

GOODRICH PETROLEUM CORP  
Form DEF 14A  
April 02, 2015  
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**UNITED STATES**  
**Securities and Exchange Commission**  
Washington, D.C. 20549

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

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

**GOODRICH 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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**Goodrich Petroleum Corporation**

801 Louisiana Street

Suite 700

Houston, Texas 77002

April 7, 2015

To Our Stockholders:

It is my pleasure to invite you to the 2015 Annual Meeting of Stockholders of Goodrich Petroleum Corporation, to be held at The Coronado Club, located at 919 Milam, Suite 500, Houston, Texas, 77010, on Tuesday, May 5, 2015, at 11:00 a.m. local time (the Annual Meeting ).

Details of the business to be conducted at the Annual Meeting are provided in the attached Notice of Annual Meeting and Proxy Statement. Additionally, enclosed with the proxy materials is our Annual Report to Stockholders for the year ended December 31, 2014.

You received these materials with a proxy card that indicates the number of votes that you will be entitled to cast at the Annual Meeting according to our records or the records of your broker or other nominee. Our board of directors has determined that owners of record of our common stock at the close of business on March 20, 2015 are entitled to notice of, and have the right to vote at, the Annual Meeting and any reconvened meeting following any adjournment or postponement of the meeting.

On behalf of the Board of Directors and our employees, I would like to express my appreciation for your continued interest in our affairs.

By Order of the Board of Directors

Walter G. Gil Goodrich

Vice Chairman and Chief Executive Officer

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**Goodrich Petroleum Corporation**

801 Louisiana Street

Suite 700

Houston, Texas 77002

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 5, 2015**

To Our Stockholders:

Notice is hereby given that the 2015 Annual Meeting of the Stockholders of Goodrich Petroleum Corporation, a Delaware corporation, will be held at The Coronado Club, located at 919 Milam, Suite 500, Houston, Texas, 77010, on Tuesday, May 5, 2015, at 11:00 a.m. local time (the Annual Meeting ).

At the Annual Meeting, stockholders will be asked to:

1. Elect three Class II directors to our Board of Directors;
2. Ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
3. Approve, on an advisory basis, the compensation of our Named Executive Officers as described in Compensation Discussion and Analysis ;
4. Approve the Third Amendment to the Company's amended 2006 Long-Term Incentive Plan (the 2006 Plan ) and the material terms of the performance goals thereunder for purposes of Section 162(m) of the Code;
5. Approve an amendment to our Restated Certificate of Incorporation to increase the number of authorized shares of our common stock; and
6. Transact such other business as may properly come before such meeting.

Only stockholders of record at the close of business on March 20, 2015 are entitled to notice of and to vote at the Annual Meeting. For specific voting information, see General Information about the Annual Meeting beginning on page 1 of the enclosed proxy statement. A list of stockholders will be available commencing April 24, 2015 and may be inspected at our offices during normal business hours prior to the Annual Meeting. The list of stockholders will also be available for review at the Annual Meeting. In the event there are not sufficient votes for a quorum or to approve the items of business at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy. You may vote by telephone, Internet or mail. To vote by telephone, call 1-800-PROXIES (1-800-776-9437) using a touch-tone phone to transmit your voting instructions up until 11:59 p.m. (EDT) the day before the Annual Meeting date. Have your proxy card in hand when you call and then follow the instructions. To vote electronically, access [www.voteproxy.com](http://www.voteproxy.com) over the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. (EDT) the day before the Annual Meeting date. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form. You may vote by mail by signing, dating and returning the enclosed proxy card in the enclosed envelope. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

By Order of the Board of Directors

Michael J. Killelea

Senior Vice President, General Counsel and Corporate Secretary

April 7, 2014

Houston, Texas

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**Important Notice Regarding the Availability of Proxy Materials**

**For the Annual Meeting of Stockholders to be Held on May 5, 2015**

**The Company's Notice of Annual Meeting, Proxy Statement and 2014 Annual Report on Form 10-K are available at  
<http://www.RRDEZProxy.com/2015/GoodrichPetroleum>**

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**Goodrich Petroleum Corporation**

