

Verso Paper Corp.
Form DEF 14A
April 23, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A INFORMATION

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

(Amendment No.)

Filed by the Registrant ☒

Filed by a party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

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

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under § 240.14a-12

VERSO PAPER CORP.

(Name of Registrant as Specified in its Charter)

Not Applicable

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required

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

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- (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:
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 - (2) Form, Schedule or Registration Statement no.:
 - (3) Filing party:
 - (4) Date filed:

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Verso Paper Corp.
6775 Lenox Center Court
Suite 400
Memphis, Tennessee 38115-4436
901.369.4100
versopaper.com

NOTICE OF
2013 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 23, 2013

To Our Stockholders:

The 2013 Annual Meeting of Stockholders of Verso Paper Corp. will be held at our offices located at 6775 Lenox Center Court, Memphis, Tennessee, on May 23, 2013, beginning at 10:00 a.m. (Central Time). At the meeting, our stockholders will vote on proposals to:

1. elect three directors David W. Oskin, David J. Paterson and Jordan C. Zaken to serve on our board of directors as Class II directors for a term of three years; and
2. ratify the appointment of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2013.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THESE PROPOSALS.

Stockholders also will transact any other business that properly comes before the meeting.

Only stockholders of record at the close of business on April 11, 2013, are entitled to receive notice of, and to vote at, the meeting and any postponement or adjournment thereof. A list of such stockholders will be available for inspection by any stockholder at our offices located at 6775 Lenox Center Court, Suite 400, Memphis, Tennessee, during ordinary business hours beginning on May 13, 2013, and at the meeting on May 23, 2013.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 23, 2013: OUR PROXY STATEMENT AND ANNUAL REPORT ARE AVAILABLE ON THE INVESTOR RELATIONS PAGE OF OUR WEBSITE AT *VERSOPAPER.COM*.

YOUR VOTE IS IMPORTANT. REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE. NO ADDITIONAL POSTAGE IS NECESSARY IF THE PROXY IS MAILED IN THE UNITED STATES OR CANADA. YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED AT THE MEETING.

By order of the Board of Directors,

Peter H. Kesser

April 23, 2013

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VERSO PAPER CORP.

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Verso Paper Corp.
6775 Lenox Center Court
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PROXY STATEMENT

FOR

2013 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 23, 2013

We are furnishing this Proxy Statement in connection with the solicitation of proxies by Verso Paper Corp. on behalf of our board of directors, for use at the 2013 Annual Meeting of Stockholders and any postponement or adjournment of the meeting. The meeting will be held at our offices located at 6775 Lenox Center Court, Memphis, Tennessee, on May 23, 2013, beginning at 10:00 a.m. (Central Time).

At the meeting, our stockholders will vote on proposals to:

1. elect three directors David W. Oskin, David J. Paterson and Jordan C. Zaken to serve on our board of directors as Class II directors for a term of three years; and
2. ratify the appointment of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2013.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THESE TWO PROPOSALS.

The proposals are set forth in the accompanying Notice of 2013 Annual Meeting of Stockholders and are described in this Proxy Statement. Stockholders also will transact any other business, not known or determined as of the date of this Proxy Statement, that properly comes before the meeting. The board of directors knows of no such other business to be presented.

When you submit your proxy, you will authorize the proxy holders David J. Paterson, our President and Chief Executive Officer; Robert P. Mundy, our Senior Vice President and Chief Financial Officer; and Peter H. Kesser, our Senior Vice President, General Counsel and Secretary to represent you and vote your shares of common stock on these proposals at the meeting in accordance with your instructions. By submitting your proxy, you also authorize them to exercise discretionary authority to vote your shares on any other business that properly comes before the meeting, to vote your shares to adjourn the meeting, and to vote your shares at any postponement or adjournment of the meeting.

We have included with this Proxy Statement a copy of our 2012 Annual Report, which includes our annual report on Form 10-K for the year ended December 31, 2012. It also is available on the Investor Relations page of our website at *versopaper.com*. The 2012 Annual Report and the information on our website do not constitute a part of our proxy solicitation materials and are not incorporated into this Proxy Statement.

