

NEWPARK RESOURCES INC

Form DEF 14A

April 04, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) of THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

NEWPARK RESOURCES, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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

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

NEWPARK RESOURCES, INC.

Notice of Annual Meeting
and
Proxy Statement

2018 Annual Meeting of Stockholders
May 17, 2018

April 4, 2018

Dear Fellow Stockholder:

On behalf of the Board of Directors, you are cordially invited to attend our 2018 Annual Meeting of Stockholders of Newpark Resources, Inc. (the "Company"), which will be held on Thursday, May 17, 2018, at 10:00 a.m., Central Daylight Time, at the offices of the Company, 9320 Lakeside Boulevard, Suite 100, The Woodlands, Texas 77381. In the following pages, you will find the Notice of Annual Meeting of Stockholders as well as a Proxy Statement describing the business to be conducted at the meeting.

Whether or not you plan to attend the Annual Meeting, it is important that you study carefully the information provided in the accompanying Proxy Statement and vote. Please promptly vote your shares by telephone, by the Internet or, if the Proxy Statement was mailed to you, by marking, signing, dating and returning the proxy card in the prepaid envelope so that your shares can be voted in accordance with your wishes.

Thank you for your continued support. We look forward to seeing you at our 2018 Annual Meeting of Stockholders.

Sincerely,

PAUL L. HOWES

President and Chief Executive Officer

TABLE OF CONTENTS
NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

<u>GENERAL INFORMATION</u>	<u>1</u>
<u>CORPORATE GOVERNANCE</u>	<u>4</u>
<u>General</u>	<u>4</u>
<u>Board Leadership Structure</u>	<u>4</u>
<u>Meeting Attendance</u>	<u>4</u>
<u>Director Attendance at Annual Meeting</u>	<u>4</u>
<u>Director Independence</u>	<u>5</u>
<u>Board Role in Risk Management</u>	<u>5</u>
<u>Director Nominations</u>	<u>5</u>
<u>Stockholder Recommendations for Board Nominations</u>	<u>6</u>
<u>Board Orientation and Education</u>	<u>7</u>
<u>Stockholder Communication with Board Members</u>	<u>7</u>
<u>Corporate Governance Guidelines</u>	<u>7</u>
<u>Majority Vote Policy</u>	<u>7</u>
<u>Stock Ownership Guidelines</u>	<u>8</u>
<u>Executive Sessions of Non-Management Directors</u>	<u>8</u>
<u>Related Person Transactions and Procedures</u>	<u>8</u>
<u>Code of Ethics</u>	<u>9</u>
<u>Board Committees</u>	<u>9</u>
<u>EXECUTIVE OFFICERS</u>	<u>11</u>
<u>OWNERSHIP OF COMMON STOCK</u>	<u>12</u>
<u>Certain Beneficial Owners</u>	<u>12</u>
<u>Ownership of Directors and Executive Officers</u>	<u>13</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>13</u>
<u>Introduction</u>	<u>14</u>
<u>Executive Summary</u>	<u>14</u>
<u>Executive Compensation Philosophy and Objectives</u>	<u>16</u>
<u>Alignment of Pay and Performance</u>	<u>20</u>
<u>CEO Realizable Pay: Well Aligned with Annual Performance</u>	<u>20</u>
<u>CEO Realizable Pay: Aligned With Performance Against Peers</u>	<u>21</u>
<u>Consideration of Advisory Say on Pay Voting Results</u>	<u>22</u>
<u>The Process of Managing our Executive Compensation Programs</u>	<u>23</u>
<u>Elements of Executive Compensation</u>	<u>27</u>
<u>Direct Compensation</u>	<u>27</u>
<u>Indirect Compensation</u>	<u>32</u>
<u>Employment Agreements</u>	<u>33</u>
<u>Tax and Accounting Implications</u>	<u>37</u>
<u>Other Tax Implications</u>	<u>38</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>38</u>