**801 Louisiana Street**

**Suite 700**

**Houston, Texas 77002**

**PROXY STATEMENT**

These proxy materials are being furnished to you in connection with the solicitation of proxies by the Board of Directors (the **Board**) of Goodrich Petroleum Corporation, a Delaware corporation ( **we** or the **Company** or **Goodrich** ), for use at the 2015 Annual Meeting of Stockholders and any adjournments or postponements of the meeting (the **Annual Meeting** ). The Annual Meeting will be held at The Coronado Club, located at 919 Milam, Suite 500, Houston, Texas, 77010, on Tuesday, May 5, 2015, at 11:00 a.m. local time. The Notice of Annual Meeting, this proxy statement, the enclosed proxy card and our Annual Report to Stockholders for the fiscal year ended December 31, 2014 (the **Annual Report** ) are being mailed to stockholders beginning on or about April 7, 2015.

**GENERAL INFORMATION**

**Q. What am I voting on?**

- A. 1. The election of three Class II directors to our Board of Directors;  
2. The ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;  
3. Approve, on an advisory basis, the compensation of our Named Executive Officers as described in **Compensation Discussion and Analysis** ;  
4. Approve the Third Amendment to the Company's amended 2006 Long Term Incentive Plan (the **2006 Plan** ) and the material terms of the performance goals thereunder for purposes of Section 162(m) of the Code;  
5. Approve an amendment to our Restated Certificate of Incorporation to increase the number of authorized shares of our common stock;  
and  
6. The transaction of such other business as may properly come before such meeting.

**Q. Who can vote?**

- A. Stockholders as of the close of business on March 20, 2015, the record date, are entitled to vote at the Annual Meeting

**Q. How do I vote my shares?**

- A. You may vote your shares either in person or by proxy. To vote by proxy, you may vote via telephone by using the toll-free number listed on the proxy card, via Internet at the website for Internet voting listed on the proxy card, or you may mark, date, sign, and mail the enclosed proxy card in the prepaid envelope. Giving a proxy will not affect the right to vote the shares if you attend the Annual Meeting and want to vote in person by voting person you automatically revoke the proxy. If you vote the shares in person, you must present proof that you own the shares as of the record date through brokers' statements or similar proof and identification. You also may revoke the proxy at any time before the meeting by giving the Corporate Secretary written notice of the revocation or by submitting a later-dated proxy. If you return the signed proxy card but do not mark your voting preference, the individuals named as proxies will vote the shares in accordance with the recommendations of the Board of Directors as set forth below.

**Q. What are the recommendations of the Board?**

A. 1. The Board unanimously recommends that you vote ***FOR*** the election of the nominated slate of Class II directors.

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2. The Board unanimously recommends that you vote **FOR** ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.
3. The Board unanimously recommends that you vote **FOR** the approval, on an advisory basis, of the compensation of our Named Executive Officers as described in Compensation Discussion and Analysis.
4. The Board unanimously recommends that you vote **FOR** the approval of the Third Amendment to the 2006 Plan and the approval of the material terms of the performance goals thereunder for purposes of Section 162(m) of the Code.
5. The Board unanimously recommends that you vote **FOR** the approval of the amendment to our Restated Articles of Incorporation to increase the number of authorized shares of common stock.

### **Q. How many shares can I vote?**

- A. As of the record date, March 20, 2015, Goodrich had outstanding 57,111,408 shares of common stock. Each share of common stock is entitled to one (1) vote.

### **Q. What happens if I withhold my vote for an individual director?**

- A. Because the individual directors are elected by plurality of the votes cast at the meeting, a withheld vote will not have an effect on the outcome of the election of an individual director.

### **Q. How many votes must be present to hold the Annual Meeting?**

There must be a quorum for the Annual Meeting to be held. A quorum is the presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of common stock issued and outstanding and entitled to vote at the Annual Meeting on the record date. The presence of the holders of at least 28,555,705 shares of common stock is required to establish a quorum for the Annual Meeting. Proxies that are voted **FOR**, **AGAINST** or **WITHHELD** a matter are treated as being present at the Annual Meeting for purposes of establishing a quorum and also treated as shares represented and voting at the Annual Meeting with respect to such matter.

Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business.

