuant to this policy, the Supervisory Board will review the facts of all new Related Party Transactions and either approve or disapprove entry into the Related Party Transaction, subject to limited exceptions. In determining whether to approve or disapprove entry into a Related Party Transaction, the Supervisory Board expects to take into account, among other factors, the following: (1) whether the Related Party Transaction is on terms more favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and (2) the extent of the Related Person's interest in the transaction. Further, the policy requires that all Related Party Transactions required to be disclosed in the Company's filings with the SEC be so disclosed in accordance with applicable laws, rules and regulations.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information with respect to the beneficial ownership of the Company's Common Stock:

each person known to the Company to beneficially own more than 5% of the Company's Common Stock;

each of the Company's named executive officers;

each member of the Company's Supervisory Board and Management Board and each director nominee; and

all of the Company's directors and executive officers as a group.

The number of shares of the Company's Common Stock outstanding and the percentage of beneficial ownership is as of March 19, 2018.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to such securities. Except as otherwise indicated, the persons or entities listed below have sole voting and investment power with respect to all shares of the Company's Common Stock beneficially owned by them, except to the extent this power may be shared with a spouse or limited by a written agreement described above. All information with respect to beneficial ownership has been furnished by the respective beneficial owners, named executive officers, or 5% or more stockholders, as the case may be.

Unless otherwise indicated, the address of each person or entity named in the table is 10260 Westheimer Rd., Houston, Texas 77036.

Name of Beneficial Owner	Number of Shares	% of Shares Beneficially Owned
5% shareholders:		
Mosing Holdings, LLC (1)(2)	31,785,600	14.2%
Donald E. Mosing (1)	108,766	*%
Donald Keith Mosing Revocable Trust (1)(3)	2,152,427	*%
Donald Keith Mosing Family Partnership, Ltd. (1)(3)	6,370,920	2.8%
2015 Mosing Family Delaware Trust fbo Keith Mosing (1)	440,185	*%
Bypass Corporate Stock Trust ulw Janice P. Mosing fbo Donald Keith Mosing	89,596	*%
Gregory Stanton Mosing (1)(3)	10,569,195	4.7%
Stanton GP, LLC (1)(3)	9,918,667	4.4%
G. Stanton Investments, LP (1)(3)	9,918,667	4.4%
2016 Mosing Family Delaware Dynasty Trust (1)	440,185	*%
ByPass Corporate Stock Trust ulw Janice P. Mosing fbo Gregory Stanton Mosing (1)	39,145	*%
Trust ulw Janice P. Mosing fbo Lindsey R. Mosing (1)	50,541	*%

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William Bradford Mosing (1)(3)(4)	8,893,649	4.0%
Bradford s GP, LLC (1)(3)	8,353,867	3.7%
WBM Partnership, LP (1)(3)	8,353,867	3.7%
Trust ulw Janice P. Mosing fbo Victoria R. Mosing (1)	25,226	*%
Trust ulw Janice P. Mosing fbo Jaclyn E. Mosing (1)	25,226	*%
Bypass Corporate Stock Trust ulw Janice P. Mosing fbo William B. Mosing (1)	39,145	*%
2016 Mosing Family Delaware Trust fbo William Bradford Mosing (1)	440,185	*%

