

WHITING PETROLEUM CORP
Form DEF 14A
March 19, 2019
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Whiting Petroleum Corporation

(Name of Registrant as Specified In Its Charter)

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

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Table of Contents

2019 PROXY STATEMENT

Notice of 2019 Annual Meeting of Stockholders

To be Held on May 1, 2019

Table of Contents

WHITING PETROLEUM CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 1, 2019

Dear Stockholders:

The annual meeting of stockholders of Whiting Petroleum Corporation will be held on Wednesday, May 1, 2019, at 10:00 a.m., Mountain Time, in the 1700 Club, located on the lower level of the Wells Fargo Center at 1700 Lincoln Street, Denver, Colorado 80203, for the following purposes:

to elect three directors to hold office until the 2022 annual meeting of stockholders and until their successors are duly elected and qualified;

to approve, by advisory vote, the compensation of our named executive officers as disclosed in the accompanying proxy statement;

to ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2019;

to approve an amendment and restatement of the Whiting Petroleum Corporation 2013 Equity Incentive Plan; and

to consider and act upon such other business as may properly come before the meeting or any adjournment or postponement thereof. The close of business on March 7, 2019 has been fixed as the record date for the determination of stockholders entitled to notice of, and to vote at, the annual meeting and any adjournment or postponement thereof.

Your vote is important no matter how large or small your holdings may be. To assure your representation at the annual meeting, please vote your shares over the Internet or via the toll-free telephone number as instructed in the Notice of Internet Availability of Proxy Materials. You also may request a printed proxy card to submit your vote by mail. For more details, see [How do I vote?](#) under [Questions and Answers About the Annual Meeting and Voting](#) in the accompanying proxy statement.

By Order of the Board of Directors

WHITING PETROLEUM CORPORATION

Bruce R. DeBoer
Corporate Secretary

Denver, Colorado

March 19, 2019

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>PROXY STATEMENT</u>	1
<u>CORPORATE GOVERNANCE</u>	2
<u>Our Commitment to Corporate Governance and Stockholder Engagement</u>	2
<u>Values and Sustainability</u>	2
<u>Proposal 1 - Election of Directors</u>	3
<u>Nominees for Election at the Annual Meeting</u>	3
<u>Directors Continuing in Office</u>	5
<u>Governance Information</u>	7
<u>Corporate Governance Documents</u>	7
<u>Independence of Directors</u>	7
<u>Transactions with Related Persons</u>	7
<u>Meetings and Attendance</u>	8
<u>Selection of Director Candidates</u>	8
<u>Director Qualifications</u>	10
<u>Board Leadership Structure: Lead Director</u>	10
<u>Role of the Board in Risk Oversight</u>	11
<u>Communications with Directors: Stockholder Engagement</u>	11
<u>Board Committee Information</u>	12
<u>Audit Committee</u>	12
<u>Compensation Committee</u>	12
<u>Nominating and Governance Committee</u>	12
<u>Director Compensation</u>	13
<u>Stock Ownership Guidelines</u>	14
<u>COMMON STOCK OWNERSHIP</u>	15
<u>Directors and Executive Officers</u>	15
<u>Certain Beneficial Owners</u>	16
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	16
<u>EXECUTIVE COMPENSATION</u>	17
<u>Compensation Discussion and Analysis</u>	17
<u>Our Compensation and Governance Practices</u>	17
<u>Our Named Executive Officers for 2018</u>	18
<u>Our Executive Compensation Program for 2018</u>	18
<u>2018 Say on Pay Vote</u>	18
<u>2018 Business Highlights</u>	18
<u>Objectives of Executive Compensation Program</u>	19
<u>Elements of Compensation/Why We Chose Each/How Each Relates to Objectives</u>	19
<u>How We Chose Amounts for Each Element</u>	21
<u>Role of Our Compensation Committee, Named Executive Officers and Compensation Consultant</u>	28
<u>Peer Group for 2018 Compensation</u>	29
<u>Changes to Peer Group for 2019 Compensation</u>	30
<u>Termination and Change in Control Arrangements</u>	30
<u>Policy on Recoupment of Incentive-Based Compensation</u>	31
<u>Stock Ownership Guidelines</u>	32
<u>Policy Prohibiting Pledging and Hedging Shares of Stock</u>	32
<u>Accounting and Tax Treatment of Compensation</u>	32
<u>Compensation Committee Report</u>	33
<u>Compensation Committee Interlocks and Insider Participation</u>	33