### **Q. What is a broker non-vote?**

- A. The New York Stock Exchange's (the **NYSE**) Rule 452 restricts when brokers who are record holders of shares may exercise discretionary authority to vote those shares. Brokers are permitted to vote on discretionary items if they have not received instructions from the beneficial owners, but they are not permitted to vote (a broker non-vote) on non-discretionary items absent instructions from the beneficial owner. With respect to the Annual Meeting, Rule 452 prohibits such brokers from exercising discretionary authority in the election of the Company's Class II directors, the non-binding advisory vote to approve the compensation of the Company's Named Executive Officers, and the approval of the Third Amendment to the 2006 Plan, but such brokers may exercise discretionary authority with respect to the ratification of the appointment of the Company's independent registered public accounting firm and with respect to the amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized shares of common stock.

Abstentions and broker non-votes will be included for purposes of determining whether a quorum is present at the Annual Meeting.

**Q. How many votes are needed to approve each of the proposals?**

- A. Under our Bylaws, the nominees for election as directors at the Annual Meeting who received the highest number of **FOR** votes will be elected as directors. This is called plurality voting. Broker non-votes and votes marked **WITHHOLD AUTHORITY** or **FOR ALL EXCEPT** (with respect to the nominees for which authority is withheld) will have no legal effect on the election of directors under Delaware law.

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The ratification of the appointment of the independent registered public account firm requires the affirmative vote of a majority of shares represented in person or by proxy and entitled to vote at the Annual Meeting. Abstentions will have the same effect as a vote against the proposal.

The approval, on an advisory basis, of the compensation of our Named Executive Officers, requires the affirmative vote of a majority of shares represented in person or by proxy and entitled to vote at the Annual Meeting. Abstentions will have the same effect as a vote against the proposal.

The approval of the Third Amendment to the 2006 Plan and the material terms of the performance goals thereunder for purposes of Section 162(m) of the Code requires the affirmative vote of a majority of shares represented in person or by proxy and entitled to vote at the Annual Meeting. Abstentions will have the same effect as a vote against the proposal.

The approval of the amendment to our Restated Certificate of Incorporation to increase the number of authorized shares of common stock requires the affirmative vote of a majority of shares represented in person or by proxy and entitled to vote at the Annual Meeting. Abstentions will have the same effect as a vote against the proposal.

**Q. Can I vote on other matters?**

- A. We do not expect any other matter to come before the meeting. We did not receive any stockholder proposals by the date required for such proposals to be considered. If any other matter is presented at the Annual Meeting, the signed proxy gives the individuals named as proxies authority to vote the shares on such matters at their discretion.

**Q. Who is soliciting my proxy?**

- A. The Board of Directors of Goodrich Petroleum Corporation is sending you this Proxy Statement in connection with the solicitation of proxies for use at Goodrich's 2015 Annual Meeting of Stockholders. Certain directors, officers and employees of Goodrich may also solicit proxies on our behalf by mail, phone, fax or in person. We have retained Georgeson, Inc. ( "Georgeson" ) to assist in the solicitation of proxies for a fee of approximately \$8,000 plus reimbursement for out-of-pocket expenses.

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Pursuant to our Bylaws, our Board is divided into three classes (Classes I, II and III) serving staggered terms. The term of office for each of our Class II directors, Walter G. Goodrich, Patrick E. Malloy, III and Michael J. Perdue expires at the Annual Meeting. The term of office for each of our Class III directors, Robert C. Turnham, Jr., Arthur Seeligson and Stephen M. Straty, expires at our 2016 Annual Meeting. The term of office of each of our Class I directors, Josiah T. Austin, Peter D. Goodson, and Gene Washington, expires at our 2017 Annual Meeting. Following election to the Board, each director serves for a term of three years or until a successor is elected and qualified.

Based on the recommendations from the Nominating and Corporate Governance Committee, our Board has nominated its current Class II directors, Messrs. Goodrich, Malloy and Perdue, for election to our Board as Class II directors with a term of office expiring at our 2018 Annual Meeting. Our Board has affirmatively determined that Mr. Perdue is independent. Please see Corporate Governance Our Board Board Size; Director Independence. We have no reason to believe that any of Messrs. Goodrich, Malloy and Perdue will be unavailable for election. However, if any nominee becomes unavailable for election, our Board can name a substitute nominee and proxies will be voted for the substitute nominee pursuant to discretionary authority, unless withheld.

