

NEWFIELD EXPLORATION CO /DE/  
Form DEF 14A  
March 29, 2017  
**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

**NEWFIELD EXPLORATION COMPANY**

*(Name of Registrant as Specified In Its Charter)*

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

**Payment of Filing Fee (Check the appropriate box):**

**No fee required.**

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

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

- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

**Fee paid previously with preliminary materials.**

**Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.**

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:



**TABLE OF CONTENTS**

<b><u>Important Notice Regarding the Availability of Proxy Materials For the Annual Meeting of Stockholders to Be Held on May 16, 2017</u></b>	<b><u>5</u></b>
<u>Forward-Looking Statements</u>	<u>5</u>
<b><u>Proxy Statement Summary</u></b>	<b><u>6</u></b>
<b><u>Proposal 1: Election of Directors</u></b>	<b><u>9</u></b>
<u>How Nominees Are Selected</u>	<u>9</u>
<u>Director Nominees</u>	<u>10</u>
<u>Board Recommendation</u>	<u>15</u>
<b><u>Corporate Governance</u></b>	<b><u>16</u></b>
<u>Proxy Access Nominations and Stockholder Recommendations of Director Nominees</u>	<u>16</u>
<u>Director Independence</u>	<u>17</u>
<u>Board Leadership Structure</u>	<u>17</u>
<u>Governance Policies and Practices</u>	<u>18</u>
<u>Board Committees</u>	<u>19</u>
<u>Related Person Transactions</u>	<u>21</u>
<u>Codes and Corporate Governance Documents</u>	<u>21</u>
<b><u>Director Compensation</u></b>	<b><u>22</u></b>
<u>Director Compensation Program</u>	<u>22</u>
<u>Director Compensation Table</u>	<u>23</u>
<b><u>Security Ownership of Certain Beneficial Owners and Management</u></b>	<b><u>23</u></b>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>24</u>
<b><u>Executive Compensation</u></b>	<b><u>25</u></b>
<u>Compensation Discussion and Analysis</u>	<u>25</u>
<u>Compensation &amp; Management Development Committee Report</u>	<u>42</u>
<b><u>Executive Compensation Tables</u></b>	<b><u>43</u></b>
<u>Summary Compensation Table</u>	<u>43</u>
<u>Grants of Plan-Based Awards in 2016</u>	<u>44</u>
<u>Outstanding Equity Awards at December 31, 2016</u>	<u>45</u>
<u>Stock Vested in 2016</u>	<u>46</u>
<u>Nonqualified Deferred Compensation</u>	<u>46</u>
<u>Potential Payments Upon Termination or Change of Control</u>	<u>47</u>
<u>Equity Compensation Plan Information</u>	<u>51</u>