Table of Contents

	Page
<u>Executive Compensation Tables</u>	33
<u>Summary Compensation Table</u>	34
<u>Grants of Plan-Based Awards</u>	35
<u>Outstanding Equity Awards at 2018 Year-End</u>	37
<u>Option Exercises and Stock Vested</u>	38
<u>Potential Payments Upon Termination or Change in Control</u>	38
<u>Pay Ratio</u>	42
<u>Proposal 2 Advisory Vote on the Compensation of Our Named Executive Officers</u>	43
<u>AUDIT MATTERS</u>	44
<u>Audit Committee Report</u>	44
<u>Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm</u>	45
<u>Audit and Non-Audit Fees and Services</u>	45
<u>EQUITY PLAN MATTERS</u>	46
<u>Proposal 4 Approval of an Amendment and Restatement of the Whiting Petroleum Corporation 2013 Equity Incentive Plan</u>	46
<u>Summary and Background</u>	46
<u>Updated Share Information and Burn Rate</u>	46
<u>Authorized Shares and Stock Price</u>	47
<u>Summary of the Terms of the Incentive Plan</u>	47
<u>Certain Federal Income Tax Consequences</u>	55
<u>Future Plan Benefits</u>	58
<u>Equity Compensation Plan Information</u>	59
<u>STOCKHOLDER PROPOSALS</u>	59
<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING</u>	61
<u>WHITING PETROLEUM CORPORATION 2013 EQUITY INCENTIVE PLAN Amended and Restated</u>	A-1

Table of Contents

WHITING PETROLEUM CORPORATION

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

May 1, 2019

We are furnishing you this proxy statement in connection with the solicitation of proxies by our Board of Directors (the Board) to be voted at the 2019 Annual Meeting of Stockholders (the Annual Meeting) of Whiting Petroleum Corporation. The Annual Meeting will be held on Wednesday, May 1, 2019 at 10:00 a.m., Mountain Time, in the 1700 Club, located on the lower level of the Wells Fargo Center at 1700 Lincoln Street, Denver, Colorado 80203. The proxy materials, including this proxy statement, proxy card or voting instructions and our 2018 annual report, are being distributed and made available on or about March 19, 2019.

Your vote is important and we encourage you to vote even if you are unable to attend the Annual Meeting. You may vote your shares over the Internet or via the toll-free telephone number as instructed in the Notice of Internet Availability of Proxy Materials, or, if you received or request a paper copy of the proxy card, by signing and returning it in the postage paid envelope provided for your convenience. You may also attend and vote at the Annual Meeting.

AGENDA AND VOTING RECOMMENDATIONS

Proposal	Description	Board Recommendation	Page
1	<u>Election of directors</u>	FOR each nominee	3
2	<u>Advisory approval of Executive Compensation</u>	FOR	43
3	<u>Ratification of Deloitte & Touche LLP as 2019 auditor</u>	FOR	45
4	<u>Approve amendment and restatement of 2013 Equity Incentive Plan</u>	FOR	46

2019 Proxy Statement | 1

Table of Contents

CORPORATE GOVERNANCE

Our Commitment to Corporate Governance and Stockholder Engagement

We seek to maintain and enhance our corporate governance practices by refining such practices to align with evolving practices, issues raised by our stockholders and otherwise as circumstances warrant. Our corporate governance is overseen by our Board, all of the members of which are independent other than our chief executive officer. The independent members of our Board annually elect a lead director, who is an independent director. We have formalized the role of the lead director and have set forth the duties of the lead director in our Corporate Governance Guidelines as described below under Board Leadership Structure; Lead Director. Our by-laws include proxy access provisions pursuant to which stockholders meeting specified threshold may nominate and include in our proxy materials director nominees in accordance with our by-laws as described below under Selection of Director Candidates.