**Recommendation of the Board*****OUR BOARD RECOMMENDS A VOTE FOR ALL NOMINATED DIRECTORS*****Director Nominees**

The principal occupations and other information about the Board nominees for director and our incumbent Board members are set forth below:

**Class II Directors Terms Expiring at the 2018 Annual Meeting (if re-elected)**

<b>Name</b>	<b>Age</b>	<b>Position</b>
Walter G. Goodrich	56	Vice Chairman, Chief Executive Officer and Director
Patrick E. Malloy, III	72	Chairman
Michael J. Perdue	60	Director

*Walter G. Gil Goodrich* became Vice Chairman of our Board in 2003. He has served as our Chief Executive Officer since 1995. Mr. Goodrich was Goodrich Oil Company's Vice President of Exploration from 1985 to 1989 and its President from 1989 to 1995. He joined Goodrich Oil Company, which held interests in and served as operator of various properties owned by a predecessor of the Company, as an exploration geologist in 1980. Gil Goodrich is the son of Henry Goodrich, our late Chairman Emeritus, Director. He has served as a director since 1995. Mr. Goodrich's invaluable perspective as our top executive officer on the Board and his experience as a geologist and a businessman led to his nomination to serve as a director.

*Patrick E. Malloy, III* became Chairman of the Board of Directors in 2003. He has been President and Chief Executive Officer of Malloy Enterprises, Inc., a real estate and investment holding company, and Malloy Real Estate, Inc. since 1973. In addition, Mr. Malloy served as a director of North Fork Bancorp (NYSE) from 1998 to 2002 and was Chairman of the Board of New York Bancorp (NYSE) from 1991 to 1998. Mr. Malloy's previous experience as Chairman of the Board of New York Bancorp, Inc. makes him uniquely qualified to serve as Chairman of our Board. He is also very familiar with the oil and gas industry and areas in which we operate and contributes this knowledge to the Board. He joined the Company's Board in 2000.

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*Michael J. Perdue* has served as one of our directors since 2001. He is the President of PacWest Bancorp., a publicly traded holding company and of its subsidiary, Pacific Western Bank, both based in San Diego, California. Before assuming his present position in 2006, Mr. Perdue served as President and Chief Executive Officer of Community Bancorp Inc., from 2003. Over the course of his career, Mr. Perdue has held executive positions with several banking and real estate development organizations. His finance and business leadership skills from his career in the banking industry make him uniquely qualified to be a member of our Board as well as his qualifications as an audit committee financial expert under the SEC guidelines.

**Class III Directors Terms Expiring at the 2016 Annual Meeting**

<b>Name</b>	<b>Age</b>	<b>Position</b>
Robert C. Turnham, Jr.	57	President, Chief Operating Officer and Director
Arthur A. Seeligson	56	Director
Stephen M. Straty	59	Director

*Robert C. Turnham, Jr.* has served as our Chief Operating Officer since 1995. He became President and Chief Operating Officer in 2003. He has held various positions in the oil and natural gas business since 1981. From 1981 to 1984, Mr. Turnham served as a financial analyst for Pennzoil. In 1984, he formed Turnham Interests, Inc. to pursue oil and natural gas investment opportunities. From 1993 to 1995, he was a partner in and served as President of Liberty Production Company, an oil and natural gas exploration and production company. He has served as a director since 2006. Mr. Turnham brings invaluable oil and gas operating experience to the Board. Additionally, he has held various executive management positions in the oil and natural gas business since 1981 and is able to assist the Board in creating and evaluating the Company's strategic plan. For these reasons, Mr. Turnham has been nominated to serve as a director.

*Arthur A. Seeligson* has served as one of our directors since 1995 and brings his knowledge of the oil and gas industry to the Board. He has been the Managing Partner of Seeligson Oil Co. Ltd. since 1996 and also manages a family investment office in Houston. Previously, Mr. Seeligson was an investment banker focused on the oil and gas industry. For these reasons, Mr. Seeligson has been nominated to serve as a director.