<b><u>Proposal 2: Non-Binding Advisory Vote to Approve Named Executive Officer Compensation</u></b>	<b><u>52</u></b>
<u>Board Recommendation</u>	<u>52</u>
<b><u>Proposal 3: Non-Binding Advisory Vote to Approve the Frequency of Future “Say-on-Pay” Votes</u></b>	<b><u>53</u></b>
<u>Board Recommendation</u>	<u>53</u>
<b><u>Proposal 4: Ratification of Appointment of Independent Auditor</u></b>	<b><u>53</u></b>
<u>Board Recommendation</u>	<u>53</u>
<b><u>Audit Committee Report</u></b>	<b><u>54</u></b>
<b><u>Principal Accounting Fees and Services</u></b>	<b><u>54</u></b>
<b><u>Proposal 5: Approval of the Newfield Exploration Company 2017 Omnibus Incentive Plan</u></b>	<b><u>55</u></b>
<u>Board Recommendation</u>	<u>61</u>
<b><u>Proposal 6: Approval of Material Terms of the 2017 Omnibus Incentive Plan to Comply with the Stockholder Approval Requirements of Section 162(m) of the Internal Revenue Code</u></b>	<b><u>62</u></b>
<u>Board Recommendation</u>	<u>64</u>
<b><u>Proposal 7: Approval of the Newfield Exploration Company Amended and Restated 2010 Employee Stock Purchase Plan</u></b>	<b><u>65</u></b>
<u>Board Recommendation</u>	<u>68</u>
<b><u>Questions and Answers about the Meeting</u></b>	<b><u>69</u></b>
<u>Logistics</u>	<u>69</u>
<u>Voting by Direct Stockholders</u>	<u>69</u>
<u>Voting by Brokers and Other Representatives</u>	<u>70</u>
<u>Proxy Solicitation</u>	<u>71</u>
<u>Proxy Materials</u>	<u>71</u>
<u>Annual Meeting Voting Results</u>	<u>72</u>
<u>Stockholder List</u>	<u>72</u>
<u>Stockholder Proposals for 2018 Annual Meeting and Director Nominations</u>	<u>73</u>
<b><u>Appendix A: Newfield Exploration Company 2017 Omnibus Incentive Plan</u></b>	<b><u>74</u></b>
<b><u>Appendix B: Newfield Exploration Company Amended and Restated 2010 Employee Stock Purchase Plan</u></b>	<b><u>86</u></b>
<b><u>Appendix C: Explanation and Reconciliation of Non-GAAP Financial Measures</u></b>	<b><u>93</u></b>

**NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS**

**HAVING BEEN AUTHORIZED. THE DELIVERY OF THIS PROXY STATEMENT SHALL, UNDER NO CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE THE DATE OF THIS PROXY STATEMENT.**

[Back to Contents](#)

DEAR STOCKHOLDERS:

Since the beginning of 2014, Newfield has differentiated itself during a period of low commodity prices—proving our ability to quickly adapt and innovate. Our stock outperformed our energy peers by 89% during this time as investors rewarded liquidity, a valuable derivatives position and a proven management team. We enter 2017 with an improved asset portfolio, better domestic cost structure and a stronger balance sheet.

I am pleased to invite you to join us for our 2017 Annual Meeting of Stockholders, which will be held at 8:00 a.m. Central Daylight Time on May 16, 2017. As in past years, the Annual Meeting will be held online so that all stockholders, regardless of location, can participate. By logging in to our webcast, you will be able to hear our presentation, submit questions and vote on all seven proposals to be considered at the meeting.

**LEE K.  
BOOTHBY**

Even if you plan to attend the virtual meeting, we urge you to vote in advance. The attached Notice of Annual Meeting of Stockholders and Proxy Statement explains how you can vote and participate in the meeting and review the business we plan to conduct.

We are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials (Notice) rather than full copies of these documents. Offering proxy materials online allows us to provide our stockholders with readily accessible information without the cost or environmental impact of printed materials. The Notice explains how to access our 2016 Annual Report, 2017 Proxy Statement and proxy card online, as well as how to request an optional paper copy of these materials. All stockholders who do not receive a Notice should receive a paper copy of the proxy materials by mail.

Your vote is very important to us. We encourage you to sign and return your proxy card or vote by telephone or Internet as soon as possible so that your shares will be represented and voted at the meeting. Voting instructions appear on page 69.

I hope you are able to join the virtual meeting. Thank you for your investment in Newfield Exploration Company.

**Sincerely,**

**LEE K. BOOTHBY**

Chairman of the Board,

President and CEO

Newfield Exploration Company • 2017 PROXY STATEMENT 3



[Back to Contents](#)

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

**May 16, 2017**

8:00 a.m. Central Daylight Time via live webcast

The 2017 Annual Meeting of Stockholders of Newfield Exploration Company will be held at 8:00 a.m. Central Daylight Time on May 16, 2017, via live webcast through the link [www.virtualshareholdermeeting.com/NFX2017](http://www.virtualshareholdermeeting.com/NFX2017) for the following purposes:

1. To elect the Board of Directors for the coming year;
2. To hold an advisory vote to approve the compensation of Newfield's named executive officers (NEOs);
3. To determine, on an advisory basis, the frequency with which Newfield will hold future "say-on-pay" votes;
4. To ratify the appointment of PricewaterhouseCoopers LLP as Newfield's independent auditor for the year-ending December 31, 2017;
5. To approve the Newfield Exploration Company 2017 Omnibus Incentive Plan;
6. To approve the material terms of the 2017 Omnibus Incentive Plan to comply with the stockholder approval requirements of Section 162(m) of the Internal Revenue Code;
7. To approve the Newfield Exploration Company Amended and Restated 2010 Employee Stock Purchase Plan to increase the authorized number of shares under the plan by 2,000,000; and
8. To transact any other business that may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

The close of business on March 20, 2017, has been fixed as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the Annual Meeting or any adjournments or postponements thereof. This Notice, Proxy Statement and the form of proxy or voting instruction card are first being sent or made available to stockholders on or about March 29, 2017.

March 29, 2017

By order of the Board of Directors,

**TIMOTHY D. YANG**

General Counsel and Corporate Secretary

Newfield Exploration Company • 2017 PROXY STATEMENT 4

[Back to Contents](#)

**YOUR VOTE IS IMPORTANT**

You may vote online or over the phone using the instructions on the Notice, or, if you received a paper copy of the proxy card, by signing and returning it in the envelope provided. You will need the 12-digit control number provided on the Notice of Internet Availability of Proxy Materials or your proxy card to vote at the meeting. You may revoke your proxy at any time before the Annual Meeting by following the instructions in this Proxy Statement. You may also attend the Annual Meeting virtually and vote on the proposals when presented.

Important Notice Regarding the Availability of Proxy Materials For the Annual Meeting of Stockholders to Be Held on May 16, 2017

The Notice of the 2017 Annual Meeting, the Proxy Statement and our 2016 Annual Report and Form 10-K are available at:

*<http://www.proxyvote.com>*

**FORWARD-LOOKING STATEMENTS**

Some of the amounts set forth in this Proxy Statement in the disclosure regarding executive compensation are forward-looking statements within the meaning of the federal securities laws. These statements include estimates of future amounts payable under awards, plans and agreements or the present value of future amounts, as well as the estimated value at December 31, 2016, of awards that may vest based on future performance. Estimating future payments is necessarily subject to contingencies and uncertainties, many of which are difficult to predict. In order to estimate future payments, we make assumptions as to a number of variables, which may, and in many cases will, differ from future actual conditions. These variables include the price of our common stock, the date of termination of employment, final pay, interest rates, applicable tax rates and other assumptions. Accordingly, amounts and awards paid out in future periods may vary from the related estimates and values set forth in this Proxy Statement.

[Back to Contents](#)

## PROXY STATEMENT SUMMARY

*This Proxy Statement Summary highlights information contained elsewhere in this document. Please read the entire Proxy Statement carefully before voting.*

### Annual Meeting of Stockholders

<b>TIME AND DATE:</b> 8:00 a.m. Central Daylight Time on Tuesday, May 16, 2017	<b>PLACE</b> Via live webcast through the link <a href="http://www.virtualshareholdermeeting.com/NFX2017">www.virtualshareholdermeeting.com/NFX2017</a>	<b>RECORD DATE:</b> March 20, 2017
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### VOTING:

Stockholders as of the record date are entitled to vote.

Vote by Internet at <http://www.proxyvote.com> at 1-800-690-6903 proxy card or voter instruction card

Vote by telephone Vote by completing and returning your

Vote during the meeting via the Internet at [www.virtualshareholdermeeting.com/NFX2017](http://www.virtualshareholdermeeting.com/NFX2017). You will need the 12-digit control number provided on the Notice of Internet Availability of Proxy Materials or your proxy card.