Table of Contents

Melanie Christine Mosing (1)(3)	11,121,107	5.0%
2009 Mosing Family Delaware Dynasty Trust fbo Melanie Christine Mosing (1)	440,185	*%
ByPass Corporate Stock Trust ulw Janice P. Mosing fbo Melanie Christine Mosing (1)	39,154	*%
Trust ulw Janice P. Mosing fbo Derek A. Veverica (1)	25,226	*%
Trust ulw Janice P. Mosing fbo Christine M. Veverica (1)	25,226	*%
Estate of Clara Belle LeBlanc Mosing (1)	300,071	*%
Steven Brent Mosing Family, L.L.C. (1)(3)	7,918,667	3.5%
Stephanie Mosing Godwin (1)	125,771	*%
Michael Frank Mosing (1)(3)(5)	9,887,402	4.4%
Michael Frank Mosing Family, L.L.C. (1)(3)	9,073,667	4.1%
Bryn Patrick Mosing (1)	46,805	*%
Vohn Patrick Mosing (1)	46,805	*%
Sharon M. Miller (1)(3)	8,918,667	4.0%
Miller Ginsoma GP, LLC (1)(3)	8,918,667	4.0%
Miller Ginsoma Holdings, Ltd. (1)(3)	8,918,667	4.0%
Ryan Charles Miller (1)	46,805	*%
Mallory Miller (1)	46,805	*%
Estate of Timothy Dupre Mosing (1)	74,839	*%
Jeffrey Louis Mosing (1)(3)	7,218,667	3.2%
4401 JM GP, LLC (1)(3)	7,218,667	3.2%
JLM Partners, Ltd.(1)(3)	7,218,667	3.2%
Kirkland D. Mosing Family, L.L.C. (1)(3)	13,224,888	5.9%
Lori Mosing Thomas (1)(3)	14,361,094	6.4%
Bryceton G. Thomas Trust (1)(3)	13,224,888	5.9%
Lori Mosing Thomas Family, L.L.C. (1)(3)	13,224,888	5.9%
Kendall Garrett Mosing (1)(3)	14,979,374	6.7%
Kendall G. Mosing Family, L.L.C. (1)(3)	10,224,888	4.6%
LKM 2009 QSST-IDG Trust uta December 17, 2009 (1)	1,809,140	*%
DBM 2009 QSST-IDG Trust uta December 17, 2009 (1)	1,809,140	*%
T. Rowe Price Associates, Inc.	16,606,799	7.4%
Hotchkis and Wiley Capital Management, LLC	13,937,687	6.2%
Directors and Named Executive Officers:		
D. Keith Mosing (1)(2)(6)	151,063,467	67.5%
Douglas Stephens (7)	46,577	*%
Jeffrey J. Bird (8)	22,081	*%
Burney J. Latiolais, Jr. (9)(10)	45,478	*%
Daniel A. Allinger (11)	3,562	*%
Alejandro Cestero (9)(10)	5,958	*%
Gary P. Luquette (12)	34,863	*%
Sheldon R. Erikson (13)	39,926	*%
Kyle McClure (9)(10)	24,153	*%
S. Brent Mosing (1)(2)	40,868,056	18.3%
Kirkland D. Mosing (1)(2)(14)	46,200,265	20.6%
William B. Berry	37,529	*%
Michael C. Kearney	64,795	*%
Michael E. McMahan	28,264	*%

Alexander Vriesendorp	28,264	*%
Robert W. Drummond	18,204	*%
All directors and executive officers as a group (12 persons) (1)(6)(9)(14)	151,350,089	67.6%

* Represents less than 1%.

- (1) Pursuant to that certain Voting Agreement dated as of July 22, 2013 (the "Voting Agreement"), entered into among LLC, FWW B.V. and certain members of the Mosing family and their holding companies, the shareholders party to have agreed to vote all of their shares of Common Stock and Preferred Stock for the election of directors in the man a designated shareholder representative, currently Mr. D. Keith Mosing. As such, Mr. Mosing is entitled to vote on vote, or to direct the voting of, the shares of Common Stock held by Mosing Holdings, LLC and the Mosing Family Voting Agreement. Mr. Mosing disclaims beneficial ownership of such shares except to the extent of his pecuniary