<u>Compensation Committee Report</u>	<u>38</u>
<u>EXECUTIVE COMPENSATION</u>	<u>39</u>
<u>Summary Compensation Table</u>	<u>39</u>
<u>Grants of Plan Based Awards in 2016</u>	<u>40</u>
<u>Outstanding Equity Awards at Fiscal Year End</u>	<u>41</u>
<u>Option Exercises and Stock Vested</u>	<u>43</u>
<u>Risk Assessment of Compensation Programs</u>	<u>43</u>
<u>CEO Pay Ratio</u>	<u>43</u>
<u>Employment Agreements and Change in Control Agreements</u>	<u>44</u>
<u>Potential Payments upon Change in Control</u>	<u>45</u>
<u>Retirement, Disability and Death</u>	<u>49</u>
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	<u>49</u>
<u>DIRECTOR COMPENSATION</u>	<u>50</u>
<u>Grants under the 2014 Non-Employee Directors' Restricted Stock Plan</u>	<u>50</u>
<u>Compensation of Directors</u>	<u>51</u>
<u>PROPOSAL NO. 1 - ELECTION OF DIRECTORS</u>	<u>52</u>
<u>Nominees and Voting</u>	<u>52</u>
<u>Business Experience and Qualifications of Director Nominees</u>	<u>52</u>
<u>PROPOSAL NO. 2 - ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>56</u>
<u>PROPOSAL NO. 3 - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>57</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>58</u>
<u>STOCKHOLDER PROPOSALS</u>	<u>59</u>
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>59</u>
<u>OTHER MATTERS</u>	<u>59</u>

NEWPARK RESOURCES, INC.

9320 Lakeside Blvd. Ste 100

The Woodlands, Texas 77381

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 17, 2018

To the Stockholders of Newpark Resources, Inc.:

The Annual Meeting of Stockholders of Newpark Resources, Inc., a Delaware corporation (the "Company"), will be held on Thursday, May 17, 2018, at 10:00 a.m., Central Daylight Time, at the offices of the Company, 9320 Lakeside Boulevard, Suite 100, The Woodlands, Texas 77381, for the following purposes:

- (1) The election of seven directors to the Board of Directors;
- (2) An advisory vote to approve named executive officer compensation;
- (3) The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year 2018; and
- (4) To consider and act upon such other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only stockholders of record at the close of business on March 26, 2018 will be entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement. A list of stockholders entitled to vote at the Annual Meeting will be available at the Annual Meeting and for 10 days prior to the Annual Meeting at our executive offices, 9320 Lakeside Boulevard, Suite 100, The Woodlands, Texas 77381.

All stockholders are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, please promptly vote your shares by telephone, by the Internet or if this Proxy Statement was mailed to you, by marking, signing, dating and returning the enclosed proxy card as soon as possible in the enclosed postage prepaid envelope in order for your vote to be cast at the Annual Meeting. The giving of your proxy will not affect your right to vote in person should you later decide to attend the Annual Meeting. If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record for you to follow in order to vote your shares.

Dated: April 4, 2018 BY ORDER OF THE BOARD OF DIRECTORS

Mark J. Airola

Senior Vice President, General Counsel,

Chief Administrative Officer and Corporate Secretary

NEWPARK RESOURCES, INC.
9320 Lakeside Boulevard, Suite 100
The Woodlands, Texas 77381

PROXY STATEMENT

April 4, 2018

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Newpark Resources, Inc. for the Annual Meeting of Stockholders (the “Annual Meeting”) to be held at the offices of the Company, 9320 Lakeside Boulevard, Suite 100, The Woodlands, Texas 77381 on Thursday, May 17, 2018, at 10:00 a.m., Central Daylight Time, and any postponements or adjournments of the Annual Meeting.

Record Date and Outstanding Shares

Only stockholders of record at the close of business on March 26, 2018 are entitled to receive notice of and to vote at the Annual Meeting. On that date, we had outstanding 89,316,490 shares of common stock, each of which is entitled to one vote upon each proposal presented at the Annual Meeting.

Notice Regarding the Availability of Proxy Materials

In accordance with rules adopted by the Securities and Exchange Commission (the “SEC”), we are making this Proxy Statement and related materials available over the Internet under the “notice and access” delivery model. The “notice and access” rule removes the requirement for public companies to automatically send their stockholders a printed set of proxy materials and allows them instead to deliver to their stockholders a “Notice Regarding the Availability of Proxy Materials” and to provide access to the documents over the Internet. A Notice Regarding the Availability of Proxy Materials was first mailed to all stockholders of record on or about April 4, 2018. The notice is not a form for voting, and presents an overview of the more complete proxy materials which contain important information and are available on the Internet and by mail. Stockholders are encouraged to access and review the proxy materials before voting.

This Proxy Statement, the form of proxy and voting instructions are being made available on or about April 4, 2018 at www.proxyvote.com. You may also request a printed copy of this Proxy Statement and the form of proxy by telephone at 1-800-690-6903, via the Internet at www.proxyvote.com or by email in accordance with the instructions given in the Notice Regarding the Availability of Proxy Materials. Our Annual Report to Stockholders, including financial statements, for the fiscal year ended December 31, 2017, is being made available at the same time and by the same method described above. The Annual Report to Stockholders is not to be considered as part of the proxy solicitation material or as having been incorporated by reference.