*Stephen M. Straty* has served as one of our directors since 2009. He is the Americas Co-Head of Energy Investment Banking at Jefferies & Company, Inc. Mr. Straty joined the firm in 2008 and has 30 years of experience in finance, previously serving as Senior Managing Director and Head of the Natural Resources Group at Bear, Stearns & Co., Inc. where he worked for 17 years. Mr. Straty has extensive experience in serving a broad array of energy clients, having completed over \$40.0 billion in merger and acquisition and financing assignments during the past ten years. Mr. Straty brings significant experience in both the finance and energy industries to the board. For these reasons, Mr. Straty has been nominated to serve as a director.

**Class I Directors Terms Expiring at the 2017 Annual Meeting**

<b>Name</b>	<b>Age</b>	<b>Position</b>
Josiah T. Austin	67	Director
Peter D. Goodson	72	Director
Gene Washington	68	Director

*Josiah T. Austin* is the managing member of El Coronado Holdings, L.L.C., a privately owned investment holding company. He and his family own and operate agricultural properties in the state of Arizona and northern Sonora, Mexico through El Coronado Ranch & Cattle Company, L.L.C. and other entities. Mr. Austin previously served on the Board of Directors of Monterey Bay Bancorp of Watsonville, California, and is a prior board member of New York Bancorp, Inc., which merged with North Fork Bancorporation in 1998. He is an active investor in publicly traded financial institutions and is currently on The Board of Directors of Novogen, LTD and Protea Biosciences Group Inc. Mr. Austin brings his many years of experience as a successful rancher and independent businessman to the Board as well as his experience serving on numerous corporate and civic boards, including other publicly traded companies. He became one of the Company's directors in 2002.



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*Peter D. Goodson* has been a lead member of the Mekong Capital Advisory Board, a Vietnamese private equity firm since 2010, an operating partner of Dubilier & Company since 1998 and a visiting lecturer at Haas Business School of the University of California, Berkeley, and the Berkeley-Columbia program where he has lectured since January 2004. Mr. Goodson is a former director of dELiA\*s, Inc., Montgomery Ward & Co., Kidder, Peabody & Co., Broadgate Consultants, Silicon Valley Bancshares, the former New York Bancorp, Inc., and Dial Industries. Mr. Goodson brings his years of experience in advising corporate leaders in a variety of industries on a range of complex strategic, financial and business performance issues to the Board. He was elected to the Company's Board of Directors in 2011.

*Gene Washington* is the former Director of Football Operations with the National Football League (NFL) in New York. He previously served as a professional sportscaster and as Assistant Athletic Director for Stanford University prior to assuming his position with the NFL in 1994. Mr. Washington serves and has served on numerous corporate and civic boards, including serving as a director of the former New York Bancorp, a NYSE listed company. Mr. Washington contributes to the Board leadership skills that he honed throughout his career in the NFL. He was elected to the Company's Board of Directors in 2003.

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**PROPOSAL NO. 2 RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED ACCOUNTING FIRM**

Although stockholder approval is not required for the appointment of Ernst & Young LLP, the Board and the Audit Committee have determined that it is desirable as a good corporate governance practice. Ratification requires the affirmative vote of a majority of the shares entitled to vote and represented in person or by proxy at the Annual Meeting. If our stockholders do not ratify the appointment, the Audit Committee may reconsider the appointment. However, even if the appointment is ratified, the Audit Committee, in its discretion, may select different independent auditors if it subsequently determines that such a change would be in the best interest of us and our stockholders.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting and will have an opportunity to make a statement if such representative desires to do so and will be available to respond to appropriate questions from stockholders at the Annual Meeting.

**Recommendation of the Board**

***OUR BOARD UNANIMOUSLY RECOMMENDS VOTING FOR***

***THE RATIFICATION OF THE SELECTION OF ERNST & YOUNG LLP FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015***

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### **PROPOSAL NO. 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Board recognizes that executive compensation is an important matter for our stockholders. As described in detail in the Compensation Discussion and Analysis (CD&A) section of this proxy statement, the Compensation Committee is tasked with the implementation of our executive compensation philosophy, and the core of that philosophy has been and continues to be to pay our executive officers based on our performance. In particular, the Compensation Committee strives to attract, retain and motivate exceptional executives, to reward past performance measured against established goals and provide incentives for future performance, and to align executives' long-term interests with the interests of our stockholders. To do so, the Compensation Committee uses a combination of short- and long-term incentive compensation to reward near-term excellent performance and to encourage executives' commitment to our long-range, strategic business goals.