Table of Contents

- (2) Mosing Holdings, LLC is a Delaware limited liability company owned by the Mosing Family. Mosing Holdings, LLC is owned and controlled by three directors: D. Keith Mosing, Kirkland D. Mosing and S. Brent Mosing. None of the three directors individually has the power to vote, dispose or direct the disposition of, the shares of common stock held by Mosing Holdings, LLC as a result of his directorship.
- (3) Represents shared voting and dispositive power. Please refer to Schedule 13D/A (Amendment No. 2) filed with the SEC on August 24, 2016 (the "Schedule 13D/A"), as well as each reporting person's Form 4 filings, for more information.
- (4) Includes shared voting and dispositive power over 8,353,867 shares. Please refer to the Schedule 13D/A and the reporting person's Form 4 filings.
- (5) Includes shared voting and dispositive power over 9,273,667 shares. Please refer to the Schedule 13D/A and the reporting person's Form 4 filings. Also includes 10,000 shares held by Michael Frank Mosing's spouse. Mr. Michael Mosing disclaims beneficial ownership of the shares held by his spouse, except to the extent of his pecuniary interest therein.
- (6) Includes shared voting and dispositive power over 6,370,920 shares. Please refer to the Schedule 13D/A and the reporting person's Form 4 filings. Also includes 50,000 shares for Mr. D. Keith Mosing's spouse and 33,024 for each of his two children. Mr. Mosing disclaims beneficial ownership of the shares held by his spouse and children, except to the extent of his pecuniary interest therein.
- (7) Mr. Stephens' beneficial ownership is as of September 26, 2017, his last date of employment with the Company.
- (8) Mr. Bird's beneficial ownership is as of March 1, 2017, his last day of employment with the Company.
- (9) Excludes 70,078 restricted stock units for Burney J. Latiolais, Jr., 73,250 restricted stock units for Alejandro Cestero, 1,000 restricted stock units for Kyle McClure and 253,373 restricted stock units for Michael C. Kearney because such awards are subject to forfeiture and no common stock may be received thereunder, within 60 days of March 19, 2018.
- (10) Messrs. Cestero, Latiolais and McClure are the members of the Company's Management Board. Frank's International Management B.V. is a wholly owned subsidiary and was the sole member of the Company's Management Board until it was replaced by the current members at the 2017 annual meeting. The address of Frank's International Management B.V. is Mastenmakelaarsweg 1, 1705 Den Helder, The Netherlands.
- (11) Mr. Allinger's beneficial ownership is as of January 27, 2017, his last date of employment with the Company.
- (12) Mr. Luquette's beneficial ownership is as of May 19, 2017, his last date of service as a supervisory director with the Company.
- (13) Mr. Erikson's beneficial ownership is as of May 19, 2017, his last date of service as a supervisory director with the Company.
- (14) Includes shared voting and dispositive power over 13,224,888 shares. Please refer to the Schedule 13D/A. Also includes 10,000 shares held by Mr. Kirkland Mosing's spouse. Mr. Kirkland Mosing disclaims beneficial ownership of the shares held by his spouse, except to the extent of his pecuniary interest therein.

Table of Contents

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The executive officers and directors of the Company and persons who own more than 10% of the Company's Common Stock are required to file reports with the SEC, disclosing the amount and nature of their beneficial ownership in Common Stock, as well as their ownership. Based solely on its review of reports and written representations that the Company has received, the Company believes that all required reports were timely filed during 2017, with the following exception: Ms. Sharon M. Miller had a delinquent report filed on December 21, 2017, for a transaction occurring on December 18, 2017.

Table of Contents

ITEM ONE ELECTION OF SUPERVISORY DIRECTORS

The Management Board and the Supervisory Board have nominated the following individuals for election to the Supervisory Board for a term beginning on May 23, 2018 to serve until the Company's 2019 annual meeting of shareholders or until their successors are elected and qualified or upon earlier of death, disability, resignation or removal:

Michael C. Kearney

William B. Berry

Robert W. Drummond

Michael E. McMahon

D. Keith Mosing

Kirkland D. Mosing

S. Brent Mosing

Alexander Vriesendorp

Biographical information for each nominee, as well as for the Company's current executive officers, is contained in the following sections:

The Company's diversity policy is part of its Corporate Governance Guidelines and Nominating and Governance Charter, which are under continuous consideration and review by the Nominating and Governance Committee and the Supervisory Board. The following changes have been made during February 2018.

The Corporate Governance Guidelines confirm that an important component of the Supervisory Board and the Management Board is diversity. In addition, the Supervisory Board acknowledges that under Dutch law, to which the Company is subject, the Company, as much as possible take into account a balanced gender representation when making nominations for appointment and reappointment, and that such balanced memberships of a board exists if at least 30% of the members are men and if at least 30% of the members are women. The Company has established through the Nominating and Governance Committee selection criteria for the Supervisory Board and Management Board, including desirable skills and experience for prospective Supervisory Board and Management Board members. In considering diverse candidates for the Supervisory Board and Management Board, the Nominating and Governance Committee will take into account various factors and perspectives, including gender, professional viewpoint, professional experience, education, skill and other individual qualities, such as gender, race, ethnicity and age, and other attributes that contribute to the relevant board's collective strength.

The Nominating and Governance Charter states that the Nominating and Governance Committee will actively seek individuals who wish to become members of the Supervisory Board and Management Board for recommendation to the Supervisory Board and Management Board. A key component of each board is diversity including not only background, skills, experience and expertise, but also gender, race, ethnicity and age. In identifying the most qualified individuals as candidates for a board membership, the Committee will also seek to attain a diverse composition of the Supervisory Board and the Management Board. Any search firms retained to assist the Committee will be advised to seek to include qualified, diverse candidates from traditional and nontraditional environments, including those from underrepresented minorities.