Any stockholder may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis by making such request via the Internet, email or by telephone. A request to receive proxy materials in printed form or electronically by email will remain in effect until the request is terminated by the stockholder.

Delivery of Documents to Stockholders Sharing an Address

All stockholders of record as of the record date will receive a copy of our Notice Regarding Availability of Proxy Materials. Stockholders residing in the same household who hold their shares in the name of a bank, broker or other holder of record may receive only one Notice Regarding Availability of Proxy Materials. This process, by which only one Notice Regarding Availability of Proxy Materials is delivered to multiple security holders sharing an address, unless contrary instructions are received from one or more of the security holders, is called “householding.”

Householding may provide convenience for stockholders and cost savings for companies. Once begun, householding may continue unless instructions to the contrary are received from one or more of the stockholders within the household.

Street name stockholders in a single household who received only one copy of the Notice Regarding Availability of Proxy Materials may request to receive separate copies in the future by following the instructions provided on the voting instruction form sent to them by their bank, broker or other holder of record. Similarly, street name stockholders who are receiving multiple copies may request that only a single set of materials be sent to them in the future by checking the appropriate box on the voting instruction form. Otherwise, street name stockholders should contact their bank, broker, or other holder.

COPIES OF THIS PROXY STATEMENT AND THE 2017 ANNUAL REPORT ON FORM 10-K, INCLUDING THE FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULES AND EXHIBITS, ARE AVAILABLE PROMPTLY WITHOUT CHARGE BY CALLING (281) 362-6800, OR BY WRITING TO CORPORATE SECRETARY, NEWPARK RESOURCES, INC., 9320 LAKESIDE BOULEVARD, SUITE 100, THE WOODLANDS, TEXAS 77381. If you are receiving multiple copies of the Notice Regarding Availability of Proxy Materials, you also may request orally or in writing to receive a single copy by calling (281) 362-6800, or writing to Corporate Secretary, Newpark Resources, Inc., 9320 Lakeside Boulevard, Suite 100, The Woodlands, Texas 77381. However, if you wish to receive a paper proxy and voting instruction form or other proxy materials for participation and voting in this year's annual meeting, follow the instructions included in the Notice Regarding Availability of Proxy Materials sent to you.

Voting Information

Stockholders of record may vote in person at the Annual Meeting or by proxy. If you do not wish to vote in person or if you will not be attending the Annual Meeting, you may vote by proxy. You may vote by Internet or by following the instructions in the Notice Regarding the Availability of Proxy Materials or, if you requested printed copies of the proxy materials, you can vote by Internet, by telephone or by delivering your proxy through the mail. We recommend that you vote by proxy even if you plan to attend the Annual Meeting. If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record for you to follow in order to vote your shares.

Revocation of Proxies

Any stockholder giving a proxy may revoke the proxy before it is voted by notifying our Corporate Secretary in writing before or at the Annual Meeting, by providing a proxy bearing a later date to our Corporate Secretary, by voting again via the Internet or telephone, or by attending the Annual Meeting and expressing a desire to vote in person. If you are a beneficial owner and wish to change your vote, you must contact the bank, broker or other holder of record that holds your shares prior to the Annual Meeting to assist you with this process. Subject to this revocation, all proxies will be voted as directed by the stockholder on the proxy card. If no choice is specified, proxies will be voted according to the recommendation of the Board as listed below:

Proposals	Recommendation of the Board
Proposal 1 Election of the seven directors nominated by the Board of Directors	FOR
-	
Proposal 2 Approval of the compensation of our named executive officers as disclosed in this proxy statement	FOR
-	
Proposal 3 Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year 2018	FOR
-	

The proxy confers discretionary authority to the persons named in the proxy authorizing those persons to vote, in their discretion, on any other matters properly presented at the Annual Meeting. Management is not currently aware of, nor does it intend to present at the Annual Meeting, any such other matters.

Your cooperation in promptly voting your shares via Internet, telephone or, if you received this Proxy Statement by mail, by returning the enclosed proxy, will reduce expenses.

Quorum

The presence at the Annual Meeting, either in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the record date is necessary to constitute a quorum for the transaction of business. Abstentions and "broker non-votes" are counted for purposes of determining the presence of a quorum.

Beneficial Ownership

If your shares are held by a bank, broker or other nominee, you are considered the beneficial owner of the shares and the shares are considered to be held in street name for your account. As the beneficial owner, you have the right to direct your bank, broker or nominee to vote your shares as you instruct. If you do not instruct your bank, broker, or nominee on how to vote your shares, then such bank, broker or nominee will only have discretion to vote your shares on routine matters only. Other matters considered non-routine will not be voted on by your bank, broker or nominee,

which is called a “broker non-vote.”