We also place great value on stockholder outreach and engage regularly with our investors to gain insights into the corporate governance issues about which they care most. Our chairman, president and chief executive officer, Bradley J. Holly, met with several of our larger stockholders over the course of 2018. We aim to seek a collaborative and mutually beneficial approach to issues of importance to investors that affect our business and also to help ensure we maintain appropriate corporate governance practices. During 2018, we met with 27 of our larger stockholders representing approximately 48% of the outstanding common stock of our company. We also attended, made presentations and engaged with our stockholders at fourteen investor conferences throughout 2018.

Values and Sustainability

During 2018, under the leadership of Mr. Holly, we engaged in a plan to improve our culture, empower our people, engage our communities and ensure our success, which, among other things, resulted in the development of the following statement of our values:

Highest Integrity Exhibiting the highest ethical standards

Engaged Leadership Leading, serving and inspiring others

Business Excellence Achieving operational excellence

Effective Communication Exchanging information in a purposeful and productive way

Meaningful Stewardship Preserving our environment and enriching our communities

Safety Always Protecting people, property and communities

We recognized that building an enduring company must include the integration of sustainability planning and reporting as a key component of our strategy. In 2016, we began the integration of sustainability planning and reporting by posting initial sustainability disclosures on our website, www.whiting.com. In 2017, we completed a materiality assessment to identify the sustainability topics that are relevant and applicable to our business. We studied industry peers and external stakeholder groups to identify and prioritize new and emerging issues important to our employees and stakeholders in anticipation of the enhancement of our website reporting. Periodically, we plan to reassess our list of material issues based on Environmental, Social and Governance (ESG) reporting ratings and trends, sustainability reporting and framework, shareholder engagement and other sources to validate our material issues and content for this reporting.

In 2018, we contracted with Ernst & Young LLP to develop a more robust website reporting program. Our enhanced sustainability reporting takes the following frameworks into consideration when developing and identifying metrics included in these disclosures:

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The Global Reporting Initiative (GRI) Sustainability Reporting Standards and Oil and Gas Sector disclosures

2 | 2019 Proxy Statement

Table of Contents

The International Petroleum Industry Environmental Conservation Association's (IPIECA) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting

In this website sustainability reporting, we describe our strategy and performance regarding material economic, environmental and social issues for calendar year 2017. When conducting our internal review of performance data for this reporting, we built upon our typical review process and initiated a more detailed investigation of the performance data. Based on this analysis, we revised many of the historical environmental values stated in prior sustainability reports to improve the quality of our data set. We are committed to updating the performance data in a timely manner and to continuously reviewing enhancements to our overall sustainability reporting.

Proposal 1 Election of Directors

Our certificate of incorporation and by-laws currently provide that our directors are divided into three classes, with staggered terms of three years each. At the Annual Meeting, the stockholders will elect three directors to hold office until the 2022 annual meeting of stockholders and until their successors are duly elected and qualified.

The Board has no reason to believe that the listed nominees will be unable or unwilling to serve as directors if elected. However, in the event that any nominee should be unable to serve or for good cause will not serve, the shares represented by proxies received will be voted for another nominee selected by the Board.

The following sets forth certain information, as of March 7, 2019, about the Board's nominees for election at the Annual Meeting and each director whose term will continue after the Annual Meeting, including an account of their specific business experience; the names of publicly held and certain other corporations of which they also are, or have been within the past five years, directors; and a discussion of their specific experience, qualifications, attributes or skills that led to the conclusion that they should serve as directors.