During 2017, the Company has not yet achieved all of the targets of its diversity policy. The Company believes that it will continue to improve the composition of the Supervisory Board and Management Board, taking into account the knowledge and experience of its members.

members, is in the best interest of the Company and its businesses. In the future, however, we will continue to pursue a composition for the boards, although it is not possible to predict when we will be able to fully achieve all targets.

Neither the Management Board nor the Supervisory Board has any reason to believe that any of its nominees will be unable to serve if elected. If a nominee becomes unable or unwilling to accept nomination or election, the number of members of the Supervisory Board will be reduced for the time being, until a meeting is called to appoint a substitute nominee that the Management Board and the Supervisory Board recommend.

Table of Contents

The affirmative vote of a simple majority of the votes cast at the annual meeting is required to elect each director n

**EACH OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD UNANIMOUSLY RECOMMEND THAT THE
SHAREHOLDERS VOTE FOR THE ELECTION OF EACH OF THE SUPERVISORY DIRECTOR N**

Table of Contents

ITEM TWO ADOPTION OF ANNUAL ACCOUNTS FOR 2017

At the annual meeting, you will be asked to confirm and ratify the preparation of the Company's Dutch statutory annual report of the Management Board in the English language and to adopt the Company's Dutch statutory annual accounts ended December 31, 2017 (the "Annual Accounts"), as required under Dutch law and the Articles.

The Company's Annual Accounts are prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the generally accepted accounting principles in the Netherlands, including the firm pronouncements in the Guidelines for Reporting in the Netherlands as issued by the Dutch Accounting Standards Board ("Dutch GAAP"). The Annual Accounts also include disclosures not required under generally accepted accounting principles in the United States ("US GAAP") and there are differences between Dutch GAAP and US GAAP.

A copy of the Annual Accounts can be accessed through the Company's website, www.franksinternational.com, and may also be obtained of charge by request to the Company's principal executive offices at Mastenmakersweg 1, 1786 Den Helder, The Netherlands or the Company's U.S. Headquarters at 10260 Westheimer Rd., Houston, TX 77042 Attn: Investor Relations.

A representative of PricewaterhouseCoopers Accountants N.V., who has audited the Company's Annual Accounts, will be present at the annual meeting to answer any questions from the Company's shareholders in relation to the auditor's statement in relation to the fairness of the Annual Accounts.

The affirmative vote of a simple majority of the votes cast at the annual meeting is required to adopt the Company's Annual Accounts and to authorize the preparation of the Company's Dutch statutory annual accounts and annual report in the English language.

EACH OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD UNANIMOUSLY RECOMMENDS THE ADOPTION OF THE COMPANY'S ANNUAL ACCOUNTS AND THE AUTHORIZATION OF THE PREPARATION OF THE COMPANY'S DUTCH STATUTORY ANNUAL ACCOUNTS AND ANNUAL REPORT IN THE ENGLISH LANGUAGE.

Table of Contents

ITEM THREE DISCHARGE OF MEMBERS OF THE SUPERVISORY BOARD

Under Dutch law, at the annual meeting shareholders may discharge the members of the Supervisory Board from liability for the exercise of their supervisory duties during the financial year concerned. The discharge is without prejudice to the provisions of law of The Netherlands relating to liability upon bankruptcy and does not extend to matters not disclosed to shareholders.

It is proposed that the shareholders resolve to discharge the members of the Supervisory Board from liability in respect of their supervisory duties during 2017.

The affirmative vote of a simple majority of the votes cast at the annual meeting is required to approve the discharge from liability of the members of the Supervisory Board.

**EACH OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD UNANIMOUSLY RECOMMEND THAT THE
SHAREHOLDERS VOTE FOR THE DISCHARGE OF THE MEMBERS OF THE SUPERVISORY BOARD FROM
LIABILITY FOR 2017.**

Table of Contents

ITEM FOUR DISCHARGE OF MEMBERS OF THE MANAGEMENT BOARD

Under Dutch law, at the annual meeting, the shareholders may discharge the members of the Management Board from liability of the exercise of its management duties during the financial year concerned. During the period from January 1, 2017 to (the date of the 2017 annual general meeting), Frank's International Management B.V. (FIM BV) was the sole manager of the Company. As of the date of the 2017 annual general meeting, the members of the Management Board were (and continue to be) Cestero, Latiolais and McClure. The discharge is without prejudice to the provisions of the law of The Netherlands relating to bankruptcy and does not extend to matters not disclosed to shareholders.