**We urge you to vote before the meeting.**

### Voting Matters

#### PROPOSAL 1 Election of Directors

### BOARD RECOMMENDATION

**Voting Standard:** Majority of the votes cast with respect to each director, meaning the number of shares voted “for” that director must exceed the number of votes “against” that director. Abstentions and broker non-votes will have no effect in determining whether or not a director is elected. **each director nominee**

#### PROPOSAL 2 Non-Binding Advisory Vote to Approve Named Executive Officer Compensation

**Voting Standard:** Majority of votes cast on the proposal. Abstentions and broker non-votes will have no effect in determining whether the proposal is approved.

**PROPOSAL 3 Non-Binding Advisory Vote to Approve the Frequency of Future “Say-on-Pay” Votes**

**Voting Standard:** Majority of votes cast on the proposal. Abstentions and broker non-votes will have no effect in determining whether the proposal is approved. Because this proposal has three possible substantive responses (every one year, every two years or every three years), if none of the frequency alternatives receives the majority of votes cast, then we will consider stockholders to have approved the frequency selected by holders of a plurality of votes cast. **an annual vote**

**PROPOSAL 4 Ratification of Appointment of Independent Auditor**

**Voting Standard:** Majority of votes cast on the proposal. Abstentions will have no effect in determining whether the proposal is approved. Because your broker has discretion to vote your shares on the proposal in the absence of voting instructions from you, there will be no broker non-votes.

**PROPOSAL 5 Approval of the Newfield Exploration Company 2017 Omnibus Incentive Plan**

**Voting Standard:** Majority of votes cast on the proposal. Abstentions are treated as votes cast and will have the same effect as a vote against this proposal (in accordance with applicable NYSE standards). Broker non-votes will have no effect in determining whether the proposal is approved.

**PROPOSAL 6 Approval of Material Terms of the 2017 Omnibus Incentive Plan to Comply with the Stockholder Approval Requirements of Section 162(m) of the Internal Revenue Code**

**Voting Standard:** Majority of votes cast on the proposal. Abstentions and broker non-votes will have no effect in determining whether the proposal is approved.

**PROPOSAL 7 Approval of the Newfield Exploration Company Amended and Restated 2010 Employee Stock Purchase Plan**

**Voting Standard:** Majority of votes cast on the proposal. Abstentions and broker non-votes will have no effect in determining whether the proposal is approved.

Newfield Exploration Company • 2017 PROXY STATEMENT 6

[Back to Contents](#)

## Corporate Governance Highlights

The Board is responsible for, and believes in, overseeing Newfield's assets and business affairs in an honest, fair, diligent and ethical manner driven by best corporate governance principles, including the following:

**Director Nominees**

The following table provides summary information about each director nominee. Each director stands for election annually. More detailed information about each director's background, skill set and areas of expertise can be found beginning on page 11.

Name	Director		Independent Occupation	Committee Memberships	Other Public Company Boards
	Age	Since			
<b>Lee K. Boothby</b>	55	2009	Chairman, President and CEO, Newfield Exploration Company	<ul style="list-style-type: none"> <li>• None</li> </ul>	None
<b>Steven W. Nance (Lead Director)</b>	60	2013	President and Manager, Steele Creek Energy, LLC	<ul style="list-style-type: none"> <li>• Nominating &amp; Corporate Governance (Chair)</li> <li>• Operations &amp; Reserves</li> <li>• Audit</li> </ul>	Cloud Peak Energy
<b>Pamela J. Gardner</b>	60	2005	CEO, Your Mind at Work	<ul style="list-style-type: none"> <li>• Nominating &amp; Corporate Governance</li> <li>• Audit</li> </ul>	None
<b>Roger B. Plank</b>	60	2015	Founder and CEO, Apex International Energy Management, LLC	<ul style="list-style-type: none"> <li>• Operations &amp; Reserves</li> <li>• Audit (Chair)</li> </ul>	Parker Drilling
<b>Thomas G. Ricks</b>	64	1992	CIO, H&S Ventures L.L.C.	<ul style="list-style-type: none"> <li>• Nominating &amp; Corporate Governance</li> </ul>	None
<b>Juanita M. Romans</b>	66	2005	CEO, The Romans Group	<ul style="list-style-type: none"> <li>• Compensation &amp; Management</li> </ul>	None