Nominees for Election at the Annual Meeting

Thomas L. Aller

Independent Director

Director since 2003

Age 70

Mr. Aller retired as Senior Vice President of Operations Support for Alliant Energy Corporation in 2014. He served as Senior Vice President - Energy Resource Development of Alliant Energy Corporation from 2009 to 2013 and President of Interstate Power and Light Company since 2004. Prior to that, he served as President of Alliant Energy Investments, Inc. since 1998 and interim Executive Vice President - Energy Delivery of Alliant Energy Corporation since 2003 and Senior Vice President - Energy Delivery of Alliant Energy Corporation since 2004. From 1993 to 1998, he served as Vice President of IES Investments. He received his Bachelor's Degree in political science from Creighton University and his Master's Degree in municipal administration from the University of Iowa.

Committees:

Qualifications:

Compensation

Audit

Mr. Aller's particular experience with our company, including from 1997 through 2003 when he served as a director of our company's operating subsidiary prior to our initial public stock offering, and his business acumen and experience in the energy sector led to the conclusion that he should serve as a director.

Table of Contents

James E. Catlin

Independent Director

Director since 2014

Age 72

Mr. Catlin was a co-founder of Kodiak Oil & Gas Corp. (Kodiak) and served at Kodiak as a director since 2001 and Executive Vice President of Business Development since 2011 until we acquired Kodiak in 2014. Mr. Catlin also previously served as Chairman of the Board from 2002 until 2011, Secretary from 2002 to 2008 and Chief Operating Officer from 2006 until 2011. Mr. Catlin has nearly 40 years of geologic experience primarily in the Rocky Mountain Region. Mr. Catlin was an owner of CP Resources LLC, an independent oil and natural gas company from 1986 to 2001. Mr. Catlin was a Founder, Vice President and Director of Deca Energy from 1980 to 1986 and worked as a district geologist for Petroleum Inc. and Fuelco prior to this time. He received a Bachelor of Arts and a Master’s of Science Degree in Geology from the University of Northern Illinois in 1973.

Committees:

None

Qualifications:

Mr. Catlin’s extensive training and experience with respect to geology and executive level experience working with oil and natural gas companies led to the conclusion he should serve as a director. The terms of the merger agreement pursuant to which we acquired Kodiak also required that Mr. Catlin be appointed as a director.

Michael B. Walen

Independent Director

Director since 2013

Age 70

Mr. Walen was the Senior Vice President Chief Operating Officer of Cabot Oil and Gas Corporation from 2001 until 2010 and served in other management and exploration positions prior to that time. He has 40 years of exploration and management experience with independent oil and gas companies including PetroCorp Inc., Patrick Petroleum Co., TXO Production Co. and Tenneco Oil Company. Mr. Walen was a director of Vitruvian Exploration from 2010 to 2013. Mr. Walen holds a Bachelor’s Degree in Geology from Central Washington University and a Master’s Degree in Geology from Western Washington University.

Qualifications:

Committees:

Nominating and Governance

Mr. Walen’s geological training, technical expertise and industry experience (particularly in shale plays), including managing operations, engineering, reserves, land and geology, led to the conclusion that he should serve as a director.

Compensation

The Board recommends the foregoing nominees for election as directors for terms expiring at the 2022 Annual Meeting and urges each stockholder to vote FOR such nominees.

Table of Contents**Directors Continuing in Office*****Terms Expiring at the 2020 Annual Meeting*****Philip E. Doty****Independent Director****Director since 2010****Age 75**

Mr. Doty is a certified public accountant and currently an ambassador with PlanteMoran after its 2018 merger with EKS&H LLLP. From 2007 to 2018, Mr. Doty was counsel to EKS&H LLLP, the largest Colorado-based accounting and consulting firm, where he previously was a partner from 2002 to 2007. From 1967 to 2000 he worked at Arthur Andersen & Co., where he was a partner since 1978 and served as an audit partner until his retirement in 2000. During his public accounting career, he provided audit and consulting services to numerous public companies. He is a graduate of Drake University with a Bachelor's Degree in accounting.

Qualifications:**Committees:****Audit**

Mr. Doty's 49 years of experience as a certified public accountant and his expertise in oil and gas financial reporting and accounting led to the conclusion he should serve as a director.