It is proposed that the shareholders resolve to discharge each of FIM BV and the current members of the Management Board from liability in respect of the management conducted by them during 2017, as appears from the books and records of the Company (the 2017 statutory annual accounts and annual report) and with respect to their responsibilities vis-à-vis the Company.

The affirmative vote of a simple majority of the votes cast at the annual meeting is required to approve the discharge of FIM BV and the current members of the Management Board.

**EACH OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD UNANIMOUSLY RECOMMEND THAT THE
SHAREHOLDERS VOTE FOR THE DISCHARGE OF FIM BV AND THE CURRENT MEMBERS OF THE
MANAGEMENT BOARD FROM THEIR LIABILITY FOR 2017.**

Table of Contents

ITEM FIVE APPOINTMENT OF AUDITOR FOR DUTCH STATUTORY ANNUAL ACCOUNTS

In accordance with Dutch law and the Company's Articles, the Company shall have its Dutch statutory annual accounts (in accordance with Dutch GAAP) audited by a Dutch auditor. The Dutch auditor shall be appointed by the Company's shareholders at the Annual Meeting. Upon the recommendation of the Audit Committee, the Management Board and the Supervisory Board, the Company shall appoint KPMG Accountants N.V. as our auditor who will audit our Dutch Annual Accounts for the year ending December 31, 2018.

The affirmative vote of a simple majority of the votes cast at the annual meeting is required to appoint KPMG Accountants N.V. as our auditor who will audit our Dutch Annual Accounts for the year ending December 31, 2018.

EACH OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD UNANIMOUSLY RECOMMENDS THAT OUR SHAREHOLDERS VOTE FOR THE APPOINTMENT OF KPMG ACCOUNTANTS N.V. AS OUR AUDITOR WHO WILL AUDIT OUR DUTCH ANNUAL ACCOUNTS FOR THE YEAR ENDING DECEMBER 31, 2018.

Table of Contents

ITEM SIX RATIFICATION OF SELECTION OF INTERNATIONAL INDEPENDENT REGISTERED ACCOUNTING FIRM

The Audit Committee of the Supervisory Board has selected KPMG LLP as the international independent registered public accounting firm of the Company for the year ending December 31, 2018. The audit of the Company's annual consolidated financial statements for the year ended December 31, 2017 was completed by PricewaterhouseCoopers LLP on February 27, 2018.

The Supervisory Board is submitting the selection of KPMG LLP for ratification at the Annual Meeting. The submission of the selection of KPMG LLP for ratification by shareholders is not legally required, but the Supervisory Board and the Audit Committee believe that the submission provides an opportunity for shareholders through their vote to communicate with the Supervisory Board and the Audit Committee on an important aspect of corporate governance. If the shareholders do not ratify the selection of KPMG LLP, the Audit Committee will reconsider, but will not be required to rescind, the selection of that firm as the Company's international independent registered public accounting firm. Representatives of KPMG LLP will not be present at the Annual Meeting. However, representatives of KPMG LLP will be available to respond to appropriate questions by telephone if necessary. Also, a representative of PricewaterhouseCoopers Accountants N.V., who has audited the Company's Annual Accounts, will also be available to answer any questions from shareholders in relation to the auditor's statement in relation to the fairness of the Company's Annual Accounts. See Item 19 of the Annual Accounts for 2017.

The Audit Committee has the authority and responsibility to retain, evaluate and replace the Company's international independent registered public accounting firm. The shareholders' ratification of the appointment of KPMG LLP does not limit the authority of the Audit Committee to change the Company's international independent registered public accounting firm at any time.

EACH OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD UNANIMOUSLY RECOMMEND THAT THE SHAREHOLDERS VOTE FOR THE RATIFICATION OF THE SELECTION OF KPMG LLP AS THE INTERNATIONAL INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY FOR THE YEAR ENDING DECEMBER 31, 2018.