#### **2014 Advisory Vote on Executive Compensation**

The Company provides its stockholders with the opportunity to cast an annual advisory vote on executive compensation (the Say-On-Pay Proposal). We obtained majority support for our Say-On-Pay Proposal at the Company's annual meeting of stockholders held in May 2014, as approximately 69% of stockholders voting on the proposal voted for it. In recognition of these voting results, the compensation committee reviewed the executive compensation programs and policies initiated after the 2013 Say-On-Pay vote and took the following actions: (i) reaffirmed the use of performance shares and the Company's TSR as a factor in the executive compensation program; (ii) adopted an executive incentive compensation recoupment policy; and (iii) directed management to continue the stockholder outreach program.

#### **Summary of 2014 Executive Compensation**

In 2013, the Committee decided to enhance the pay-for-performance component of our compensation program by implementing a new program whereby approximately 50% of executives' long-term equity based incentives were grants of phantom stock that are tied to the performance of the Company's stock compared to that of its peers. We believe this program helps further align executive compensation with shareholder interests.

The decline in our stock price had the following direct effects on our executive compensation program:

no discretionary bonus was paid to our NEOs for 2014 (however a cash bonus was paid upon the achievement of certain operational targets);

no awards of performance shares were issued to our NEOs; and

the annual grant of time-vested restricted stock to our NEOs was at a level that was 50% less than our projected target.

As a result of these events, our CEO's total compensation decreased 57% and our NEO's total compensation decreased an average of 55% year over year.

#### **Stockholder Outreach Program**

We continued the stockholder outreach program which was initiated prior to our 2014 Annual Meeting with several productive discussions regarding the results of the changes to executive compensation on 2014 payouts. We invited our top 25 institutional stockholders who collectively represented approximately 52% of our outstanding shares, to a dialogue regarding their views, opinions, and proxy voting guidelines with respect to companies' executive compensation programs and disclosures. The discussions included topics such as CEO compensation, compensation disclosure, equity award composition and other non-compensation corporate governance issues. The Company intends to continue this outreach program going forward to facilitate continued stockholder input into the Company's compensation philosophy and governance practices as needed in future years.

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As described in the CD&A, we believe our compensation program is effective, appropriate and strongly aligned with the long-term interests of our stockholders and that the total compensation packages provided to the named executive officers are reasonable in the aggregate. As you consider this Proposal No. 3, we urge you to read the CD&A section of this proxy statement for additional details on executive compensation, including the more detailed information about our compensation philosophy and objectives and the past compensation of the named executive officers, and to review the tabular disclosures regarding named executive officer compensation together with the accompanying narrative disclosures in the Executive Compensation section of this proxy statement.

As an advisory vote, Proposal No. 3 is not binding on the Board or the Compensation Committee, will not overrule any decisions made by the Board or the Compensation Committee, and will not require the Board or the Compensation Committee to take any action. Although the vote is non-binding, the Board and the Compensation Committee value the opinions of our stockholders, and will carefully consider the outcome of the vote when making future compensation decisions for executive officers.

We are asking stockholders to vote **FOR** the following resolution:

**RESOLVED**, that the stockholders approve, on an advisory basis, the compensation philosophy, policies and procedures and the compensation of the named executive officers as disclosed in this Proxy Statement for Goodrich Petroleum Corporation's 2015 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table for 2014 and the other related tables and disclosure required by Item 402 of Regulation S-K.

**Recommendation of the Board**

**OUR BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT.**

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### **PROPOSAL NO. 4**

#### **Introduction**

The Goodrich Petroleum Corporation 2006 Long-Term Incentive Plan (as amended, the 2006 Plan ) was approved by our stockholders on May 18, 2006. The 2006 Plan is a broad-based incentive stock plan that provides for grants of stock options, stock appreciation rights ( SARs ), restricted stock, phantom shares, performance awards, and stock payments to our employees, consultants and non-employee directors and to employees and consultants of our subsidiaries. The 2006 Plan, as initially approved by our stockholders, authorized the delivery of 2,000,000 shares of our common stock ( Shares ) pursuant to awards.