In this Proxy Statement, Verso Paper Corp. is referred to interchangeably as Verso, we and us.

This Proxy Statement and the accompanying materials are first being sent or given to our stockholders on or about April 23, 2013.

YOUR VOTE IS IMPORTANT. REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.

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INFORMATION ABOUT THE MEETING

What is the purpose of the meeting?

At the meeting, our stockholders will vote on proposals to:

1. elect three directors David W. Oskin, David J. Paterson and Jordan C. Zaken to serve on our board of directors as Class II directors for a term of three years; and
2. ratify the appointment of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2013.

At the meeting, our management may report on our performance during 2012 and will respond to appropriate questions from stockholders.

Will any other business be conducted at the meeting?

As of the date of this Proxy Statement, the board of directors knows of no business that will be presented at the meeting other than the proposals described in this Proxy Statement. However, if any other proposal properly comes before the stockholders for a vote at the meeting, the proxy holders will vote your shares in accordance with their best judgment.

How many votes are required for action to be taken on each proposal?

Proposal 1 Election of Directors. The director nominees will be elected to serve as Class II directors for a term of three years if they receive a plurality of the votes of shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. This means that the director nominees will be elected if they receive more votes at the meeting than any other person nominated for director.

Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm. The appointment of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2013, will be ratified if a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on this proposal are voted in favor of it.

Who is entitled to vote?

Only stockholders of record at the close of business on the record date April 11, 2013 are entitled to receive notice of the meeting and to vote at the meeting the shares of common stock that they held on that date. You are a stockholder of record if your shares of common stock are registered directly in your name with Registrar and Transfer Company, our registrar and transfer agent. If your shares are held by a broker, bank or other nominee, then you are not a stockholder of record, but instead you are the beneficial owner of shares held in street name. Only your broker, bank or other nominee may vote your shares held in street name. Your broker, bank or other nominee will provide you with information about how to instruct it to vote your shares held in street name.

Each outstanding share of common stock entitles its holder to one vote on each matter voted on at the meeting. At the close of business on April 11, 2013, there were 53,173,372 outstanding shares of common stock.

How many shares must be present to conduct business at the meeting?

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A quorum must be present at the meeting in order for any business to be conducted. The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the record date of April 11, 2013, will constitute a quorum. Abstentions and broker non-votes will be included in the number of shares considered present at the meeting for the purpose of determining whether there is a quorum.

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What happens if a quorum is not present at the meeting?

It is unlikely that a quorum will not be present at the meeting, because our principal stockholder holds sufficient shares of common stock to constitute a quorum. However, if a quorum is not present at the scheduled time of the meeting, the holders of a majority of the shares present in person or represented by proxy at the meeting may adjourn the meeting to another place, date or time until a quorum is present. The place, date and time of the adjourned meeting will be announced when the adjournment is taken, and no other notice will be given unless the adjournment is for more than 30 days or unless after the adjournment a new record date is fixed for the adjourned meeting.

If I abstain from voting on a proposal, how will it affect the vote on the proposal?

You may not abstain from voting on Proposal 1 (election of directors), but you may withhold your vote for any director nominee. If you withhold your vote from any director nominee, your shares will not be voted for the nominee, but because the outcome of the vote on each director nominee will be determined by a plurality of the shares voted at the meeting on the election of the nominee, your withheld vote will not affect the outcome of the vote on the election of the nominee.

You may abstain from voting on Proposal 2 (ratification of appointment of independent registered public accounting firm). If you abstain from voting on Proposal 2, your shares will not be voted on the proposal, and because the outcome of the vote on the proposal will be determined by the vote of a majority of the shares present at the meeting, your abstention will have the effect of a vote against the proposal.

How do I vote without attending the meeting?

If you are a stockholder of record, you may vote by properly completing, signing, dating and returning by mail the accompanying proxy card. The enclosed postage-paid envelope requires no additional postage if it is mailed in the United States or Canada.

If you are a beneficial owner of shares held in street name, then your broker, bank or other nominee will provide you with information about how to provide it with voting instructions, so that it may vote your shares as you direct. You can provide voting instructions to your broker, bank or other nominee by properly completing, signing, dating and returning by mail the voting instruction form that it provides to you; or, if your broker, bank or other nominee offers telephone or internet voting options, you can provide voting instructions by telephone or on the internet by following the voting instructions that your broker, bank or other nominee provides to you.