Table of Contents**ITEM SEVEN RATIFICATION AND APPROVAL OF REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD**

In accordance with Dutch law and the Company's Articles, the shareholders shall determine the remuneration of each member of the Supervisory Board. The Company's Supervisory Board believes that attracting and retaining qualified non-employee directors is in the best interests of the Company and its shareholders, and is essential to the Company's future value, growth, and governance. The Supervisory Board also believes that the compensation packages for the Company's non-employee directors should require a portion of the total compensation to be equity-based to align the interests of the non-employee directors with the Company's stockholders. The Company, along with Meridian, has determined that the compensation packages applicable to the non-employee directors should be comparable with the packages identified at the Company's peer group. In making this decision, the director compensation program for 2017 consisted of an annual retainer compensation package for the non-employee directors valued at approximately \$200,000, of which \$50,000 is paid in the form of an annual cash retainer, and the remainder is paid in a grant of restricted stock units under the LTIP. In addition, the Company paid (i) the Audit Committee Chairman an annual amount of \$20,000 and \$10,000, respectively, (ii) the non-executive Chairman of the Supervisory Board an annual retainer valued at approximately \$120,000, of which \$80,000 is to be paid in the form of an annual cash retainer and the remaining \$40,000 is to be paid in a grant of restricted stock units under the LTIP, (iii) the Compensation Committee Chairman an annual amount of \$15,000 and (iv) the Nominating and Governance Committee Chairman an annual amount of \$10,000. The Company also made 2017 RSU awards to our directors in May 2017.

Effective December 1, 2016, the Compensation Committee and Supervisory Board approved additional payments for Mr. Kearney of \$50,000 per month for a period of six months to take on expanded and additional supervisory director responsibilities beyond his current responsibilities in order to help facilitate the transition in the Company's leadership, as well as provide ongoing special assistance to the Company's President and Chief Executive Officer at that time. Effective as of June 1, 2017, the Supervisory Board approved the extension of the term of the additional monthly retainer until December 31, 2017. Upon Mr. Kearney's appointment as the Company's President and Chief Executive Officer in September 2017, this additional retainer was terminated.

In February 2018, we amended the LTIP to include annual grant limitations for all non-employee director members of the Supervisory Board. This amendment imposes maximum limits on the aggregate grant date value of equity-based awards that may be granted to any non-employee director in any calendar year under the LTIP to \$1,000,000. Such an amendment to the LTIP did not require the approval of the shareholders and thus became effective immediately upon adoption.

Directors who are also employees of the Company will not receive any additional compensation for their service on the Supervisory Board.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Total (\$)
William B. Berry	65,217	144,540	209,757
Robert W. Drummond	46,335	144,540	190,875
Sheldon R. Erikson	28,561		28,561
Michael C. Kearney	553,478	183,570	737,048
Michael E. McMahon	70,000	144,540	214,540
D. Keith Mosing	50,000	144,540	194,540
Kirkland D. Mosing	50,000	144,540	194,540
S. Brent Mosing	50,000	144,540	194,540
Alexander Vriesendorp	52,609	144,540	197,149

The Supervisory Board proposes to ratify the above remuneration in relation to the period from the 2017 annual meeting to the 2018 annual meeting, and to approve the remuneration of the members of the Supervisory Board for the period up to the next annual meeting in 2019 in the following manner: (a) an annual retainer compensation package for the non-employee members of the Supervisory Board valued at approximately \$200,000, of which \$50,000 is paid in the form of an annual cash retainer, and the remaining amount is expected to be paid in a grant of restricted stock units under the LTIP; (b) payment to the Audit Committee Chairman of \$50,000 for his or her services as Chairman of the audit committee.

Table of Contents

committee member of an annual amount of \$20,000 and \$10,000, respectively; (c) payment to the lead supervisory director of an annual amount of \$20,000; (d) payment to the Compensation Committee Chairman of an annual amount of \$15,000; (e) payment to the Nominating and Governance Committee Chairman an annual amount of \$10,000; and (f) payment to the non-executive Chairman of the Supervisory Board, an annual retainer valued at approximately \$120,000, of which \$80,000 is to be paid in the form of a cash retainer, and the remaining \$40,000 is to be paid in a grant of restricted stock units under the LTIP.

The affirmative vote of a simple majority of the votes cast at the annual meeting is required to approve the remuneration of the Supervisory Board.