At our 2011 Annual Meeting, the stockholders approved the First Amendment to the 2006 Plan, which (i) increased the number of Shares available for delivery pursuant to awards under the 2006 Plan to a total of 4,000,000 Shares and (ii) extended the term of the 2006 Plan to May 19, 2021.

At our 2014 Annual Meeting, the stockholders approved the Second Amendment to the 2006 Plan, which (i) increased the number of Shares available for delivery pursuant to awards under the 2006 Plan to a total of 6,250,000, (ii) extended the term of the Plan to May 20, 2024 and (iii) increased the individual award limits so that the maximum amount of cash-denominated Performance Awards that may be granted to any participant during any calendar year may not exceed \$5,000,000.

The Third Amendment would (i) increase the number of Shares available for delivery pursuant to awards under the 2006 Plan by an additional 775,000 Shares, and (ii) extend the term of the 2006 Plan to May 5, 2025. Our Board of Directors (the Board ) has unanimously approved this Third Amendment to the 2006 Plan, subject to its approval by the stockholders of the Company.

#### **Reasons for the Proposal**

Over the last four years we have awarded an average of approximately 900,000 Shares of grant awards each year under the 2006 Plan. As of March 10, 2015, we estimate that only 1,187,500 of the approved 6,250,000 Shares remained available under the 2006 Plan for new grants. The Company's continued success is contingent upon our ability to recruit, develop, motivate and retain top talent with the requisite skills and experience to develop, expand and execute our business strategy. The ability to grant a combination of pure time-vested phantom stock and performance awards of phantom stock, enhances our ability to retain and motivate our employees.

In connection with the approval of the amendment and restatement, stockholders are also being asked to approve the material terms of the performance goals for performance awards that may be granted under the 2006 Plan. Under Section 162(m) of the Internal Revenue Code of 1986, as amended ( Code ), the federal income tax deductibility of compensation paid to our chief executive officer and three other most highly compensated officers other than our chief executive officer or chief financial officer (each, a Covered Employee ) may be limited to the extent such Covered Employee's compensation exceeds \$1,000,000 in any taxable year. However, we may deduct compensation paid to a Covered Employee in excess of that amount if it qualifies as performance-based compensation as defined in Section 162(m). For awards under the 2006 Plan to constitute performance-based compensation, among other things, the material terms of the performance goals under the 2006 Plan must be disclosed to, and approved by, the Company's stockholders. Under the Treasury regulations issued under Section 162(m), the material terms of the performance goals under the 2006 Plan ( Performance Goal Terms ) are (i) the maximum amount of compensation that may be paid to an individual participant under the 2006 Plan pursuant to awards intended to qualify as performance-based compensation under Section 162(m) in any specified period, (ii) the employees eligible to receive compensation under the 2006 Plan, and (iii) the business criteria on which the performance goals may be based, each of which is described in the summary of the material features of the 2006 Plan below. Stockholder approval of this Proposal No. 4 will constitute re-approval of the material terms of the performance goals under the 2006 Plan for purposes of Section 162(m). Nevertheless, there can be no guarantee that compensation under the 2006 Plan will ultimately

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be treated as qualified performance-based compensation under Section 162(m). The Company may also elect to grant awards under the 2006 Plan that are not intended to qualify as performance-based compensation under Section 162(m).

Assuming the presence of a quorum, the affirmative vote of a majority of the Shares present, in person or by proxy, to vote at the Annual Meeting is necessary for approval of the Third Amendment.

### **Consequences of Failing to Approve the Proposal**

Failure of the Company's stockholders to approve Proposal No. 4 will not affect the rights of holders of existing awards under the 2006 Plan. The 2006 Plan shall continue regardless of the outcome of the stockholder vote. However, if this Proposal is not approved, new grants under the 2006 Plan will be limited. In addition, the Company may need to find other ways to attract and retain key employees.

### **Summary of the 2006 Plan**

Below is a summary of the more significant features of the 2006 Plan, as it would be amended by the Third Amendment. This summary is qualified in its entirety by reference to the full text of the 2006 Plan and the proposed Third Amendment, which are included in this proxy statement as Annex A.