Nominating and Governance**Carin S. Knickel****Independent Director****Director since 2015****Age 62**

Ms. Knickel, served as Vice President of Global Human Resources and a member of the management committee of ConocoPhillips from 2003 until she retired in 2012. Her energy industry experience includes over three decades in operations leadership in refining, marketing, transportation, exploration, and production for ConocoPhillips. She also held roles in business development, strategic planning and commodity trading, and led the company's specialty products business from 2001 to 2003. Ms. Knickel also served as Assistant Dean for Programs and Talent for the University of Colorado College of Engineering from 2013 through 2014. She has a Bachelor's Degree in marketing from the University of Colorado and a Master's Degree in management science from the Massachusetts Institute of Technology.

Other Public Company Boards: Highbay Minerals Inc.

 Vermilion Energy Inc.

Committees:**Qualifications:****Audit****Compensation**

Ms. Knickel's broad range of operational and administrative experience in the oil and gas industry led to the conclusion she should serve as a director.

Table of Contents

Terms Expiring at the 2021 Annual Meeting

William N. Hahne

Independent Director

Director since 2007

Age 67

Mr. Hahne currently serves as our Lead Director. Mr. Hahne was Chief Operating Officer of Petrohawk Energy Corporation from 2006 until 2007. Mr. Hahne served at KCS Energy, Inc. as President, Chief Operating Officer and Director from 2003 to 2006, and as Executive Vice President and Chief Operating Officer from 1998 to 2003. He is a graduate of Oklahoma University with a BS in petroleum engineering and has 38 years of extensive technical and management experience with independent oil and gas companies including Unocal, Union Texas Petroleum Corporation, NERCO, The Louisiana Land and Exploration Company (LL&E) and Burlington Resources, Inc. He is an expert in oil and gas reserve estimating, having served as chairman for the Society of Petroleum Engineers Oil and Gas Reserve Committee.

Committees:

Qualifications:

Lead Director

Audit

Nominating & Governance

Mr. Hahne's experience in budgeting, planning and implementing effective exploration, drilling, acquisition and development programs, expertise in horizontal drilling and shale development and knowledge of oil and gas regulation, litigation and government reporting led to the conclusion that he should serve as a director.

Bradley J. Holly

Director

Director since 2017

Age 48

Committees:

None

Mr. Holly is our Chairman of the Board, President and Chief Executive Officer. Mr. Holly has more than 20 years of experience in the oil and natural gas industry. Mr. Holly previously served as Executive Vice President, U.S. Onshore Exploration and Production for Anadarko Petroleum Corporation, an independent exploration and production company. Prior to his promotion to Executive Vice President in May 2017, he served as Senior Vice President, U.S. Onshore Exploration and Production at Anadarko from September 2016. He was previously Senior Vice President, Operations for Anadarko's Rocky Mountain Region from May 2013 to September 2016, and Vice President, Operations for the Southern and Appalachia Region from July 2012 to May 2013. Mr. Holly also previously served as General Manager of Anadarko's Greater Natural Buttes area in eastern Utah and the Maverick Basin, which included the Eagleford Shale development in southern Texas, and Reserves and Planning Manager for the Southern and Appalachia Region. He joined Anadarko in 1997 as a reservoir engineer and development supervisor on Anadarko's Marco Polo and K2 developments in the deepwater Gulf of Mexico. Mr. Holly began his career in 1994 with Amoco. Mr. Holly holds a Bachelor of Science in Petroleum Engineering from Texas Tech University, and he is a graduate of the Harvard Business School Advanced Management Program.

Qualifications:

Mr. Holly's status as our president and chief executive officer who applies his technical expertise, industry experience and management qualifications and serves as a valuable resource for the other directors as to all operational and administrative aspects of our company led to the conclusion that

he should serve as a director.

Table of Contents

Governance Information

Corporate Governance Documents

The Board has adopted and regularly reviews and, if appropriate, revises our Corporate Governance Guidelines and written charters for our Audit Committee, Compensation Committee and Nominating and Governance Committee. The Board has also adopted the Whiting Petroleum Corporation Code of Business Conduct and Ethics that applies to our directors and employees. Each of our directors and employees annually confirms in writing that he or she has reviewed and will fully comply with the Code of Business Conduct and Ethics.