**EACH OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD UNANIMOUSLY RECOMMEND THAT THE
SHAREHOLDERS RATIFY AND APPROVE THE REMUNERATION OF THE MEMBERS OF THE SUPERVISORY
BOARD.**

Table of Contents

ITEM EIGHT AUTHORIZATION OF MANAGEMENT BOARD TO REPURCHASE SHARES FOR ANY LEGAL PURPOSE

In accordance with Dutch law and the Company's Articles, the Company may only acquire its own fully paid-up shares for consideration if and insofar the general meeting has authorized the Management Board in that respect. Such authorization shall be for a period of no longer than eighteen months. In the authorization, the general meeting shall state the number of shares to be acquired, how the shares may be acquired and the limits within which the price of the shares must be set. No authorization shall be given when the Company acquires shares in its capital for the purpose of transferring those shares to employees of the Company or to the company, under a plan applicable to such employees.

At the annual general meeting in 2017, the Supervisory Board and the Management Board proposed to limit the authorization of the Management Board to repurchase shares in such way that a maximum of 10% of the issued capital may be repurchased at a price between \$0.01 and 105% of the market price on the NYSE. At the 2017 annual general meeting, the shareholders approved the proposal.

Therefore, for the upcoming 2018 annual general meeting, the Management Board and the Supervisory Board propose to authorize the Management Board, subject to approval from the Supervisory Board, to repurchase shares for any legal purpose under the same conditions:

- (i) the shares may be repurchased up to a total of 10% of the issued share capital (currently consisting of 224,928 shares);
- (ii) the shares may only be repurchased at an open market purchase or in a private purchase transaction;
- (iii) the shares may only be repurchased at a price between \$0.01 and 105% of the market price on the NYSE; and
- (iv) the authorization of the Management Board is valid for a period of 18 months starting from the date of the 2018 annual general meeting.

The affirmative vote of a simple majority of the votes cast at the annual meeting is required to authorize the Management Board to repurchase shares for any legal purpose under the relevant conditions.

EACH OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE AUTHORIZATION OF THE MANAGEMENT BOARD TO REPURCHASE SHARES FOR ANY LEGAL PURPOSE.

Table of Contents

SHAREHOLDER PROPOSALS

Pursuant to the Company's Articles, general meetings will be held in Amsterdam, The Netherlands in the municipality in which the Company has its statutory seat, or at Schiphol (Municipality of Haarlemmermeer). A general meeting of shareholders shall be held at least once a year within the period required by Dutch law, which is currently no later than six months after the end of the financial year.

The agenda for the 2019 annual meeting shall include, in addition to other matters, any matter the consideration of which is requested by one or more shareholders, representing alone or jointly with others at least such percentage of the issued capital as determined by our Articles and Dutch law, which is currently set at three percent. In order for such matters to be included in the Company's proxy material or presented at the 2019 annual meeting, the qualified shareholder must submit the matter to the Secretary at 10260 Westheimer Rd., Suite 700, Houston, Texas 77042. The request to consider such matter should have been received by us no later than on the 60th day prior to the day of the 2019 annual meeting accompanied by a statement containing the request. Requests received later than the 60th day prior to the day of the meeting will be considered untimely. We currently expect the 2019 annual meeting to be held on or about May 22, 2019.

Table of Contents

HOUSEHOLDING MATTERS

Shareholders who share a single address will receive only one proxy statement at that address unless the Company has instructions to the contrary from any shareholder at that address. This practice, known as householding, is designed to reduce the Company's printing and postage costs. However, if a shareholder residing at such an address wishes to receive a separate proxy statement or of future proxy statements (as applicable), he or she may contact the Company's Corporate Secretary at 281-966-7300, or write to Frank's International N.V., 10260 Westheimer Rd., Suite 700, Houston, Texas 77042, Attention: Corporate Secretary. The Company will deliver separate copies of this proxy statement promptly upon written or oral request. If a shareholder receiving multiple copies of this proxy statement, you can request householding by contacting the Company in the same manner. If you own your Common Stock through a bank, broker or other shareholder of record, you can request additional copies of this proxy statement or request householding by contacting the shareholder of record.