How do I vote in person at the meeting?

If you are a stockholder of record and attend the meeting, you may vote at the meeting by delivering your completed proxy card in person. In the alternative, you may vote at the meeting by completing and delivering a ballot in person. We will distribute ballots to stockholders of record who wish to vote in person at the meeting. If you are a beneficial owner of shares held in street name, you may vote at the meeting if you obtain and bring to the meeting a completed proxy form from your broker, bank or other nominee that holds your shares.

If I return my proxy card without specifying voting instructions on it, will my shares be voted?

If you are a stockholder of record and return your proxy card without indicating voting instructions on it, your shares will be voted in accordance with the recommendations of our board of directors FOR Proposal 1 (election of directors) and FOR Proposal 2 (ratification of appointment of independent registered public accounting firm).

If you are a beneficial owner of shares held in street name, your broker, bank or other nominee is required to vote your shares in accordance with your instructions. If you do not instruct your nominee how to vote your shares on Proposal 1 (election of directors), then your nominee will not have the authority to vote on the proposal. If you do not instruct your nominee how to vote your shares on Proposal 2 (ratification of appointment

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of independent registered public accounting firm), your nominee will nonetheless have the authority, but is not required, to vote your shares on the proposal, because it is a discretionary item on which your nominee may vote even without instructions from you. Your nominee should provide you with information on how to give it voting instructions concerning your shares.

What are broker non-votes and how do they affect voting?

A broker non-vote occurs when a broker, bank or other nominee does not vote shares that it holds in street name on behalf of a beneficial owner, because the beneficial owner has not provided voting instructions to the nominee with respect to a non-discretionary item. Proposal 1 (election of directors) is a non-discretionary item. If you do not provide your nominee with voting instructions for Proposal 1, then it will not vote on the proposal, which will result in a broker non-vote on the proposal. Broker non-votes are not included in the tabulation of voting results for a proposal and thus will not have the effect of for or against votes on the proposal. They also are not counted for purposes of determining the number of shares present at the meeting and entitled to vote on the proposal. Broker non-votes are counted only for purposes of determining whether there is a quorum at the meeting.

If I want to change my vote after I submit my proxy, how do I change it?

Your attendance at the meeting, by itself, will not revoke your proxy or change your vote. If you are a stockholder of record, you may revoke your proxy and change your vote at any time before the polls are closed at the meeting by taking any of the following actions: properly completing, signing, dating and returning another proxy card with a later date; voting in person at the meeting; or giving written notice of your revocation to our Secretary. If you are a beneficial owner of shares held in street name, you may revoke your proxy and change your vote only by following the instructions given to you by the broker, bank or other nominee that holds your shares.

Who will count the votes?

Registrar and Transfer Company, the registrar and transfer agent for our common stock, will tabulate and certify the stockholder votes.

Who pays for the proxy solicitation and how will Verso solicit votes?

Verso will pay all costs associated with the solicitation of proxies. We also will reimburse any costs incurred by brokers, banks and other nominees to forward proxy solicitation materials to beneficial owners. Proxies may be solicited by us on behalf of our board of directors in person or by mail, telephone, facsimile or e-mail. We have not retained any firm to assist with the solicitation of proxies.

Where can I find the results of the stockholder votes at the meeting?

We will disclose the results of the stockholder votes at the meeting in a current report on Form 8-K to be filed with the Securities and Exchange Commission, or the SEC, within four business days after the meeting. The report will be available on the Investor Relations page of our website at *versopaper.com*.

Table of Contents**STOCKHOLDERS****Security Ownership of Certain Beneficial Owners and Management**

The following table provides information about the beneficial ownership of our common stock as of March 31, 2013, by each of our directors and named executive officers, all of our directors and executive officers as a group, and each person known to our management to be the beneficial owner of more than 5% of the outstanding shares of our common stock. As of March 31, 2013, there were 53,173,372 outstanding shares of our common stock.