Copies of each of these documents are available on our website at www.whiting.com. We are not including the information contained on our website as part of, or incorporating it by reference into, this proxy statement.

Independence of Directors

Of the seven directors currently serving on the Board, the Board has determined that each of Messrs. Aller, Catlin, Doty, Hahne and Walen and Ms. Knickel has no material relationship with us and is independent under New York Stock Exchange (NYSE) listing standards. The Board has established categorical standards within our Corporate Governance Guidelines to assist in making determinations of director independence. In making its determination of independence, the Board found that each of Messrs. Aller, Catlin, Doty, Hahne and Walen and Ms. Knickel met these standards. The Board also considered the fact that Mr. Catlin was the Executive Vice President of Business Development of Kodiak until we acquired Kodiak in 2014. Due to Mr. Catlin having no prior relationships with our company or our senior management other than in connection with us acquiring Kodiak and Mr. Catlin joining the Board as a result of the Kodiak merger agreement negotiations at a time when we and Kodiak were independent entities, the Board determined that Mr. Catlin's former officer position with Kodiak did not impede his exercise of independent judgment.

Transactions with Related Persons

We had no transactions during 2018, and none are currently proposed, in which we were a participant and in which any related person had a direct or indirect material interest. Our Board has adopted written policies and procedures regarding related person transactions. For purposes of these policies and procedures:

a related person means any of our directors, executive officers or nominees for director or any of their immediate family members; and

a related person transaction generally is a transaction (including any indebtedness or a guarantee of indebtedness) in which we were or are to be a participant and the amount involved exceeds \$120,000, and in which a related person had or will have a direct or indirect material interest.

Each of our executive officers, directors or nominees for director is required to disclose to the Nominating and Governance Committee certain information relating to related person transactions for review, approval or ratification by the Nominating and Governance Committee. Disclosure to the Nominating and Governance Committee should occur before, if possible, or as soon as practicable after the related person transaction is effected, but in any event as soon as practicable after the executive officer, director or nominee for director becomes aware of the related person transaction. The Nominating and Governance Committee's decision whether or not to approve or ratify a related person transaction is to be made in light of the Nominating and Governance Committee's determination that consummation of the transaction is not or was not contrary to our best interests. Any related person transaction must be disclosed to the full Board.

Table of Contents

Meetings and Attendance

The Board held six meetings in 2018. No director attended less than 90% of the total number of Board and committee meetings during the period on which they served on the Board or such committees. Directors are expected to attend our annual meeting of stockholders each year and all of our directors serving at the time attended our 2018 annual meeting of stockholders.

Selection of Director Candidates

In identifying and evaluating nominees for director, the Nominating and Governance Committee seeks to ensure that the Board possesses, in the aggregate, the strategic, managerial and financial skills and experience necessary to fulfill its duties and to achieve its objectives, and seeks to ensure that the Board is comprised of directors who have broad and diverse backgrounds, possessing knowledge in areas that are of importance to us. The Nominating and Governance Committee is guided by the Criteria for Director Nominees in our Corporate Governance Guidelines, which provide:

The Nominating and Governance Committee will examine each director nominee on a case-by-case basis regardless of who recommended the nominee. The Nominating and Governance Committee will take into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity and industry knowledge.

The Nominating and Governance Committee believes that the following minimum qualifications are necessary for a director nominee to possess to be recommended by the Committee to the Board:

Each director must display the highest personal and professional ethics, integrity and values.

Each director must have the ability to exercise sound business judgment.

Each director must be highly accomplished in his or her respective field, with superior credentials and recognition and broad experience at the administrative and/or policy-making level in business, government, education, technology or public interest.

Each director must have relevant expertise and experience, and be able to offer advice and guidance to the chief executive officer based on that expertise and experience.

Each director must be independent of any particular constituency, be able to represent all of our stockholders and be committed to enhancing long-term stockholder value.

Each director must have sufficient time available to devote to activities of the Board and to enhance his or her knowledge of our business.

The Nominating and Governance Committee