				Development	
				• Nominating & Corporate Governance	
<b>John (Jack)</b>				• Operations & Reserves (Chair)	
<b>W. Schanck</b>	65	2013	Retired	• Compensation & Management Development	None
<b>J. Terry Strange</b>	73	2004	Retired	• Compensation & Management Development (Chair)	Group 1 Automotive, Inc., New Jersey Resources Corporation and BBVA Compass Bancshares, Inc.
<b>J. Kent Wells</b>	60	2015	Retired	• Audit • Compensation & Management Development	None
				• Operations & Reserves	



[Back to Contents](#)

Executive Compensation Highlights

Total Stockholder Return (TSR) Performance

Following a five-year period (2010-2014) of exceptional strength and consistency, crude oil prices began collapsing in late 2014. The price of oil (NYMEX WTI) reached a low of approximately \$26 per barrel in February 2016, as compared to approximately \$107 per barrel in mid-2014. Natural gas prices also experienced significant declines in 2014-2016, as the NYMEX Henry Hub natural gas price during that period ranged from a high of approximately \$6.15 per MMBtu in February 2014 to a low of approximately \$1.64 per MMBtu in March 2016 (the lowest price since February 1999). Despite these significant challenges, we excelled on TSR performance over the past three years versus a group of our peers in the E&P industry that we are likely to be compared against (the E&P Peer Group).

We believe that our strong balance sheet, operational execution, timely acquisitions and divestitures and the continued positive results in SCOOP and STACK have helped to differentiate our story from our peers in the E&P Peer Group during this period of commodity price downturn. As a result, we had a gain in TSR of approximately 64% over the past three years ending December 31, 2016, versus an average decline of approximately 25% in the E&P Peer Group in the same period. The “Relative TSR Performance – 3 Year” chart below compares our TSR to the E&P Peer Group and highlights our exceptional performance over the past three years:

Compensation Program Overview

The Compensation Committee believes that a program weighted toward variable, at risk compensation helps align NEO and stockholder interests. The charts below illustrate the approximate mix of 2016 target total direct compensation for our CEO and other NEOs:



[Back to Contents](#)

**Proposal 1:** Election of Directors

How Nominees Are Selected

The Board has adopted “Director Selection Process and Guidelines” that establish criteria for nominating, screening and evaluating director candidates and nominees. The Nominating & Corporate Governance Committee (the “Governance Committee”) recommends director nominees for approval by the full Board. The Governance Committee considers candidates suggested by its members, other directors, senior management and stockholders in anticipation of upcoming director elections and actual or expected Board vacancies. The Governance Committee is authorized, at Newfield’s expense, to retain search firms, consultants, and any other advisers it deems appropriate to identify and screen potential candidates, including those nominated or recommended by its members, other directors, senior management and stockholders.

The Governance Committee reviews the size and structure of the Board and considers director tenure, skills and experience in determining the slate of nominees and as part of director succession planning. When evaluating candidates, the Governance Committee (i) considers the general needs of the Board and Newfield; (ii) consults with the Chairman, President and CEO, Lead Director, other Board members and key members of senior management; (iii) considers the results of recent Board and Governance Committee self-evaluations; (iv) identifies needed skill sets due to upcoming retirements and anticipated vacancies; and, (v) if needed, consults with external advisors.

The Governance Committee seeks a balanced representation of core competencies important to the Board’s oversight role for the long-term success of Newfield’s business strategies. The Governance Committee endeavors to find candidates of high integrity who have a solid reputation and record of accomplishment in their chosen fields and who display the independence of mind and strength of character to effectively represent the best interests of stockholders.

**All of our Directors Exhibit the Following Qualifications:**

personal and professional integrity and business ethics;  
strength of character and judgment;  
ability and willingness to devote sufficient time to Board duties;  
potential contribution to the diversity and culture of the Board;  
business and professional achievements and experience;  
ability to represent the interests of all stockholders;  
strategic vision and leadership experience at a policy making level;