2018 Proxy Statement | 2

The following agenda items are considered non-routine, therefore, your bank, broker or other nominee will not be able to vote your shares on these items unless you have given explicit instructions to do so:

• Election of directors; and

• The advisory vote to approve executive compensation.

If you do not instruct your bank, broker or nominee how to vote your shares on the foregoing agenda items, then your shares will be considered “broker non-vote” with respect to those proposals.

The ratification of the appointment of Deloitte and Touche LLP is considered a routine agenda item and your bank, broker or other nominee is permitted to vote your shares even if such bank, broker or nominee does not receive voting instructions from you.

Proposal 1 - Election of Directors

A plurality vote is required for the election of directors. The “plurality” standard means the director nominees who receive the largest number of “for” votes cast are elected as directors. Under our Corporate Governance Guidelines, our Board of Directors has adopted a majority vote policy which applies to the election of directors. Under this policy, in an uncontested election, any nominee who receives a greater number of “withheld” votes from his/her election than votes “for” his/her election is required to tender his/her resignation to the Chairman of the Board. Consequently, the number of “withheld” votes with respect to a nominee will affect whether or not our majority vote policy will apply to that individual. Abstentions and broker non-votes are not counted for purposes of the election of directors and, therefore, will have no effect to the outcome of such election.

Voting Requirement to Approve Other Proposals

The following summary describes the vote requirement to approve each of the proposals on the agenda, excluding the election of Directors, at the Annual Meeting assuming a quorum has been established for the transaction of business at the meeting.

Proposal 2 - Advisory vote to approve executive compensation. The approval of the advisory vote on the Company’s executive compensation requires the affirmative vote of a majority of the shares of common stock having voting power on such matter present, in person or by proxy, at the Annual Meeting. Abstentions will be considered as present at the Annual Meeting and included in the vote totals on this matter and will have the same effect as a vote against the proposal. Broker non-votes will have no effect on the outcome of the advisory proposal.

Proposal 3 - Ratification of the appointment of independent registered public accounting firm. Ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the fiscal year 2018 requires the affirmative vote of a majority of the shares of common stock having voting power on such matter present, in person or by proxy, at the Annual Meeting. Abstentions will be considered as present at the Annual Meeting and included in the vote totals on this matter and will have the same effect as a vote against the proposal. Brokers who have not received voting instructions from the beneficial owner have the discretionary authority to vote on the ratification of the appointment of Deloitte & Touche LLP. While we do not expect broker non-votes on this proposal, any broker non-votes will be included in the vote totals on this proposal and will have the same effect as a vote against this proposal.

Solicitation of Proxies

The cost of preparing, printing and delivering this Proxy Statement, the Notice of Annual Meeting and the form of proxy, as well as the cost of soliciting proxies relating to the Annual Meeting, will be borne by us. In addition to this distribution, officers and other regular employees of ours may solicit proxies personally, electronically or by telephone, but no additional compensation will be paid to these individuals on account of these activities. We will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding proxy materials to the beneficial owners of the shares held by them of record.

CORPORATE GOVERNANCE

General

Under Delaware law, our business and affairs are managed under the direction of the Board of Directors. The Board of Directors establishes broad corporate policies, has responsibility for our overall performance and direction and authorizes various types of transactions but is not involved in the details of the day-to-day operations of the business. Members of the Board of Directors keep informed of our business by participating in Board and committee meetings, by reviewing reports and other materials provided to them and through discussions with the Chief Executive Officer and other officers.

Board Leadership Structure

The Board evaluates its leadership structure and role in risk oversight on an ongoing basis. The decision on whether to combine or separate the Chairman and Chief Executive Officer (“CEO”) role is determined on the basis of what the Board considers to be best for our Company. Our current Board leadership structure separates the role of Chairman and CEO. The Board believes that part of an effective Board leadership structure is to have either an independent director as the Chairman or to designate a Lead Director. The Nominating and Corporate Governance Committee and the Board currently believe that the separation of the role of CEO and Chairman (who is an independent director) is appropriate as it provides, among other things, sufficient independence between the Board and management, Board member leadership by an independent director, and facilitates our Board’s ability to carry out its roles and responsibilities on behalf of our stockholders. Mr. Anderson, an independent director, has served as a director since 2006 and as Chairman of the Board since 2014 and will be retiring from service as a director of the Company and as Chairman of the Board immediately following the 2018 Annual Meeting. With the pending retirement of Mr. Anderson, the Board plans to elect on