Name of Beneficial Owner	Shares Beneficially Owned ⁽¹⁾	Percentage of Shares Outstanding ⁽¹⁾
Directors and Named Executive Officers:		
David J. Paterson ^(2,3,4)	251,666	*
Michael A. Jackson ^(2,3,4)	872,600	1.6%
Lyle J. Fellows ^(2,3,4)	259,020	*
Robert P. Mundy ^(2,3,4)	273,574	*
Michael A. Weinhold ^(2,3,4)	274,649	*
Peter H. Kesser ^(2,3,4,5)	250,717	*
Michael E. Ducey ^(2,3)	75,359	*
Thomas Gutierrez ^(2,3,4)	47,369	*
Scott M. Kleinman ^(2,3,6,7)	55,359	*
David W. Oskin ^(2,3)	55,359	*
Eric L. Press ^(2,3,4,7)	47,369	*
L.H. Puckett, Jr. ^(2,3)	213,357	*
David B. Sambur ^(2,3,6,7)	55,356	*
Jordan C. Zaken ^(2,3,6,7)	55,359	*
All Directors and Executive Officers as a group (15 persons) ^(3,4,5,6,7)	3,002,947	5.6%
Other Stockholders:		
Verso Paper Management LP ⁽⁸⁾	36,147,188	66.9%

* Less than 1% of the outstanding shares of our common stock.

(1) Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. The number and percentage of shares of common stock beneficially owned by each person listed in the table is determined based on the shares of common stock that such person beneficially owned as of March 31, 2013, or that such person has the right to acquire within 60 days thereafter. The number of outstanding shares used as the denominator in calculating the percentage ownership of each person is the sum of 53,173,372 shares of common stock (which is the number of shares of common stock outstanding as of March 31, 2013) and the number of shares of common stock that such person has the right to acquire as of March 31, 2013, or within 60 days thereafter. Each person has sole voting power and sole investment power over the shares of common stock that the person beneficially owns, unless otherwise indicated.

(2) The address of Messrs. Paterson, Jackson, Fellows, Mundy, Weinhold, Kesser, Ducey, Gutierrez, Oskin and Puckett is c/o Verso Paper Corp., 6775 Lenox Court, Suite 400, Memphis, Tennessee 38115-4436. The address of Messrs. Kleinman, Press, Sambur and Zaken is c/o Apollo Management, L.P., 9 West 57th Street, 43rd Floor, New York, New York 10019.

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- (3) The number of shares beneficially owned includes restricted shares of common stock granted to the following persons that are not vested as of March 31, 2013: Mr. Paterson 35,000 shares; Mr. Jackson 45,500 shares; Mr. Fellows 35,648 shares; Mr. Mundy 32,259 shares; Mr. Weinhold 32,240 shares; Mr. Kesser 28,908 shares; Mr. Ducey 26,614 shares; Mr. Gutierrez 26,614 shares; Mr. Kleinman 26,614 shares; Mr. Oskin 26,614 shares; Mr. Press 26,614 shares; Mr. Puckett 26,614 shares; Mr. Sambur 26,614 shares; Mr. Zaken 26,614 shares; and all directors and executive officers as a group 461,256 shares.
- (4) The number of shares beneficially owned includes shares of common stock that the following persons have the right to acquire as of March 31, 2013, or within 60 days thereafter by exercising stock options: Mr. Paterson 216,666 shares;

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Mr. Jackson 264,776 shares; Mr. Fellows 80,499 shares; Mr. Mundy 70,029 shares; Mr. Weinhold 71,032 shares; Mr. Kesser 57,583 shares; Mr. Gutierrez 15,200 shares; Mr. Press 15,200 shares; and all directors and executive officers as a group 852,794 shares.