WHERE YOU CAN FIND MORE INFORMATION

The Company files annual, quarterly and current reports and other information with the SEC. You may read and copy these documents at the SEC's public reference room at 100 F Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-368-1099 for further information on the public reference room. The Company's filings also are available to the public at the SEC's website at www.sec.gov. The Company's Common Stock is listed on the New York Stock Exchange under the ticker symbol "FI". Information concerning the Company may be inspected at the offices of the New York Stock Exchange, 11 Wall Street, New York, New York 10005. You may also request a copy of the Company's filings by contacting the Company's Corporate Secretary at 281-966-7300 or by writing to Frank's International N.V., 10260 Westheimer Rd., Houston, Texas 77042, Attention: Corporate Secretary. The Company's filings are also available on its website at www.franksinternational.com.

Table of Contents

FRANK S INTERNATIONAL N.V.

MASTENMAKERSWEG 1

1786 PB DEN HELDER, THE NETHERLANDS

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Daylight Time on May 22, 2018 or 5:59 A.M. Central European Time on May 23, 2018. Have your proxy card in hand when you access the Internet and follow the instructions to obtain your records and to create an electronic voting instruction form.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Daylight Time on May 22, 2018 or 5:59 A.M. Central European Time on May 23, 2018. Have your proxy card in hand when you call and then follow the instructions.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving our future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E39701-P05779-P05911

KEEP THIS PORTION

DETACH AND RETURN TO

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

FRANK S INTERNATIONAL N.V.

**The Board of Supervisory Directors
and the Board of Managing Directors
recommend that you vote FOR all of
the nominees:**

1. Election of Directors

For Against Abstain

Nominees:

1a. Michael C. Kearney

1b. William B. Berry

1c. Robert W. Drummond

1d. Michael E. McMahon

1e. D. Keith Mosing

1f. Kirkland D. Mosing

1g. S. Brent Mosing

1h. Alexander Vriesendorp

5. To appoint KPMG Accountants N.V. as our auditor who will audit the Dutch statutory annual accounts of the Company for the fiscal year ending December 31, 2018;

6. To ratify the appointment of KPMG LLP as our international independent registered public accounting firm to audit our U.S. GAAP financial statements for the fiscal year ending December 31, 2018;

7. To ratify and approve the remuneration of the members of the Supervisory Board granted for the period from the 2017 annual meeting until the date of the 2018 annual meeting, and to approve the remuneration of the members of the Supervisory Board for the period from the 2018 annual meeting up to and including the annual meeting in 2019; and

8. To authorize the Company's Management Board to repurchase shares up to 10% of the issued

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share capital, for any legal purpose, at the stock exchange or in a private purchase transaction, at a price between \$0.01 and 105% of the market price on the New York Stock Exchange, and during a period of 18 months starting from the date of the 2018 annual meeting, subject to Supervisory Board approval.

The Board of Supervisory Directors and the Board of Managing Directors recommend that you vote FOR the following proposals:

2. To adopt the Company's annual accounts for the fiscal year ended December 31, 2017 and authorize the preparation of the Company's Dutch statutory annual accounts and annual report in the English language;
3. To discharge the members of the Company's Supervisory Board from liability in respect of the exercise of their duties during the fiscal year ended in December 2017;
4. To discharge the members of the Company's Management Board from liability in respect of the exercise of their duties during the fiscal year ended in December 2017;

Such other business as may properly come before the annual meeting or any adjournment thereof shall be voted in accordance with the discretion of the proxies appointed hereby. This proxy is solicited on behalf of the Supervisory Board and the Management Board of the Company. The proxy, when properly executed, will be voted in accordance with the instructions given above. If no instructions are given, this proxy will be voted For the election of all of the director nominees and For proposals 2, 3, 4, 5, 6, 7, and 8.

For address changes and/or comments, please check this box and write them on the back where indicated.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners)

Date

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report including Form 10-K are available at www.proxydocs.com

E39702-P05

**FRANK S INTERNATIONAL N.V.
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 23, 2018**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF SUPERVISORY DIRECTORS AND
BOARD OF MANAGING DIRECTORS.**

The undersigned hereby appoints Michael Kearney, Alejandro Cestero, Kyle McClure and Joshua K. Hancock as proxy with full power of substitution, to represent and vote, as designated on the reverse side, all of the shares of Common Stock of Frank S International N.V. held by the undersigned that would be entitled to vote if personally present at the Annual Meeting, May 23, 2018, at 2:00 P.M. Central European Time, at the Hotel Sofitel Legend the Grand Amsterdam, Oudezijds Voorburgwal 1012 EX, Amsterdam, The Netherlands.

Address Changes/Comments:

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side