- (5) The number of shares beneficially owned by Mr. Kesser includes 7,400 shares of common stock owned by his wife.
- (6) The number of shares beneficially owned includes shares of common stock owned by Verso Paper Management LP, which the following persons, as limited partners of Verso Paper Management LP, have the right to acquire as of March 31, 2013, by exchanging units representing limited partner interests in Verso Paper Management LP: Mr. Kleinman 23,190 shares; Mr. Sambur 23,187 shares; Mr. Zaken 23,190 shares; and all directors and executive officers as a group 69,567 shares.
- (7) Messrs. Kleinman, Press, Sambur and Zaken are associated with Apollo Management VI, L.P., and its affiliated investment managers. The number and percentage of shares shown does not include any shares beneficially held by Apollo Management VI, L.P., or any of its affiliates, including shares held of record by Verso Paper Management LP. Messrs. Kleinman, Press, Sambur and Zaken expressly disclaim beneficial ownership of the shares owned by Verso Paper Management LP, except to the extent of any pecuniary interest therein.
- (8) All of the shares of common stock shown as beneficially owned by Verso Paper Management LP are held of record by Verso Paper Management LP. Verso Paper Investments LP is the general partner of Verso Paper Management LP and as such holds voting power and investment power over the shares of common stock owned by Verso Paper Management LP. Verso Paper Investments Management LLC is the general partner of Verso Paper Investments LP. CMP Apollo LLC is the sole and managing member of Verso Paper Investments Management LLC. Apollo Management VI, L.P., or Management VI, is the sole and managing member of CMP Apollo LLC. AIF VI Management, LLC, or AIF VI LLC, is the general partner of Management VI. Apollo Management, L.P., or Apollo, is the sole member and manager of AIF VI LLC. Apollo Management GP, LLC, or Apollo Management GP, is the general partner of Apollo. Apollo Management Holdings, L.P., or AMH, is the sole member and manager of Apollo Management GP. Apollo Management Holdings GP, LLC, or AMH GP, is the general partner of AMH. Leon Black, Joshua Harris and Marc Rowan are the managers, as well as principal executive officers, of AMH GP, and as such may be deemed to have voting and dispositive control of the shares of common stock held by Verso Paper Management LP. Verso Paper Investments LP, Verso Paper Investments Management LLC, CMP Apollo LLC, Management VI, AIF VI LLC, Apollo, Apollo Management GP, AMH, AMH GP and Messrs. Black, Harris and Rowan each disclaims beneficial ownership of the shares held by Verso Paper Management LP, except to the extent of any pecuniary interest therein. The address of Verso Paper Management LP, Verso Paper Investments LP, Verso Paper Investments Management LLC, CMP Apollo LLC, Management VI, AIF VI LLC, Apollo, Apollo Management GP, AMH, AMH GP, and Messrs. Black, Harris and Rowan is c/o Apollo Management VI, L.P., 9 West 57th Street, 43rd Floor, New York, New York 10019.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that our directors and executive officers and the beneficial owners of more than 10% of our registered equity securities file with the SEC initial reports of, and subsequent reports of changes in, their beneficial ownership of our equity securities. Based solely on our review of such Section 16(a) reports and written representations that our directors and executive officers have furnished to us, we believe that all reporting persons complied with all applicable Section 16(a) filing requirements during 2012, with one exception. On June 25, 2012, certain limited partners of Verso Paper Management LP exchanged their units representing limited partner interests in Verso Paper Management LP for an equal number of shares of common stock of Verso Paper Corp. that were owned by Verso Paper Management LP. Verso Paper Management LP was inadvertently late in disclosing the transaction in a report filed with the SEC on September 21, 2012.

Table of Contents**DIRECTORS AND EXECUTIVE OFFICERS**

The following table and biographical descriptions provide information regarding our directors and executive officers.

Name	Age	Position(s)
David J. Paterson	58	President, Chief Executive Officer and Director
Lyle J. Fellows	56	Senior Vice President of Manufacturing and Energy
Robert P. Mundy	51	Senior Vice President and Chief Financial Officer
Michael A. Weinhold	48	Senior Vice President of Sales, Marketing and Product Development
Peter H. Kesser	55	Senior Vice President, General Counsel and Secretary
Kenneth D. Sawyer	57	Vice President of Human Resources
Benjamin Hinchman, IV	65	Vice President and Chief Information Officer
Michael E. Ducey	64	Director
Thomas Gutierrez	64	Director
Scott M. Kleinman	40	Director and Chairman of the Board
David W. Oskin	70	Director
Eric L. Press	47	Director
L.H. Puckett, Jr.	64	Director
David B. Sambur	33	Director